

# Value Partners Fund Series

## Value Partners Asian Fixed Maturity Bond Fund 2022

NAV per unit: USD10.06 (Class A MDis USD)

Fund size : USD26.6 million

August 2020

- Value Partners Asian Fixed Maturity Bond Fund 2022 (The "Fund") invests primarily in a buy-and-hold portfolio of fixed income securities in Asia over an investment period of 3 years from the Fund launch date on 22 November 2019 up to the Fund's maturity date, which is expected to be on or around 18 November 2022 ("Maturity Date").
- The duration of the Fund is limited (i.e. up to the Maturity Date) and will be terminated automatically at maturity. Neither income, return nor capital of the Fund is guaranteed or protected. There are risks that investors may not recoup the original amount invested in the Fund during the investment period as well as at the Maturity Date.
- The issuers of fixed income instruments may repay principal before the maturity of the instruments. Prepayments may cause losses on instruments purchased at a premium. Unscheduled prepayments for fixed income instruments issued at par may result in a loss equal to any unamortised premium. Repayment of principal before the Fund's maturity as well as the re-investment of cash proceeds from the sale of fixed income instruments where a potential deterioration of credit profiles is anticipated by the Manager create out of market risk and the uncertainty of gaining access to fixed income instruments delivering similar yield to maturity resulting in lower interest income and returns to the Fund.
- In case of substantial redemptions within a short period of time, the Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Fund may immediately increase the ongoing charges of the Fund and may have an adverse impact on investors' return. Substantial redemptions may render the size of the Fund to shrink significantly and trigger the Fund to be early terminated.
- The Fund is subject to early termination risk. Upon the termination of the Fund, all the assets of the Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant unitholders. Investors should note that the amount distributed to them may be less than the amount of their initial investment.
- The Manager may at its discretion extend the Initial Offer Period ("IOP") (4 November 2019 to 21 November 2019) or not to issue any units. If the Manager decides not to proceed with the launch, any subscription monies shall be promptly returned to investors in full (without any interest) less any applicable bank charges, after the close of the IOP. The Fund will also be closed to subsequent subscriptions after the IOP and no subsequent subscription to the Fund will be accepted.
- The Fund is subject to geographical concentration risks, the value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Asia (in particular China) market.
- Investors should note the emerging markets risk, currency and foreign exchange risk, and concentration risk and risks relating to fixed income instruments: (a) credit/counterparty risk; (b) interest rates risk; (c) volatility and liquidity risk; (d) credit rating downgrading risk; (e) credit ratings risk; (f) sovereign debt risk; (g) valuation risk.
- Financial derivative instruments may be used for hedging. The use of derivatives may become ineffective and the Fund may suffer significant losses.
- In respect of the distribution classes for the Fund, the Manager currently intends to make monthly 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 of the net asset value per unit of the Fund.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

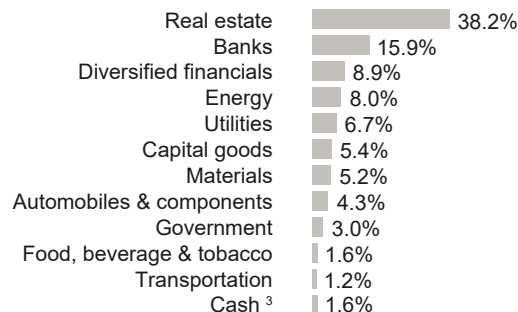
### Investment objective

The Fund targets to provide investors with stable income and total return by investing in a portfolio of fixed income securities in Asia over an investment period of approximately 3 years from the close of initial offer period up to the maturity date. The Fund is not a guarantee or capital protected product.

### Top holdings

| Name  | Sector <sup>1</sup>    | Country / region | %   |
|---|------------------------|------------------|-----|
| Bangkok Bank PCL/Hong Kong 3.875% 09/27/2022                    | Banks                  | Thailand         | 3.6 |
| GC Treasury Center Co Ltd 4.25% 09/19/2022                      | Materials              | Thailand         | 3.6 |
| Hongkong Land Finance Cayman Islands Co Ltd/The 4.5% 06/01/2022 | Real estate            | China/Hong Kong  | 3.6 |
| Nan Fung Treasury Ltd 4.5% 09/20/2022                           | Real estate            | China/Hong Kong  | 3.6 |
| Pertamina Persero PT 4.875% 05/03/2022                          | Energy                 | Indonesia        | 3.6 |
| Huarong Finance II Co Ltd 3.625% 11/22/2021                     | Diversified financials | China/Hong Kong  | 3.5 |
| ICICI Bank Ltd/Dubai 3.25% 09/09/2022                           | Banks                  | India            | 3.5 |
| Fantasia Holdings Group Co Ltd 15% 12/18/2021                   | Real estate            | China/Hong Kong  | 3.4 |
| Ronshine China Holdings Ltd 8.75% 10/25/2022                    | Real estate            | China/Hong Kong  | 3.0 |
| Sri Lanka Government International Bond 5.875% 07/25/2022       | Government             | Sri Lanka        | 2.9 |

