

VT HALO GLOBAL ASIAN CONSUMER FUND

July 2024 Fact Sheet



All Data at 12.00 GMT 31st July

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 1.6% in July. Although India, Philippines and Indonesia, were up between 2-4% for the month, returns however, were dragged down by China, falling 2.1% and sterling appreciating against the US Dollar by 1.7%. India had its budget in July and continuity was the name of the game with few surprises, which the market liked. Indonesia and the Philippines benefitted from increased expectations of a rate cut in the US following some softer data, which should allow them to start cutting their own interest rates.

This month has seen the start of the results season and as normal Vietnam and India are the first out. Vietnam could be characterised as on an improving trend and for the companies we own, they typically surprised to the upside. Our largest holding Techcom Bank, saw profits grow 38% in the first half but were keen for the market not to extrapolate this for the full year. Nevertheless, they did admit they are likely to come in ahead of guidance for the year, which was for 22% profit growth. Growth was due to lending coming in stronger at 12% yoy and net interest margins also being better as the cost of funds fell more than the lending rates. They cautioned that this may not be sustainable for the second half, as they expected the cost of funds to rise again. We also had strong results from Mobile World, who have brought margins back to pre-covid levels for its electronic retail business and have achieved profitability sooner than the market expected for BHX, its minimart business. Upgrades to full year results are likely as analysts redo their numbers. Lastly another top 10 holding PNJ, delivered very strong revenue growth, partly due to gold bar sales, but even so their jewellery arm grew 14% yoy and is in line with expectations.

In India, the banks duly delivered in-line results and of particular note the net interest margins of HDFC and ICICI are holding up better than peers, as is their NPL ratio. KEI Industries, who produce wires for the household and utility industry, also delivered another set of strong results. Capacity utilisation is at maximum capacity and they will be bringing more on over the coming years. They reiterated they have good visibility of future demand and expect to deliver profit growth of over 20% per annum for the next three years. There were also inline results from Phoenix Mills, who continue to deliver over 20% profit growth in its mall business and again maintain they have good visibility for profit growth in the next 3 years as new malls ramp up and they upgrade existing ones.

In July we travelled to Thailand and the Philippines and whilst Thailand continues to see good visitor numbers and our holdings are very much tilted towards tourism, the domestic consumer remains cautious. The Philippines where consumption in the first six months has been characterised by downtrading for the mass consumer, due to food inflation, especially rice prices, is now starting to see a more positive outlook. With food inflation and especially rice prices down some 30%, corporates were turning more bullish on the second half of this year. They expect the central bank to cut interest rates in August and this should help spur improved consumer confidence. Post the trip we bought SM Prime as a beneficiary of falling interest rates, as its valuation is driven by bond yields, with its primary business being shopping mall operations. We also sold Bloomberry Resorts. Competition in the casino space is going to increase over the next year or two as new supply enters the market and they will all be fighting over the same players.

B £ Acc NAV 156.0p

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 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 \$70.9m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

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

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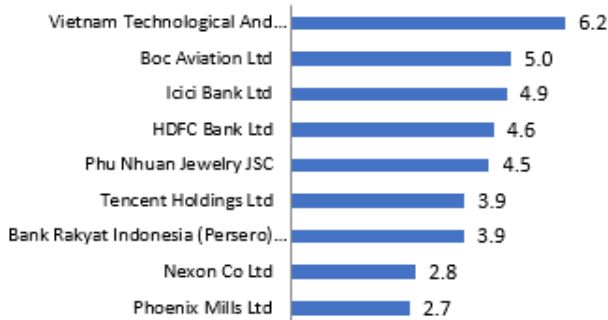
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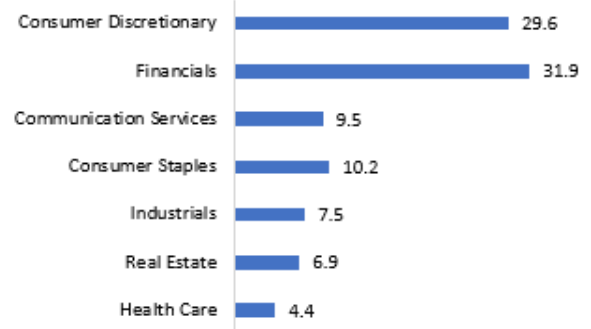


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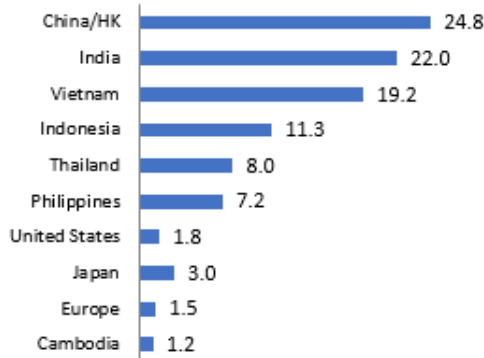
Top 10 Holdings (% of NAV)



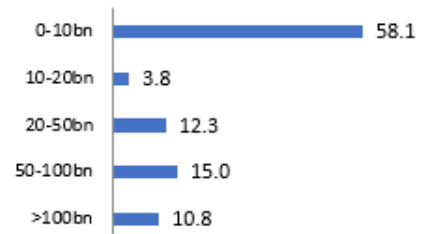
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)



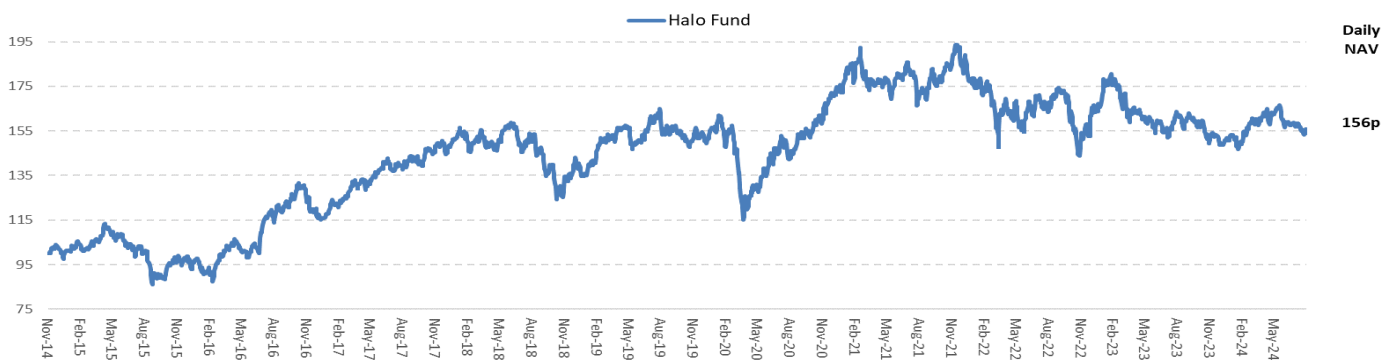
Annual Returns GBP (%)	2019	2020	2021	2022	2023
	14.1	13.9	1.0	-5.7	-9.2

Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	2.0	-4.5	-7.8	-4.6	56.0

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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