

# VT HALO GLOBAL ASIAN CONSUMER FUND

## September 2015 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 Sept. 2015

### Portfolio Description

The VT Halo Global Asian Consumer Fund aims to achieve an annualised total return before fees of 8-12% over the long term. Primarily from investing in companies globally, which are exposed to the growth of the Asian middle class and the corresponding rise of consumption.

### Fund Manager's Comments

The fund was down 1.99% during September as world markets continued to worry about the slowdown in China. Overly negative conclusions were drawn of the China Caixin Manufacturing PMI whose initial flash reading was 47, but was later revised to 47.2 so compared to the August reading of 47.3, down on the month but only very marginally. Added to that, as mentioned last month, people assume a reading below 50 in China means the sector is in recession. This is actually is not the case, since historically a reading of just over 50 has tallied with GDP growth in China of 8%. So Chinese Manufacturing PMI's have an inbuilt negative bias. Also this PMI number is primarily focused on SME companies exposed to the export sector. One could say it is, therefore, more a reading on the global economy than Chinese internal demand. These companies also typically do not benefit from government fiscal stimulus, which is geared towards the large State Owned Enterprises (SOEs).

The Chinese NBS manufacturing PMI, which is focused on the SOEs, came in at 49.8, up 0.1 on the month and this survey is a better indicator of Chinese demand for fixed asset investment. The non-manufacturing PMI remained flat at 53.4 so firmly in expansion territory.

Other items of note were the cut in interest rates in India at the end of the month by a greater than expected 50bps. This is on the back of the belief of inflation moderating towards the 5% target over the next 2 years as inflation expectations in India fall. What is key though is that if the Indian parliament is able to pass supply-side reforms over the next 12 months, then we could see further cuts in interest rates and improving corporate and consumer sentiment.

There has not been much activity within the fund over the last month with no stocks sold and only one addition. We have initiated a holding in **Tencent**, the Chinese gaming and social media company. The shares had fallen over 15% since the end of June and we took the opportunity to buy. The key positive for this company is their Wechat app, a cross between Facebook and Whatsapp, which they are only just starting to monetise. They have over 600m users so the potential to generate revenue, which drops straight to the bottom line through targeted advertising and other forms of services, is huge. It currently trades on a PE of 25x, a large discount to Facebook but arguably has greater upside given it has yet to really start to monetise its consumer base.

**NAV/Share: 89.30p**

|                                 |   |
|---------------------------------|---|
| <b>Investment Manager:</b>      | Sturgeon Ventures LLP                           |
| <b>Appointed Fund Manager:</b>  | Andrew Williamson-Jones                         |
| <b>ACD:</b>                     | Valu-Trac Investment Management Ltd.            |
| <b>Fund Type:</b>               | UK UCITS IV OEIC                                |
| <b>Launch Date:</b>             | 3 Nov 2014                                      |
| <b>Classes:</b>                 | A, B, C   |
| <b>Base Currency:</b>           | Sterling  |
| <b>Dealing &amp; Valuation:</b> | Daily 12.00pm GMT                               |
| <b>Year End:</b>                | 30 June   |
| <b>Management Fees:</b>         | A: 0.95% p.a.<br>B: 0.65% p.a.<br>C: 0.45% p.a. |
| <b>ISIN:</b>                    |   |
| A \$ Acc                        | GB00BRJTG644                                    |
| A £ Acc                         | GB00BRGCDR64                                    |
| B \$ Acc                        | GB00BRWQWY25                                    |
| B \$ Inc                        | GB00BRJTG867                                    |
| B £ Acc                         | GB00BRWQWX18                                    |
| B £ Inc                         | GB00BRGCD571                                    |
| C \$ Acc                        | GB00BRWQX051                                    |
| C \$ Inc                        | GB00BRJTG974                                    |
| C £ Acc                         | GB00BRWQWZ32                                    |
| C £ Inc                         | GB00BRGCDT88                                    |
| <b>Depository:</b>              | National Westminster Bank PLC                   |
| <b>Dealing Frequency:</b>       | Daily   |
| <b>Daily NAV available:</b>     | Bloomberg, Morningstar & Valu-Trac              |

