

VT HALO GLOBAL ASIAN CONSUMER FUND

October 2024 Fact Sheet



All Data at 12.00 GMT 31st October 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 3.2% in October partially giving up some of September's strong gains. The Fund's holdings in China retraced part of their September gains as enthusiasm faded around Chinese stimulus and doubts grew over the effectiveness. Indian equities were also weak with the MSCI India falling 3.9% in GBP terms. Foreign institutional investors sold over US\$10 bn of Indian equities during the month as downgrades outweighed upgrades in the current September reporting period. The worst of the downgrades are being seen in cement, oil & gas, mid-caps and consumer staples, whilst banks have been mostly better to in-line, relative to street expectations.

The Chinese economy meanwhile appears to be finding a bottom with the official manufacturing PMI rising above 50 to 50.1 in October. We believe the current stimulus measures may be enough to stabilise the economy and put a floor under the downward economic trajectory however, we are yet to be convinced it is enough to meaningfully reflate the economy. All eyes now remain fixed on the upcoming NPC meeting in the first week of November where expectations are for the approval of a RMB6tn for a local government debt swap, which is intended to help alleviate the pressure on local government balance sheets, in addition to RMB1tn for a bank capital injection. Whilst expectations remain low, all eyes are on the outcome of November's policy meeting.

Over to results and HDFC Bank reported a resilient set of 2QFY25 results, which were received with cheer given the broader backdrop of weak earnings. Profit after tax increased 5% yoy, whilst margins were flat. Most private banking peers reporting so far have reported increasing asset quality stress whilst HDFC, in a demonstration of its superior underwriting, reported credit costs of 44bps, flat qoq. Furthermore, having curtailed its unsecured lending in the past 18 months, it is now ramping up again at a time when the competition is retrenching, enabling it to gain market share.

In Vietnam Techcombank (TCB) the Fund's largest holding, reported net profit growth with improving asset quality trends. The bank booked net credit costs pf 47bps in the quarter, the lowest in the last 6 quarters with gross NPL formation also decelerating. TCB is one of the most profitable banks in ASEAN with an average ROA of 3% in the past 3 years, yet the bank's valuation remains compelling at only P/B 1x fwd. We believe that continued strong execution throughout the credit cycle should lead to a re-rating of the stock.

Elsewhere in the portfolio, we reduced our Indian mid-cap positions at the start of the month as we observed a slowdown in some of the high frequency economic activity indicators such as energy demand and freight movement. In addition, consumption data was also indicating a slowdown in urban consumption leading us to take profit on names such as KEI Industries and Phoenix Mills, which have seen PE multiples re-rate over the past few years. We also exited our position in Varun beverages, a stock which has risen over 900% since we bought it in September 2019. Whilst being a phenomenal performer for the fund, the competitive landscape has significantly changed with the entrance of Reliance's Campa Cola products priced at a disruptive price point. Hence, we decided to exit our position this month.

B £ Acc NAV 163p

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: 31st July

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

ISIN:

B \$ Acc	GB00BRWQWY25
B \$ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCDS71
B € Acc	GB00BK9WNR45
B € Inc	GB00BK9WNQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDD88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

Asset Under Mgt \$84.8m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

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

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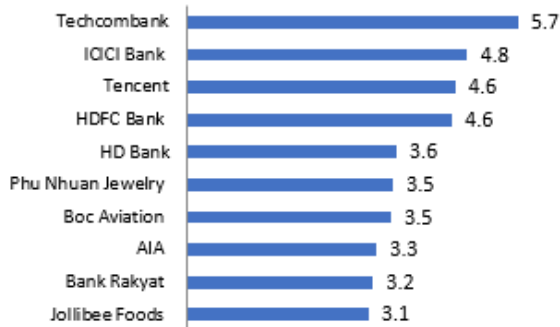
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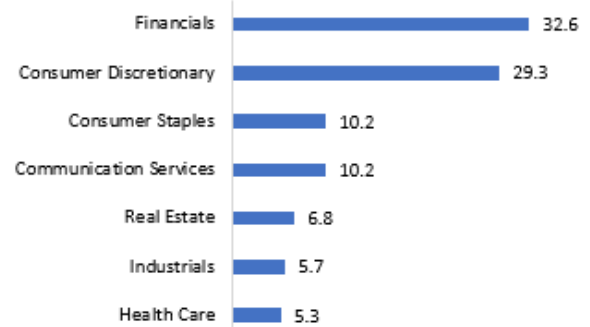


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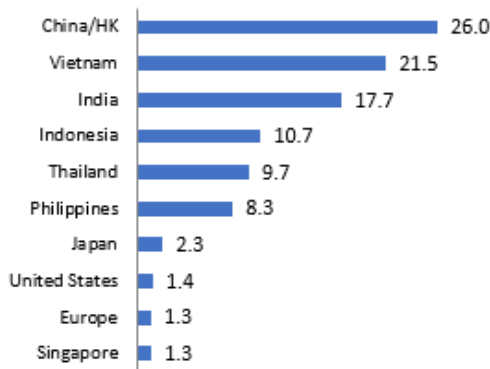
Top 10 Holdings (% of NAV)



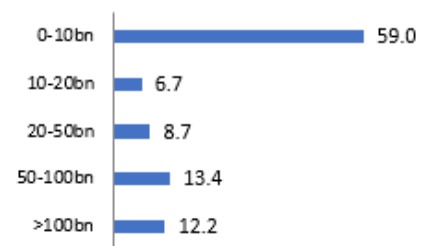
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)



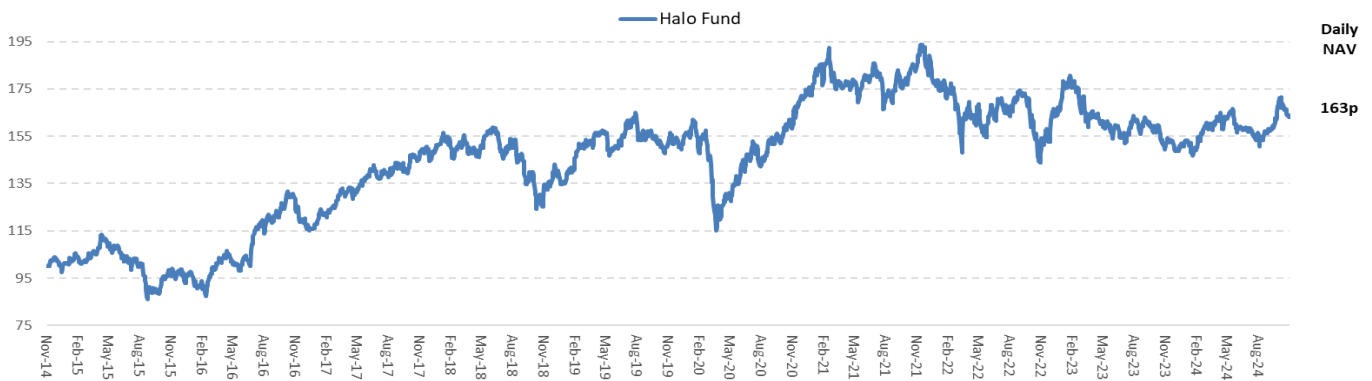
Annual Returns GBP (%)	2019	2020	2021	2022	2023
	14.1	13.9	1.0	-5.7	-9.2

Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	6.6	9.1	-10.5	8.3	63.0

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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