

Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD62.90 | Class A2 QDis - HKD10.97

Fund size : USD220.9 million (HKD1,729.1 million)

★ ★ ★
Morningstar Rating™¹
As at 31-07-2019

CIES Eligible*

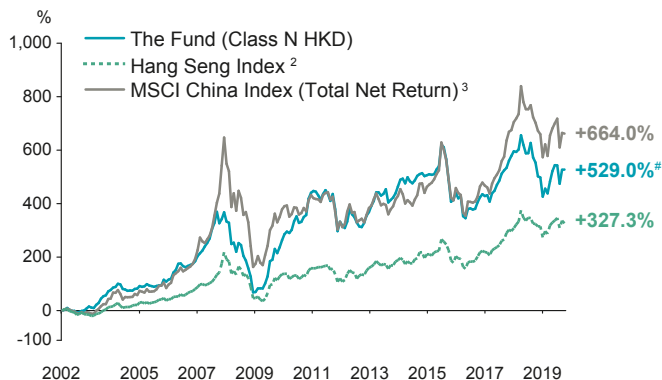
July 2019

- 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.
- The Fund invests in China, China-related companies and medium or small capitalization companies and is therefore subject to emerging market and concentration risks. 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.
- In respect of the distribution shares for the Fund, the Manager currently intends to make quarterly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of shares.
- 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



Performance update

	Class A HKD	Class A2 QDis HKD	MSCI China Index (Total Net Return) ³	Hang Seng Index ²
One month	+0.1%	+0.2%	-0.3%	-2.3%
Year-to-date	+16.6%	+16.6%	+12.3%	+10.2%
One year	-4.0%	-4.0%	-5.1%	+0.7%
Three years	+24.3%	+24.0%	+44.9%	+41.3%
Five years	+2.8%	+2.4%	+32.7%	+34.3%
Since launch	+529.0%#	+19.3%	+664.0%	+327.3%
Annualized return [^]	+11.2%#	+3.0%	+12.4%	+8.7%
Annualized volatility [^]	21.5%#	18.0%	24.5%	19.5%

The Fund – Class A HKD: Monthly performance from 1 Jan 2009 to 31 Jul 2019

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	+6.2%	+1.7%	+4.0%	+2.8%	+4.5%	+2.0%	+1.5%	+4.2%	+2.7%	+2.5%	-0.3%	+1.3%	+38.4%
2018	+7.6%	-4.8%	-4.3%	+0.1%	+5.6%	-7.5%	-2.8%	-7.9%	-0.7%	-12.0%	+5.6%	-3.2%	-23.4%
2019 (YTD)	+8.3%	+6.6%	+3.6%	-0.1%	-10.7%	+9.1%	+0.1%						+16.6%

* 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.

[^] Annualized return and volatility are calculated from inception. 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.

[#] Investors should note that figures are for Non-Redeemable Class N shares which may differ from those of classes currently available for subscription (namely Class A and Class A2 QDis), due to differences in launch date. For Class A, the since launch return, annualized return and annualized volatility are +77.7%, +4.8% and 23.3% respectively.

Dividend information – Class A2 QDis⁴

Ex-dividend date	Ex-dividend date NAV (HKD)	Dividend per unit ⁵ (HKD)	Annualized yield ⁶
28-6-2019	10.95	0.0469	1.7%
29-3-2019	11.30	0.0469	1.7%
31-12-2018	9.49	0.0469	2.0%
28-9-2018	10.59	0.0469	1.6%
29-6-2018	11.97	0.0469	1.6%
29-3-2018	12.29	0.0469	1.5%
29-12-2017	12.58	0.0469	1.5%
29-9-2017	12.21	0.0469	1.5%
30-6-2017	11.29	0.0469	1.7%
31-3-2017	10.36	0.0469	1.8%
30-12-2016	9.27	–	–
30-9-2016	9.77	–	–
30-6-2016	8.78	–	–
31-3-2016	8.77	–	–
31-12-2015	9.65	–	–
30-9-2015	9.40	0.0488	2.1%
30-6-2015	12.26	0.0856	2.8%
31-3-2015	11.85	0.0565	1.9%