### Sector exposure<sup>1,2</sup>

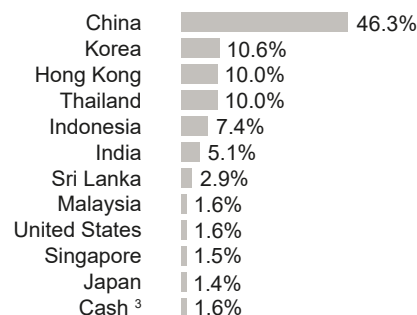


Average duration 1.6 years

Yield to worst<sup>4</sup> 3.4%

Number of positions 45

### Geographical exposure<sup>2</sup>



Dividend information – Class MDis <sup>5</sup>

| Classes <sup>6</sup>            | Ex-dividend date | Dividend amount / unit | Initial offer price | Annualized yield based on Initial offer price <sup>7</sup> |
|---------------------------------|------------------|------------------------|---------------------|--|
| Class A Units MDis AUD Hedged   | 31-8-2020        | 0.0233                 | 10                  | 2.8%   |
| Class A Units MDis HKD Unhedged | 31-8-2020        | 0.0300                 | 10                  | 3.6%   |
| Class A Units MDis RMB Hedged   | 31-8-2020        | 0.0350                 | 10                  | 4.2%   |
| Class A Units MDis RMB Unhedged | 31-8-2020        | 0.0300                 | 10                  | 3.6%   |
| Class A Units MDis USD Unhedged | 31-8-2020        | 0.0300                 | 10                  | 3.6%   |

## Credit ratings

|                   |       |
|-------------------|-------|
| AA                | 4.8%  |
| A                 | 23.4% |
| BBB               | 37.8% |
| BB                | 6.6%  |
| B & Below         | 25.8% |
| Cash <sup>3</sup> | 1.6%  |

|                                    |       |
|------------------------------------|-------|
| Investment grade                   | 66.0% |
| High yield                         | 32.4% |
| Average credit rating <sup>8</sup> | BBB-  |

## Fund codes

| Classes <sup>6</sup>            | ISIN         | Bloomberg  |
|---------------------------------|--------------|------------|
| Class A Units MDis AUD Hedged   | HK0000541752 | VPAAMAH HK |
| Class A Units MDis HKD Unhedged | HK0000541778 | VPAAMHU HK |
| Class A Units MDis RMB Hedged   | HK0000541794 | VPAAMRH HK |
| Class A Units MDis RMB Unhedged | HK0000541802 | VPAAMRU HK |
| Class A Units MDis USD Unhedged | HK0000541810 | VPAAMUJ HK |

## Fund facts

|                         |   |
|-------------------------|---|
| Manager:                | Value Partners Hong Kong Limited  |
| Administrator:          | HSBC Institutional Trust Services (Asia) Limited                                  |
| Initial offer price:    | USD10/AUD10/HKD10/RMB10   |
| Launch date:            | 22 November 2019  |
| Tenor:                  | 3 years   |
| Expected maturity date: | 18 November 2022  |
| Base currency:          | USD   |
| Share classes issued:   | MDis USD/HKD/AUD Hedged/<br>RMB Hedged/RMB Unhedged                               |
| Dividend policy:        | Class A Units MDis – Aim at monthly distribution, subject to Manager's discretion |

## Fee structure

|                      |   |
|----------------------|---|
| Minimum subscription | USD10,000 or equivalent   |
| Subscription fee     | Up to 5% of the subscription amount                                     |
| Management fee       | 0.8% per annum  |
| Swing pricing policy | Max. 3% (swing price) for net flow larger than 1% of AUM (swing factor) |
| Redemption frequency | Daily   |

## Senior investment staff

**Co-Chairmen & Co-Chief Investment Officers:**  
**Cheah** Cheng Hye; **Louis So**  
**Senior Investment Directors:** Norman **Ho**, CFA; Renee **Hung**  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon **Ip**, CFA  
**Senior Fund Managers:** Elaine **Hu**; Edwin **Kam**, CFA

## Key fixed income awards



**CIO of the Year in Asia (Fixed Income) <sup>9</sup>**  
**CIO of the Year (Fixed Income, Hong Kong) <sup>9</sup>**  
**Winner: Mr. Gordon IP**  
 ~ *Insight & Mandate, Professional Investment Awards 2020*

**Fund Manager of the Year**  
**(Fixed Income High Yield, Greater China) <sup>10</sup>**  
**Winner: Mr. Gordon IP**  
 ~ *The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019*

**Top Investment House in Asian G3 Bonds <sup>11</sup>**  
**Top Investment House in Asian Local Currency Bond <sup>11</sup>**  
 (both for the Hedge Fund category)  
 ~ *The Asset Benchmark Research Awards 2019*

Scan QR code for fund documents<sup>12</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited, 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).

1. Classification is based on Bloomberg industry group. 2. Exposure refers to net exposure (long exposure minus short exposure). With immediate effect, derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 3. Cash includes receivables and payables (except cash for collaterals and margins). 4. Investors should note that the Yield to worst figure is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors. A positive yield does not imply a positive return. 5. The manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. 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 that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. Please refer to the Explanatory Memorandum for further details including the distribution policy. 6. 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. 7. Annualized yield based on Initial offer price of MDis Class is calculated as follows: (Latest dividend amount/Initial offer price) x 12. 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. 8. The average credit rating is calculated by assigning a sequential integer to all credit ratings from AAA (highest) to D (lowest), taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The letter rating may be based on bond ratings from different agencies and is provided to indicate the average credit rating of the portfolio's underlying bonds without taking into account derivative positions and unrated securities. As the risk of default increases disproportionately as a bond's rating decreases, the simple weighted average of credit ratings is not a statistical measurement of the portfolio's default risk. 9. The award reflects performance up to 31 Dec 2019. 10. The award recognizes fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. 11. The Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. 12. For Hong Kong investors only.

Investors should note that investment involves risk. The price of units 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, non-investment grade and unrated bonds. 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.

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. This advertisement has not been reviewed by the Monetary Authority of Singapore.

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