

# Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD66.21 | Class A2 QDis - HKD11.93  
Fund size : USD398.4 million (HKD3,117.4 million)

★★★★  
Morningstar Rating™<sup>1</sup>  
As at 31-08-2017

CIES Eligible\*

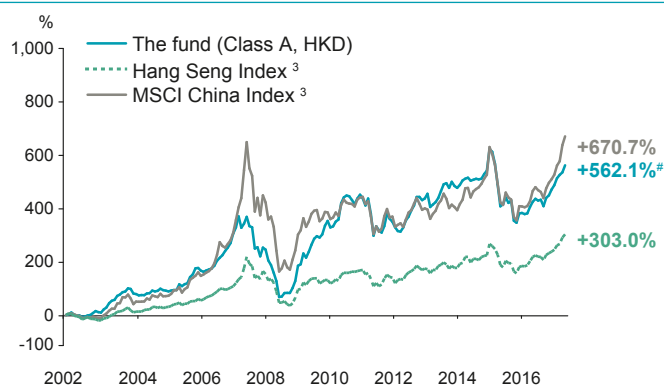
31 August 2017

- Value Partners China Greenchip Fund Limited (The "Fund") invests primarily in companies established in Greater China or which derive a majority of their revenue from business related to Greater China.
- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. The value of the Fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

## Investment objective

The fund aims to achieve medium-term capital growth by means of investing in companies established in Greater China or which derive a majority of their revenue from business related to Greater China, whether in the form of direct investment in, or trade with, Greater China. This includes companies incorporated and/or listed outside Greater China.

## Performance since launch <sup>2</sup>



## Performance update <sup>2</sup>

	Class A HKD	Class A2 QDis HKD	MSCI China Index <sup>3</sup>	Hang Seng Index <sup>3</sup>
One month	+4.2%	+4.1%	+4.4%	+3.1%
Year-to-date	+30.2%	+29.8%	+43.0%	+31.3%
One year	+26.1%	+25.7%	+36.2%	+26.7%
Three years	+7.6%	+7.1%	+33.5%	+26.4%
Five years	+54.5%	N/A	+78.9%	+73.3%
Since launch	+562.1% <sup>#</sup>	+25.6%	+670.7%	+303.0%
Annualized return <sup>^</sup>	+13.0% <sup>#</sup>	+5.7%	+14.2%	+9.5%
Annualized volatility <sup>^</sup>	21.6% <sup>#</sup>	17.2%	24.9%	19.9%

## The fund – Class A HKD: Monthly performance from 1 Jan 2009 to 31 Aug 2017 <sup>2</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	+0.2%	-0.2%	+10.2%	+13.1%	+25.0%	+1.9%	+14.0%	-4.8%	+6.9%	+7.9%	+6.2%	+2.5%	+116.7%
2010	-1.3%	+3.0%	+8.1%	+4.2%	-5.4%	+0.9%	+4.2%	+1.7%	+13.4%	+4.2%	+1.3%	-0.5%	+37.8%
2011	-2.6%	-2.9%	+4.0%	+2.7%	-2.5%	-5.0%	+5.1%	-10.5%	-17.2%	+8.8%	-3.4%	-2.1%	-25.0%
2012	+6.0%	+10.5%	-3.9%	-2.4%	-4.6%	-3.2%	-0.5%	+3.7%	+6.3%	+3.1%	+4.9%	+3.7%	+24.8%
2013	+6.4%	+0.0%	-2.2%	+1.2%	+3.3%	-8.9%	+1.8%	+1.7%	+3.0%	+4.8%	+4.5%	+0.7%	+16.5%
2014	-3.0%	+4.0%	-2.6%	-1.2%	+1.9%	+2.9%	+1.1%	+0.6%	-1.8%	+0.6%	+0.6%	-0.4%	+2.4%
2015	+0.4%	+2.9%	+2.0%	+12.6%	-1.4%	-6.2%	-11.7%	-13.9%	+1.5%	+5.0%	-3.8%	+1.7%	-13.0%
2016	-14.3%	-1.7%	+7.8%	+0.4%	-0.9%	+0.6%	+5.1%	+3.8%	+2.2%	-1.2%	+0.6%	-4.5%	-4.0%
2017 (YTD)	+6.2%	+1.7%	+4.0%	+2.8%	+4.5%	+2.0%	+1.5%	+4.2%					+30.2%

\* Value Partners China Greenchip Fund Limited is one of the eligible collective investment schemes for the purpose of the Hong Kong Capital Investment Entrant Scheme (CIES). The CIES was suspended by the Hong Kong Government with effect from 15 Jan 2015 until further notice.

<sup>^</sup> Annualized return and volatility are calculated from inception on 8 Apr 2002. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

<sup>#</sup> Investors should note that figures for Non-Redeemable Class N shares shown above may differ from those of classes currently available for subscription (namely Class A and Class A2 QDis), due to differences in launch date of these classes. For Class A, the since launch return, annualized return and annualized volatility are +87.3%, +6.2% and 23.8% respectively.