NAVs & codes

Classes ⁷	NAV	ISIN	Bloomberg
Class A HKD	62.90	KYG9317M1033	VPCHIGC KY
Class A USD	10.38	KYG9317M1603	VPCHAUS KY
Class A AUD Hedged	10.59	KYG9317M1371	VPCHAAH KY
Class A CAD Hedged	10.28	KYG9317M1454	VPCHACH KY
Class A NZD Hedged	10.46	KYG9317M1520	VPCHANH KY
Class A2 QDis HKD	10.97	KYG9317M1116	VPCA2QD KY

Top 10 securities holdings (as at 28 Jun 2019)

Name	Industry ⁸	%
Tencent Holdings Ltd	Media & entertainment	6.5
Alibaba Group Holding Ltd	Retailing	5.1
CSPC Pharmaceutical Group Ltd	Pharmaceuticals, biotechnology & life sciences	4.5
Nissin Foods Co Ltd	Food, beverage & tobacco	3.7
Kerry Logistics Network Ltd	Transportation	3.4
Techtronic Industries Co Ltd	Capital goods	3.2
ANTA Sports Products Ltd	Consumer durables & apparel	3.0
China Xinhua Education Group Ltd	Consumer services	2.8
Tencent Music Entertainment Group	Media & entertainment	2.6
Galaxy Entertainment Group Ltd	Consumer services	2.5

These stocks constitute 37% of the Fund.

Portfolio characteristics

As at 31 Jul 2019	2019 ⁹
Price/earnings ratio	12.7 times
Price/book ratio	1.6 times
Portfolio yield	2.9%

Geographical exposure by listing¹⁰

Hong Kong	47%
H Shares	17%
Taiwan	13%
United States	12%
China A Shares	9%
Red Chips	5%
Cash ¹¹	-3%

Sector exposure^{8, 10}

Consumer discretionary	33%
Communication services	14%
Information technology	13%
Industrials	12%
Consumer staples	10%
Banks	5%
Health care	4%
Insurance	4%
Energy	3%
Other financials	2%
Real estate	2%
Others	1%
Cash ¹¹	-3%

Fund facts

Manager:	Value Partners Limited
Base currency:	HKD
Administrator:	HSBC Trustee (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 ⁴ :	Class A2 QDis - aim at quarterly distribution, subject to Manager's discretion

Non-Redeemable Class N shares are closed for subscription from 26 Mar 2007; existing and new investors may subscribe for Class A or A2 QDis shares.

Fee structure (Class A and Class A2 QDis)

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

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Deputy Chief Investment Officer: Renee Hung

Senior Investment Director: Norman Ho, CFA

Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho;

Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards



Benchmark Fund of the Year Awards 2018,

Hong Kong

Asia ex-Japan Equity House: Best-in-Class¹⁴

~ Benchmark

I&M Professional Investment Awards 2018

House Performance Awards:

Offshore China Equity (10-year)¹⁵

~ Insights & Mandate

Listed Company Awards of Excellence 2018

Outstanding Listed Company

(Main Board Category)¹⁶

~ Hong Kong Economic Journal

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2019 Morningstar, Inc. All Rights Reserved. 2. Hang Seng Index refers to Hang Seng Index (Price Return) up to 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return). Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. 3. MSCI China Index (Total Net Return) since fund inception to present which takes into account of dividend reinvestment after deduction of withholding tax. 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 QDis Class is calculated as follows: (Latest dividend amount / NAV as at 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. 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. The hedged Classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 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 at the end of the financial year the NAV (before deduction of performance fee and relevant distributions) exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV for the accumulation classes (and dividend adjusted equivalent for distribution paying classes). 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. The award reflects performance up to 30 September 2018. 15. The award reflects performance up to 31 December 2017. 16. The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.

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.

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