

VT HALO GLOBAL ASIAN CONSUMER FUND

January 2024 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st January 2024

Portfolio Description

The VT Halo Global Asian Consumer Fund aims to achieve an annualised total return before fees of 8-12% over the period of an economic cycle of typically 5-7 years. This will be achieved from investing in companies globally which are exposed to the growth of the Asian middle class and the corresponding rise in their consumption.

Fund Manager's Comments

The Fund (B £ Acc class) fell 2.6% in January in a month that saw global equities roughly flat whilst India outperformed the region with the MSCI India +2.7% in USD. The Hong Kong markets remained under pressure with the MSCI Hong Kong Index falling 8.7% in USD. Chinese data remained tepid with the official manufacturing PMI at 49.2, contracting for the past 4 sequential months. The PE de-rating has been significant in China with the MSCI China's 12 month forward PE now at c8x, the lowest in Asia.

Whilst there are no easy solutions to the structural issues that the Chinese economy faces, we feel the selling has been indiscriminate with stocks such as AIA, Asia's largest listed pan-Asian life insurance group trading at a 12-month forward PE of c12.5x, a decade low. AIA used to be viewed as a steady growth compounder, driven by structural demand for insurance products as the population got wealthier. However, the pandemic delayed the protection shift across Asia and the company saw business in its biggest market, Hong Kong halve between 2017 to 2022. To further add to its woes, the 2023 slowdown in the Chinese economy and pressure on the real estate market pressured new business growth in the whole insurance space. However, we continue to believe in the secular growth of Asian life insurance, where overall life insurance penetration ranges between 1% to 4% in most emerging Asian markets compared to 18% in Hong Kong, 10% in Singapore and 6/7% in Japan/South Korea. AIA is the only wholly owned foreign life insurance company in China, which according to Bernstein is the largest life insurance market in Asia and we expect China to remain an important market to AIA.

Over in Vietnam we had Q4 results from Techcombank with reported profits +25% yoy. Q4 credit growth was strong at +7% qoq and +22% yoy and management are positive on the outlook for 2024, indicating they expect decent double digit growth in profits, which we interpret as something close to 20%. Overall asset quality continues to improve for the bank, which eased investor concerns over TCB's exposure to property developers. To further help sentiment management indicated the bank may start paying a dividend in 2024, providing a yield of over 4%. In 2023 the group delivered an ROE of c15%, but despite this the bank trades at a P/B of c0.8x, 1 standard deviation below its 5-year average.

In India we had a mixed set of results from HDFC Bank with its pre-provisions operating profit in line with estimates at +24% yoy and net interest margins flat at 3.6% versus expectations of rising. The market's biggest concern was lack of margin improvement and weaker deposit growth which could limit loan growth if weak deposit growth becomes a structural issue. However, its current valuation at a P/B c2.5x and a P/E of 13x 12 month forward, for a 15% eps CAGR is highly attractive. Importantly, the most effective way to generate sticky retail deposits is via branch expansion and HDFC Bank has been adding branches at an average pace of c1400-1500 for the past few years. These branches should start to mature in 18-24 months generating hockey stick growth in its deposits. Margins should also gradually improve over the next 2 years as the bank improves its loans mix towards retail and replaces its high-cost liabilities acquired due to the merger of HDFC Ltd, with lower cost deposits.

B £ Acc NAV 148.9p

Investment Manager: Halo Global Asset Management

Fund Manager: Andrew Williamson-Jones

ACD: Valu-Trac Investment Management Ltd.

Fund Type: UK UCITS IV OEIC

Launch Date: 3 Nov 2014

Classes: B, C

Base Currency: Sterling

Dealing & Valuation: Daily 12.00pm

Year End: 30 June

Management fee: B: 0.95% p.a.
C: 0.75% p.a.

ISIN:

B \$ Acc GB00BRWQWY25
B \$ Inc GB00BRJTG867
B £ Acc GB00BRWQWX18
B £ Inc GB00BRGCD571
B € Acc GB00BK9WNR45
B € Inc GB00BK9WNRQ38
C \$ Acc GB00BRWQX051
C \$ Inc GB00BRJTG974
C £ Acc GB00BRWQWZ32
C £ Inc GB00BRGCDT88
C € Acc GB00BK9WNT68
C € Inc GB00BK9WNS51

Asset Under Mgt \$83m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Refinitive Morningstar & Valu-Trac