## Top 10 securities holdings (as at 31 Jul 2017)

Name	Industry <sup>8</sup>	%
Alibaba Group Holding Ltd	Software & services	9.8
VTech Holdings Ltd	Technology, hardware & equipment	5.7
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	4.5
SIIC Environment Holdings Ltd	Utilities	3.2
Ping An Insurance (Group) Co of China Ltd	Insurance	2.8
Largan Precision Co Ltd	Technology, hardware & equipment	2.6
China YuHua Education Corporation Ltd	Consumer services	2.5
SmarTone Telecommunications Holdings Ltd	Telecom services	2.5
Uni-President Enterprises Corp	Food, beverage & tobacco	2.5
Techtronic Industries Co Ltd	Consumer durables & apparel	2.4

These stocks constitute 39% of the fund.

## Portfolio characteristics

As at 31 Aug 2017	2017 <sup>9</sup>
Price/earnings ratio	15.3 times
Price/book ratio	2.1 times
Dividend yield	3.0%

## Geographical exposure by listing<sup>10</sup>

Hong Kong	46%
H Shares	18%
United States	11%
Red Chips	10%
Taiwan	10%
China A Shares	6%
Singapore	4%
Others	1%
Cash <sup>11</sup>	-6%

## Sector exposure<sup>8, 10</sup>

Information technology	34%
Consumer discretionary	23%
Consumer staples	9%
Industrials	6%
Other financials	6%
Banks	5%
Insurance	5%
Real estate	4%
Utilities	4%
Materials	3%
Telecom services	3%
Energy	2%
Health care	2%
Cash <sup>11</sup>	-6%

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Unless otherwise specified, fund performance shown in this document refers to the returns on Non-Redeemable Class N shares, which was launched on 8 Apr 2002. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 31 Aug 2017, in HKD, NAV to NAV, with dividends reinvested. Non-Redeemable Class N shares of the fund are closed for subscription from 26 Mar 2007; existing and new investors may subscribe for/redeem Class A or A2 QDis shares. 3. Index refers to Hang Seng Price Return Index up to 31 Dec 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index includes dividend reinvestment whereas Hang Seng Price Return Index does not take into account reinvestment of dividends. The indices are for reference only. 4. The Manager currently intends to make quarterly dividend distribution in respect of the A2 QDis Class; actual dividend payout will be subject to the Manager's discretion. 5. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 6. Annualized yield of Class A2 QDis is calculated as follows: (dividend amount/NAV as of ex-dividend date) x 4. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 7. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund's base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund's base currency may be higher than that of the equivalent class denominated in the fund's base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/NZD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 8. Classification is based on Global Industry Classification Standard (GICS). 9. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 10. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 11. Cash refers to net cash on hand excluding cash for collaterals and margins. 12. Investors should note that the base currency of the fund is in HKD. Conversion to the base currency of the fund will normally take place at the prevailing rate (as determined by the fund's Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD/AUD/CAD/NZD. 13. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the fund's NAV. If in any one year, the fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 14. Based on data as of year-end 2013.

For Singapore investors: The Fund is registered as a restricted foreign scheme in Singapore and will only be distributed to (i) institutional investors and (ii) accredited investors and certain other persons in Singapore in accordance with section 304 and 305 of the Securities and Futures Act. Value Partners Asset Management Singapore Pte Ltd, Singapore Company Registration No. 200808225G

For Swiss Qualified Investors: The sales prospectus, the Articles of Association, the Key Investor Information Document as well as the annual and semi-annual reports of the Fund are available free of charge from the Representative. Both the place of performance and the place of jurisdiction for units/shares in the Fund offered or distributed in or from Switzerland shall be the seat of the Swiss representative.

Swiss Representative and Paying Agent: BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.

Investors should note investment involves risk. The price of shares may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Limited does not guarantee the accuracy or completeness of the information provided by third parties. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. This report has not been reviewed by the SFC. Issuer: Value Partners Limited.

## Fund facts

Manager:	Value Partners Limited
Base currency:	HKD
Administrator:	Bank of Bermuda (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class N - 8 Apr 2002 (Closed) Class A - 27 Mar 2007 Class A2 QDis - 22 Jul 2013 Class A AUD / CAD / NZD / USD - 26 May 2014
Dividend policy <sup>4</sup> :	Class A2 QDis - aim at quarterly distribution, subject to Manager's discretion Other Classes - N/A

Unit price is published daily in the South China Morning Post and the Hong Kong Economic Times.

## Fee structure (Class A and Class A2 QDis)

Minimum subscription	HKD80,000 or equivalent <sup>12</sup>
Minimum subsequent subscription	HKD40,000 or equivalent <sup>12</sup>
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee <sup>13</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye

**Deputy Chairman & Co-Chief Investment Officer:** Louis So

**Deputy Chief Investment Officer:** Renee Hung

**Senior Investment Director:** Norman Ho, CFA

**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;

Philip Li, CFA; Kai Mak

## Recent fund award



**Lipper Fund Awards 2014 (Hong Kong)**  
**Best Greater China Equity Fund (5 Years)<sup>14</sup>**  
~ Lipper