

VT HALO GLOBAL ASIAN CONSUMER FUND

March 2024 Fact Sheet



All Data at 12.00 GMT 28th March 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) rose 1.1% in March driven by strong stock selection in Vietnam. The Vietnamese market, as reflected by the Ho Chi Minh Index, has risen 13.5% ytd in GBP and the economy posted robust 1Q24 GDP of 5.7%. Stocks were further buoyed by the potential FTSE reclassification of Vietnam from "frontier" to "emerging" market status. However there remain some key hurdles for EM classification, one of which being the pre-funding requirements of orders and on March 20th, the Vietnamese Ministry of Finance announced a draft trading regulation, which included removing the requirement for pre-funding for foreign institutional investors. According to JPMorgan, if FTSE did upgrade Vietnam it could lead to a potential US\$523m of passive flows with key beneficiaries being the biggest names in the index. We should note that Vietnam remains some way away from being on the watch list for MSCI classification with key limitations being foreign ownership limits and FX market liberalisation. However, a FTSE reclassification would certainly help improve MSCI and global investor perception of the country. Vietnam is the Fund's third largest country in terms of investment exposure, so we are positioned for this positive outlook.

The fund has a significant exposure to travel related stocks. TongCheng Travel the domestic Chinese OTA reported 4Q results with total revenue growing 109% yoy, exceeding market expectations. Demand for travel is showing no signs of abating in China as consumers continue their shift towards experience-based consumption and away from goods. Another company that benefits from more outdoor based activities is Anta Sports, which reported 2023 earnings +35% yoy. Anta is one of the largest domestic sports brands in China and we particularly like its multi brand exposure. The company owns a 52% stake in Amer Sports, which owns the Solomon, Wilson and Arc'teryx brands. These brands posted growth of over 40% in China last year as demand for outdoor and more technical sports grow in the country. We have been witnessing a polarisation in Chinese consumption with the middle end trading down and the premium consumer continuing to do well. The outdoor segment is leading the growth in Chinese sportswear driven not only by an increased desire to exercise, but also social activities outside. The company is also well positioned to capitalise on fashion's Gorpcore trend, which mixes outdoor functional clothes with lifestyle elements.

Whilst investors we meet continue to have concerns over the Chinese economy and geopolitics, a lesser-known trend that is emerging is an increasing focus on improving shareholder returns. Companies either in China or listed in Hong Kong such as the internet companies began stepping up buybacks, increasing dividends, as well as announcing special dividends. Tencent generates US\$25bn in free cash flow and the company recently increased its dividend by over 40% yoy as well as increasing its share buyback programme, taking its total yield including capital return to 5%. Noah, the Chinese US listed wealth manager recently announced a special dividend and an increase in its payout ratio, taking its implied yield to an astonishing 20%, with management expecting continued strong cash flow from future operations. Noah had a cash balance of Rmb5.3bn compared to its market cap of Rmb 4.8bn at 4Q23 giving you a sense of just how oversold some of the Chinese stocks have become.

B £ Acc NAV 161.5p

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	GB00BK9WNQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

Asset Under Mgt \$86m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

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

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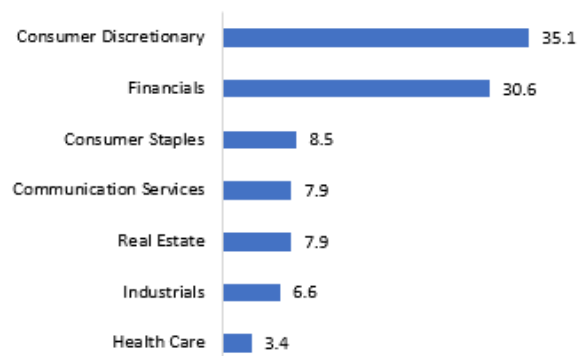


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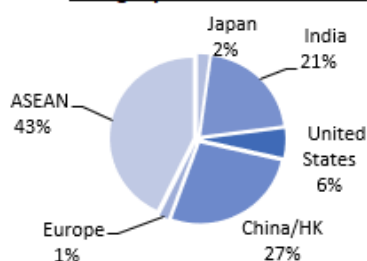
Top 10 Holdings (% of NAV)



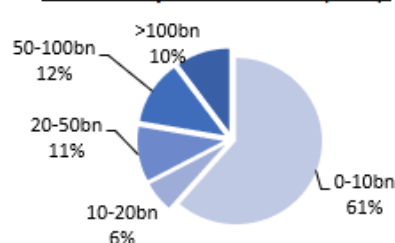
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)

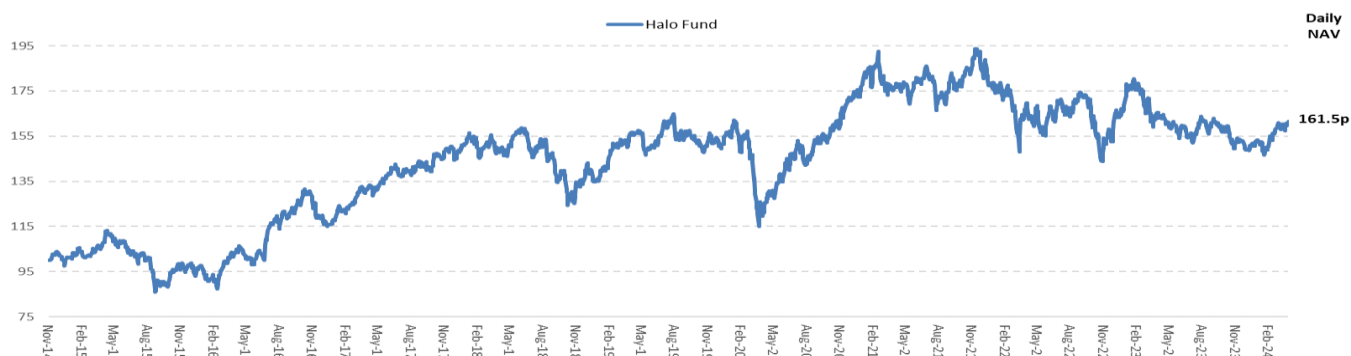


Annual Returns GBP (%)	2019	2020	2021	2022	2023
	14.1	13.9	1.0	-5.7	-9.2
Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	5.6	-0.8	-8.1	5.7	61.5

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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