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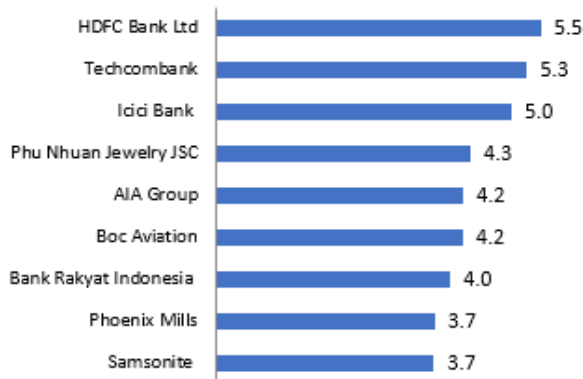
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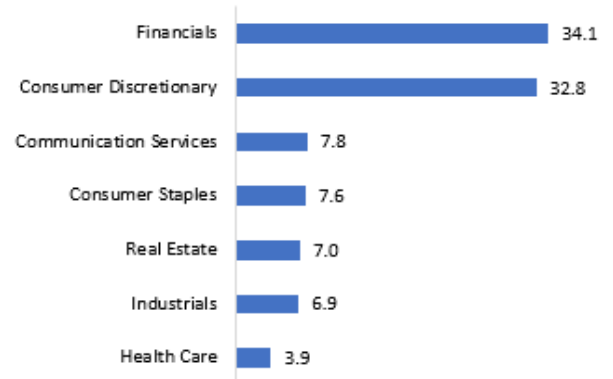


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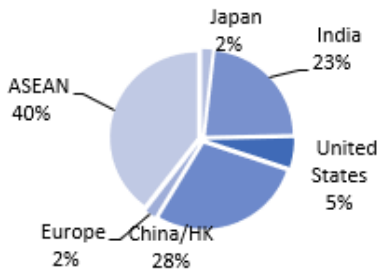
Top 10 Holdings (% of NAV)



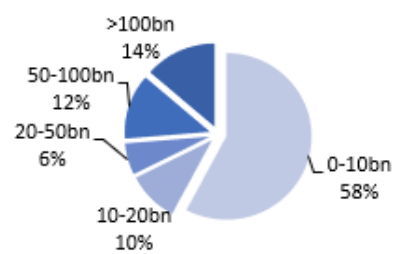
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)

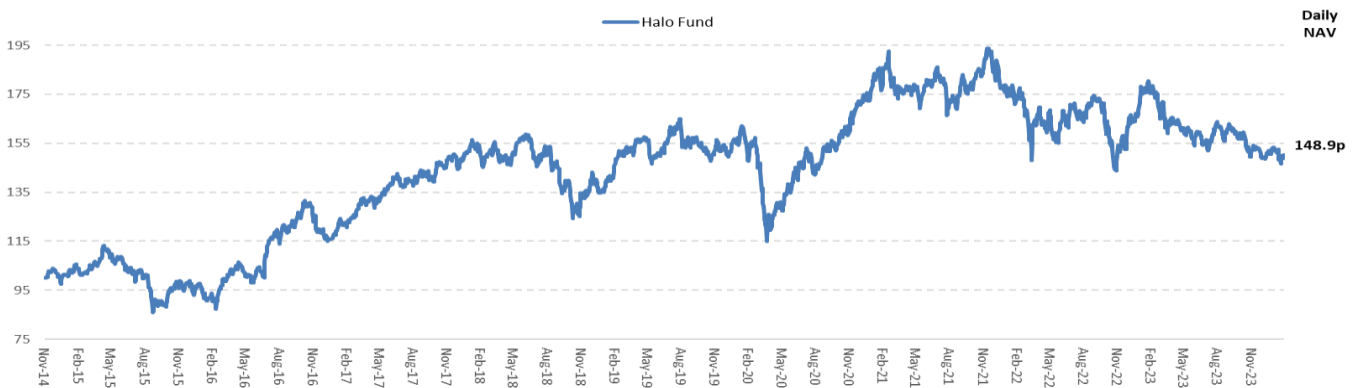


Annual Returns GBP (%)	2019	2020	2021	2022	2023
	14.1	13.9	1.0	-5.7	-9.2
Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	-2.6	-15.2	-15.6	3.8	48.9

NB: performance numbers are net of fees.

Fund Performance since Inception

Performance data shown is of the B £ Net Acc. share class. **Past performance is not a guarantee of future returns.** Data from Valu-Trac Administration Services and Reuters. This is for illustrative purposes only and in accordance with our Prospectus Halo does not benchmark against any index.



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