*Issued and approved by Sturgeon Ventures LLP. Authorised and regulated by the Financial Conduct Authority.*

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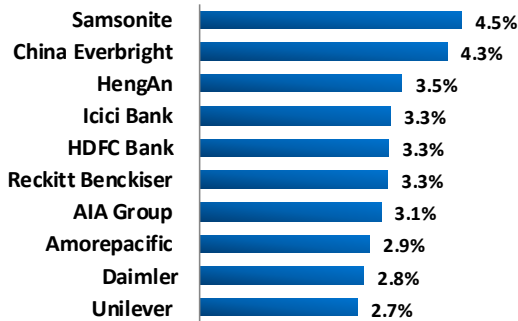
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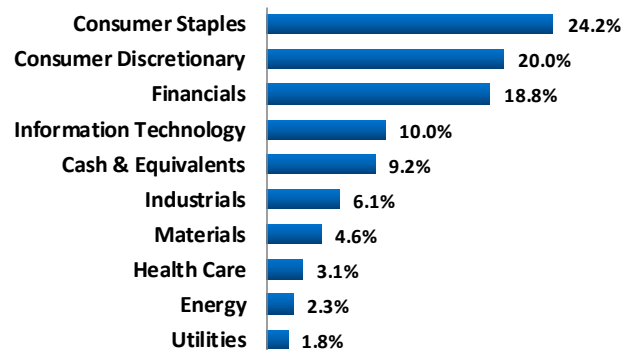
All Data at 12.00 GMT 30 Sept. 2015

## Fund Profile.

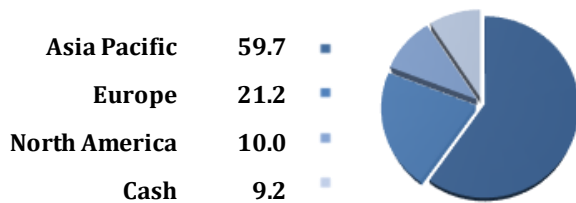
### Top 10 Holdings (% of NAV)



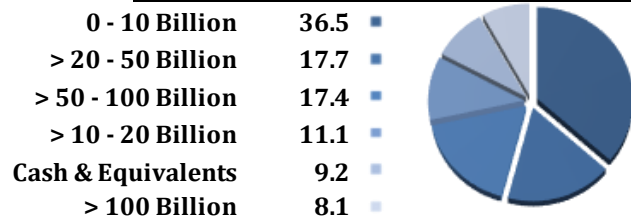
### Sector Allocation (% of NAV)



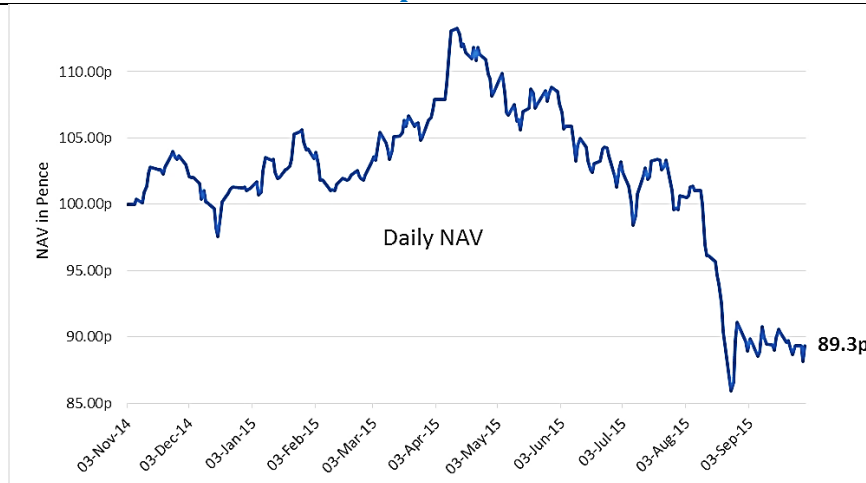
### Geographical Allocation (% of NAV)



### Market Cap Allocation in USD (%)



## Fund Performance since Inception



**Year to Date**  
**-11.6%**

Performance data shown is of the B E Net Acc. share class. Past performance is not a guarantee of future returns. Data from Valu-Trac Administration Services

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