

VT HALO GLOBAL ASIAN CONSUMER FUND

September 2024 Fact Sheet



All Data at 12.00 GMT 30th September 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 6.6% in September driven by strong performance from its Chinese holdings, which were buoyed by a surprise policy pivot from the PBOC. The MSCI China index rose an astounding 21% in GBP in September following a package of easing measures announced on September 24th together with a surprise Politburo meeting 2 days later. The PBOC governor announced they would be cutting the Reserve Requirement Ratio by 50bps and another 25-50bps before year end. The central bank would also lower the 7-day reverse repo rate by 20bps to 1.5%, whilst the one-year medium-term lending facility (MLF) rate, was cut by 50bps to 2% making this the biggest cut to the MLF in its history. There were also announcements on lowering downpayments to mortgages, increasing the common equity tier 1 capital ratio for banks, an introduction of a new monetary policy tool for corporates to be used for implementing share buybacks, in addition to a RMB500bn lending facility for stockbrokers, insurance companies and asset managers for the purchase of equities. China's Politburo followed up with a stated intention of "increasing the countercyclical adjustment of fiscal and monetary policies" and to "promote the real estate market to stop declining and stabilise" with the Ministry of Finance announcing plans for the issuance of RMB2tn of special bonds to help stimulate consumption, as well as funds for local governments.

The announcements came as a surprise to markets, and we believe the motivation was likely influenced by the growing likelihood that China was going to miss this year's stated GDP growth target of 5%. Nominal GDP had slowed to 4% yoy in 2Q and its property market remains in a downward spiral, with residential property sales by the top 100 developers down 40% in the first 8 months of the year. Yet, it does not appear that the numbers announced so far are big enough to change the medium to long term rate of Chinese growth and we do not expect the current measures to turn around the trajectory of the housing market or consumption outlook. However, there is an increasing expectation of further fiscal policy follow through and it remains to be seen how far policy makers are willing to go and this presents the biggest risk to the market rally in our view.

We uniformly added to our Chinese holdings after the first set of announcements from the PBOC, as whilst we do believe the stimulus does not sufficiently address the many structural challenges China faces, this new set of announcements was certainly the boldest we have seen to date in this current slowdown. We have held onto stocks like the wealth management provider Noah and China Education, who were trading on dividend yields of 7-12% prior to this rally. China and Hong Kong now represent 27.6% of our portfolio.

Elsewhere in the portfolio our holdings in Indonesia, Thailand and the Philippines all had strong returns following the surprise 50bps rate cut by the US Fed. Indonesia cut their interest rate by 25bps ahead of the Fed decision. Indonesia is one of the most interest rate sensitive countries in the region and with positive real interest rates of above 4% there is plenty of room to cut further should we continue to see currency stability. Indonesia should also be a beneficiary of a rebound in Chinese growth however, in the very short-term investors have been taking profits in order to re-invest into China.

B £ Acc NAV 168.4p

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 GB00BK9WNT38
C \$ Acc GB00BRWQX051
C \$ Inc GB00BRJTG974
C £ Acc GB00BRWQWZ32
C £ Inc GB00BRGCDT88
C € Acc GB00BK9WNT68
C € Inc GB00BK9WNS51

Asset Under Mgt \$93m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

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

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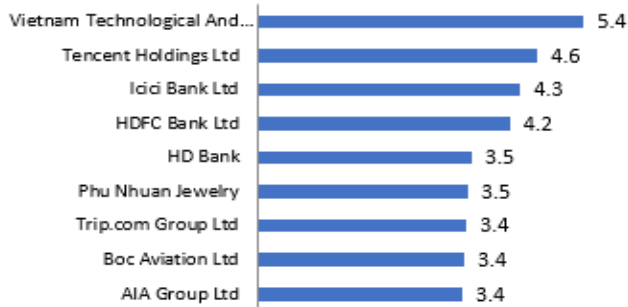
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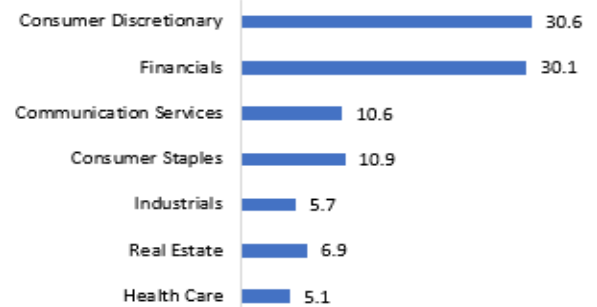


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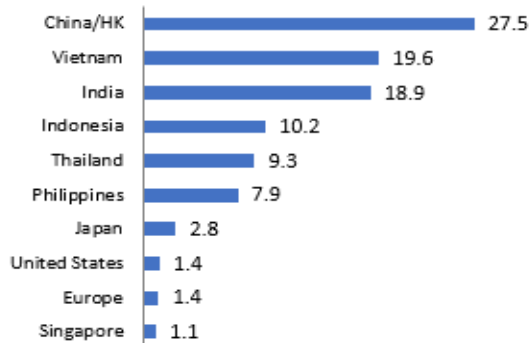
Top 10 Holdings (% of NAV)



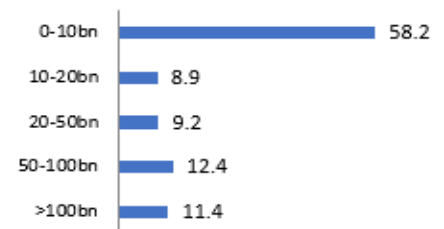
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)



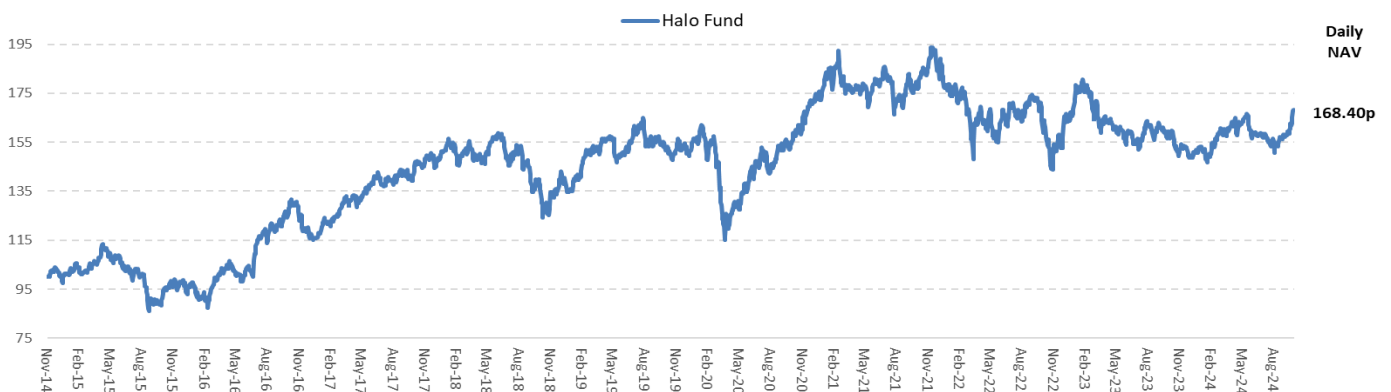
Annual Returns GBP (%)	2019	2020	2021	2022	2023
	14.1	13.9	1.0	-5.7	-9.2

Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	10.1	6.7	-6.4	10.1	68.4

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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