

# Value Partners Fund Series

## Value Partners Asian Fixed Maturity Bond Fund 2022

NAV per unit: Class A USD Unhedged MDIs - USD8.16

Fund size : USD14.6 million

June 2022

- 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 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.

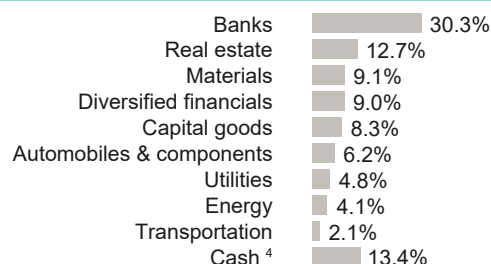
### Investment objective

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 <sup>1</sup>

Name	Sector <sup>2</sup>	Country / region	%
Bangkok Bank PCL/Hong Kong 3.875% 09/27/2022	Banks	Thailand	6.2
GC Treasury Center Co Ltd 4.25% 09/19/2022	Materials	Thailand	6.2
ICICI Bank Ltd/Dubai 3.25% 09/09/2022	Banks	India	6.2
Nan Fung Treasury Ltd 4.5% 09/20/2022	Real estate	China/Hong Kong	6.2
Siam Commercial Bank PCL/Cayman Islands 3.2% 07/26/2022	Banks	Thailand	4.9
China Great Wall International Holdings III Ltd 3.125% 08/31/2022	Diversified financials	China/Hong Kong	4.8
Industrial & Commercial Bank of China Ltd (New York Branch) 2.957% 11/08/2022	Banks	China/Hong Kong	3.7
Hyundai Capital Services Inc 3% 08/29/2022	Automobiles & components	Korea	3.5
Canara Bank/London 3.25% 08/10/2022	Banks	India	2.8
NongHyup Bank 2.875% 07/17/2022	Banks	Korea	2.8

### Sector exposure <sup>2,3</sup>

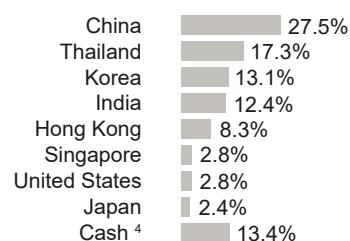


Weighted modified duration <sup>5</sup> 0.2 years

Yield to worst <sup>6</sup> 4.2%

Number of positions 32

### Geographical exposure <sup>3</sup>



Dividend information – Class MDis <sup>7</sup>

Classes <sup>8</sup>	Ex-dividend date	Dividend amount / unit	Initial offer price	Annualized yield based on Initial offer price <sup>9</sup>
Class A AUD Hedged MDis	30-6-2022	0.0233	10	2.8%
Class A HKD Unhedged MDis	30-6-2022	0.0300	10	3.6%
Class A RMB Hedged MDis	30-6-2022	0.0350	10	4.2%
Class A RMB Unhedged MDis	30-6-2022	0.0300	10	3.6%
Class A USD Unhedged MDis	30-6-2022	0.0300	10	3.6%

Credit ratings <sup>10</sup>

AA	6.9%
A	23.0%
BBB	47.1%
BB	6.2%
B & Below	3.4%
Cash <sup>4</sup>	13.4%

Investment grade	77.0%
High yield	9.6%
Average credit rating <sup>11</sup>	BBB+

## Fund codes

Classes <sup>8</sup>	ISIN	Bloomberg
Class A AUD Hedged MDis	HK0000541752	VPAAMAH HK
Class A HKD Unhedged MDis	HK0000541778	VPAAMHU HK
Class A RMB Hedged MDis	HK0000541794	VPAAMRH HK
Class A RMB Unhedged MDis	HK0000541802	VPAAMRU HK
Class A USD Unhedged MDis	HK0000541810	VPAAMUU 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 Nov 2019
Tenor:	3 years
Expected maturity date:	18 Nov 2022
Base currency:	USD
Share classes issued:	MDis USD Unhedged/HKD Unhedged/ AUD Hedged/RMB Hedged/RMB Unhedged
Dividend policy:	Class A 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  
**Head of Credit Research & Strategy:** Anna **Ho**  
**Fund Manager:** Danielle **Li**

## Key fixed income awards



**Best Fund Provider – High Yield Bond <sup>12</sup>**  
 ~ Asian Private Banker Asset Management Awards for  
 Excellence 2021

**Top Investment House in Asian G3 Bonds  
 (Asset Managers category) <sup>13</sup>**  
 ~ The Asset Benchmark Research Awards 2020

**CIO of the Year in Asia (Fixed Income) <sup>14</sup>**  
**CIO of the Year (Fixed Income, Hong Kong) <sup>14</sup>**  
**Winner: Mr. Gordon IP**  
 ~ Insight & Mandate, Professional Investment Awards 2020

Scan QR code for fund documents<sup>15</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. Only debt securities including convertible bonds are stated in the top holdings table. 2. Classification is based on Bloomberg industry group. 3. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 4. Cash includes receivables and payables (except cash for collaterals and margins). 5. The weighted modified duration represents the average modified duration of the portfolio of the underlying bonds weighted by reference to their market value. 6. 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. 7. 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. 8. 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. 9. 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. 10. The highest credit rating assigned by one of the three major external agencies (S&P, Moody's or Fitch) will be used for fixed income securities. Issuer rating may be used for unrated securities. 11. The weighted average credit rating is derived by taking the weighted average of the credit rating for each underlying bond in the portfolio. Issuer rating may be used for unrated securities. The average credit rating is determined 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. 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. 12. The assessment of each award category is based on 3 weighted criteria, and one weighted criterion based on feedback from private banking fund selectors. The weightings includes product performance (30%), asset gathering (20%), service competency/quality (20%) and fund selector feedback (30%). 13. The ranking for top investment houses in Asian G3 bonds is generated from the number of votes received from the top-rated analysts, economists, strategists, salespeople and traders, for investors in these institutions. The score is also subject to a weighting methodology determined by the rating of the individual casting the vote for the investor. A total of 430 different institutions were evaluated and shortlisted to produce the 2020 ranking. 14. The award reflects performance up to 31 Dec 2019. 15. 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.

This document has not been reviewed by the Securities and Futures Commission in Hong Kong. Issuer: Value Partners Hong Kong Limited.