

# Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD78.14 | Class A2 QDis - HKD13.26

Fund size : USD216.7 million (HKD1,680.1 million)

★★  
Morningstar Rating™  
As at 31-10-2020



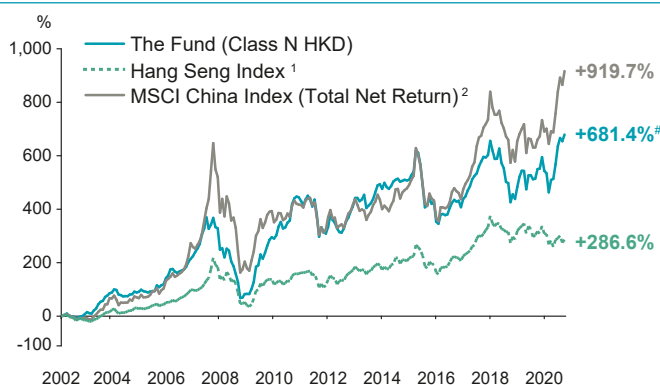
October 2020

- 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) <sup>2</sup>	Hang Seng Index <sup>1</sup>
Year-to-date	+12.2%	+12.0%	+22.0%	-11.8%
One month	+3.3%	+3.2%	+5.4%	+2.8%
One year	+19.9%	+19.8%	+33.8%	-7.5%
Three years	+12.0%	+12.0%	+26.3%	-5.4%
Five years	+44.3%	+43.7%	+82.2%	+27.4%
Total return since launch	+681.4%#	+48.0%	+919.7%	+286.6%
Annualized return since launch <sup>^</sup>	+11.7%#	+5.5%	+13.3%	+7.5%

## The Fund – Class A HKD: Monthly performance from 1 Jan 2011 to 30 Oct 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+8.3%	+6.6%	+3.6%	-0.1%	-10.7%	+9.1%	+0.1%	-2.5%	+0.4%	+5.8%	+0.3%	+6.6%	+29.1%
2020 (YTD)	-7.4%	-1.4%	-11.2%	+8.3%	+0.6%	+8.9%	+10.1%	+4.3%	-1.6%	+3.3%			+12.2%

<sup>^</sup> 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 is calculated from inception based on published NAV.

<sup>#</sup> 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 and annualized return are +121.0% and +6.0% respectively.

## NAVs & codes

Classes <sup>3</sup>	NAV	ISIN	Bloomberg
Class A HKD	78.14	KYG9317M1033	VPCHIGC KY
Class A USD	12.99	KYG9317M1603	VPCHAUS KY
Class A AUD Hedged	12.75	KYG9317M1371	VPCHAAH KY
Class A CAD Hedged	12.48	KYG9317M1454	VPCHACH KY
Class A NZD Hedged	12.74	KYG9317M1520	VPCHANH KY
Class A2 QDis HKD	13.26	KYG9317M1116	VPCA2QD KY

## Dividend information – Class A2 QDis<sup>4</sup>

Ex-dividend date	Ex-dividend date NAV (HKD)	Dividend per unit <sup>5</sup> (HKD)	Annualized yield <sup>6</sup>
30-9-2020	12.85	0.0607	1.9%
30-6-2020	11.42	0.0607	2.1%
31-3-2020	9.69	0.0607	2.5%
31-12-2019	12.03	0.0607	2.0%
30-9-2019	10.69	0.0469	1.8%

## Top holdings (as at 30 Sep 2020)

Name	Industry <sup>7</sup>	%
Alibaba Group Holding Ltd	Retailing	9.7
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.2
Tencent Holdings Ltd	Media & entertainment	9.1
Meituan	Retailing	7.1
Nissin Foods Co Ltd	Food, beverage & tobacco	4.3
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	4.0
Kweichow Moutai Co Ltd	Food, beverage & tobacco	3.9
ITEQ Corp	Technology, hardware & equipment	3.7
China Xinhua Education Group Ltd	Consumer services	3.5
Chow Tai Fook Jewellery Group Ltd	Retailing	2.9

These securities constitute 57% of the Fund.

## Portfolio characteristics

As at 30 Oct 2020 <sup>8</sup>

Price/earnings ratio	16.7 times
Price/book ratio	2.4 times
Portfolio yield	2.7%

	Class A HKD	Class A2 QDis HKD	MSCI China Index (Total Net Return) <sup>2</sup>	Hang Seng Index <sup>1</sup>
Annualized volatility (3 years) <sup>9</sup>	21.1%	21.1%	21.1%	18.1%

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

Hong Kong	67%
Taiwan	16%
China A-shares	14%
H-shares	8%
United States	6%
Cash <sup>11</sup>	-11%

Sector exposure <sup>7, 10</sup>

Consumer discretionary	46%
Information technology	21%
Consumer staples	14%
Communication services	10%
Health care	4%
Industrials	4%
Other financials	4%
Banks	3%
Materials	3%
Others	2%
Cash <sup>11</sup>	-11%

## 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 <sup>4</sup> :	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 <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

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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

Senior Fund Managers: Lillian Cao; Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



Asia ex-Japan Equity House: Best-in-Class <sup>14</sup>  
Greater China Equity House: Outstanding Achiever <sup>14</sup>  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year) <sup>15</sup>  
~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>16</sup>:



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. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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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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