

# VT HALO GLOBAL ASIAN CONSUMER FUND

## January 2018 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> January 2018

### 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. 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 ended the month just 0.6% higher which disguises the underlying moves we have witnessed in markets and a number of stocks. The returns have been suppressed by the strength in Sterling, which has moved from 1.35 to 1.41 to the USD, up some 5%.

Global markets continued the positive theme of low bond yields, weaker US Dollar, stronger global growth, which can be regarded as a goldilocks scenario for Asian equities. The performance of Chinese financials and in particular the banks has been especially strong this year. As the outlook for the Chinese economy improves with the government focusing on reforming more state-owned enterprises (SOEs), this has meant the bad debt problem within SOEs looks less severe. Falling bad debts, some loan growth and rising net interest margins, are providing a positive back drop for Asian investors to buy into. Whilst we do not own these, we have seen Noah, the Chinese wealth manager, benefit from the rotation into financials with the stock up close to 20% at one point before falling back in the last few days to end the month up 7%.

Another notable contributor has been ICICI, the Indian bank, on the back of the improving outlook in India, evidence that loan demand is improving as well as the end of the bad debt cycle this year. The results themselves did not surprise the market and neither did our other Indian bank, HDFC, which also has responded well with the improving macro outlook in India. Inox, the Indian cinema operator, and a recent addition to the Fund, also had some good results, driven by improved advertising spending in its cinemas, and the shares have responded positively. Bank Rakyat, the micro lender in Indonesia, demonstrated the resilience in its business model with strong demand from its key client base and forecast improving loan and profit growth for 2018. The shares have hit an all time high in January due to this positive outlook.

In terms of portfolio activity, we bought a new holding, in Nexon, a Korean gaming publisher quoted in Japan, whose largest gaming markets are Korea and China. It will launch further key games on mobile devices in 2018 in conjunction with Tencent in China. Given the attractive valuation of 13x PE, ex its cash holdings, we don't think this is factored in to the market yet. We think the opportunity for them is significant and over the next few years we should see multiple upgrades to profit guidance as they monetise this opportunity.

Our outlook for 2018 remains positive as we continue to see positive economic momentum within the region with GDP growth accelerating in markets like India, Philippines and improving consumer confidence in Thailand and Indonesia.

**NAV 152.5p**

|                                 |   |
|---------------------------------|---|
| <b>Investment Manager:</b>      | Halo Investment Management                      |
| <b>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: 1.15% p.a.<br>B: 0.85% p.a.<br>C: 0.65% p.a. |
| <b>ISIN:</b>                    |   |
| A \$ Acc                        | GB00BRJTG644                                    |
| A £ Acc                         | GB00BRGCQR64                                    |
| B \$ Acc                        | GB00BRWQWY25                                    |
| B \$ Inc                        | GB00BRJTG867                                    |
| B £ Acc                         | GB00BRWQWX18                                    |
| B £ Inc                         | GB00BRGCDS71                                    |
| C \$ Acc                        | GB00BRWQX051                                    |
| C \$ Inc                        | GB00BRJTG974                                    |
| C £ Acc                         | GB00BRWQWZ32                                    |
| C £ Inc                         | GB00BRGC DT88                                   |

**Asset Under Mgt** \$38.9m

**Depository:** National Westminster Bank PLC

**Dealing Frequency:** Daily

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

*Issued and approved by Halo Investment Management LLP. Authorised and regulated by the Financial Conduct Authority.*

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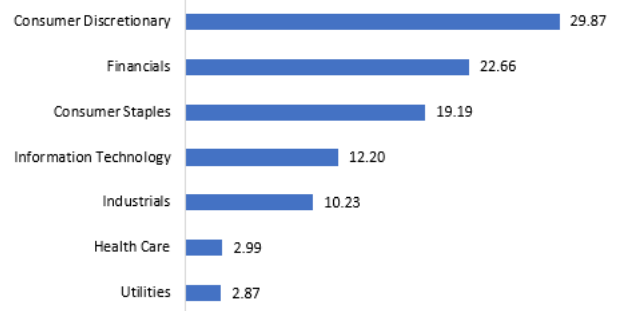


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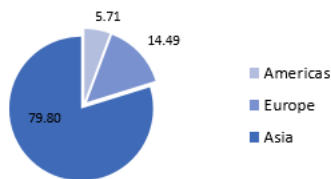
## Top 10 Holdings (% of NAV)



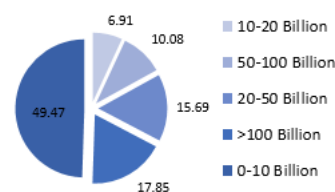
## Sector Allocation (% of NAV)



## Geographical Allocation %

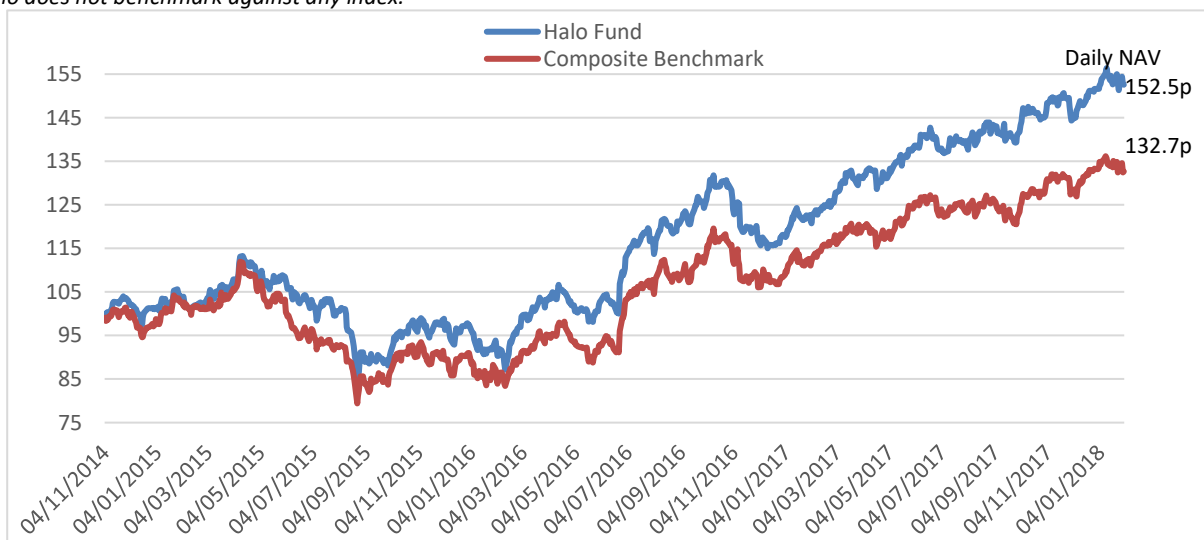


## Market Cap Allocation % (USD)



## Fund Performance since Inception

Performance data shown is of the B £ Net Acc. share class. Custom Benchmark, 30% MSCI AC Asia ex Jap Consumer Staples, 40% MSCI AC Asia ex Jap Consumer Discretionary and 30% MSCI AC Asia ex Japan Index. 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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