

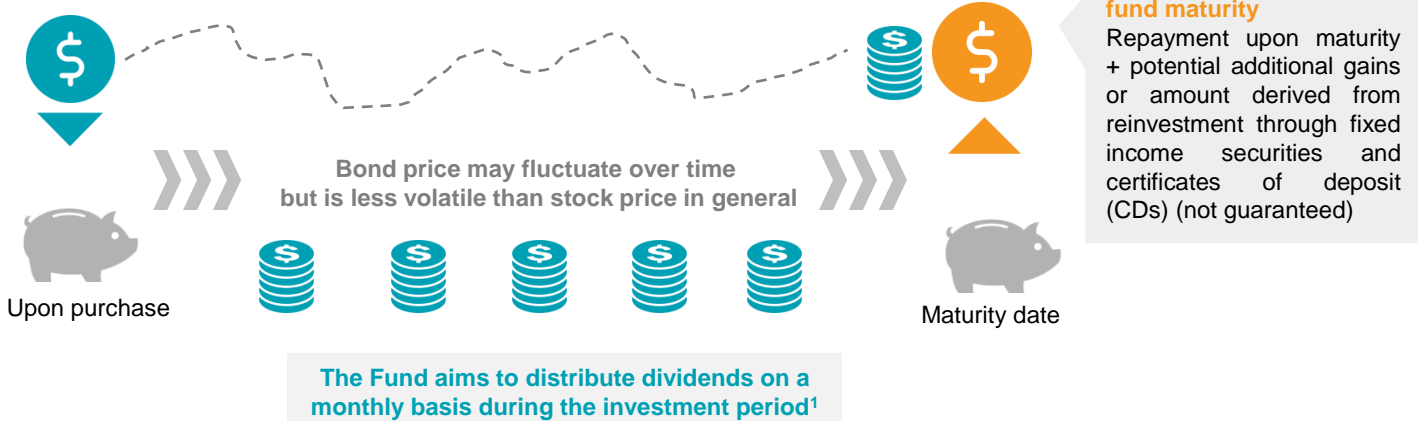
Initial Offering Period : 4 November 2019 – 21 November 2019

October 2019 Fund leaflet

- I. 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 approximately 3 years from the Fund target 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").
- II. 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.
- III. 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.
- IV. 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.
- V. 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.
- VI. 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.
- VII. 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.
- VIII. 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.
- IX. Financial derivative instruments may be used for hedging. The use of derivatives may become ineffective and the Fund may suffer significant losses.
- X. 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.
- XI. You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

What is a fixed maturity bond fund?

Initial investment



The advantage of a single bond and a general bond fund in a combined product²

Single bond



- Aims to repay upon maturity
- Has a fixed maturity date
- Offers potential regular income

- Invests in a basket of bonds to capture diversified income sources
- Reduces the risks of a single bond
- Manages by an investment experts with ongoing professional credit monitoring
- Relatively low subscription threshold

Bond fund



¹ 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. ² Similarity with respect to having a fixed maturity and paying a coupon/regular distribution. However, the diversified nature of this product means it is also exposed to a more diversified set of factors and conditions which is expected to, but may not actually, lower the overall risk of the product.

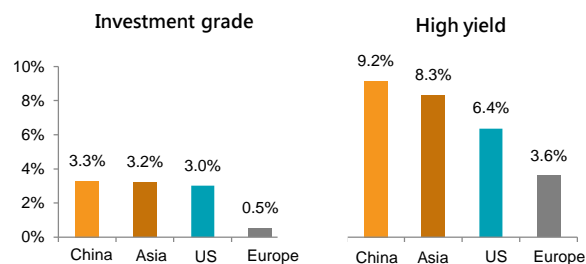
Why invest in Value Partners Asian Fixed Maturity Bond Fund 2022

1 Global central banks' QE and rate cuts to respond to a slowing economy



- The dovish pivot of global central banks increasingly dampens the appeal of cash, while supporting the prices of risk assets
- Asia and China bond markets are generally offering higher yields than other developed markets

Asia/China bond yields more attractive than European and US peers



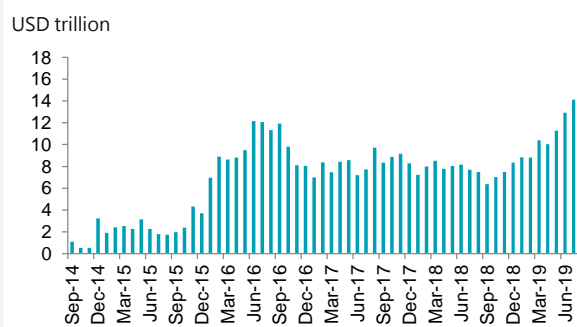
Source: Value Partners, Bloomberg, as at 30 September 2019

2 Lock in yields amid a negative rates environment

- There are about US\$17 trillion³ worth of bonds with negative rates globally, with the future global bond yields expected to trend lower further
- The Fund aims to provide monthly dividend payouts of about 3.6% p.a. (USD Class)^{1,4} during the fixed investment period, allowing investors to leverage the current yield, particularly attractive amid a low rates environment

(Aims to distribute dividends on a monthly basis, actual dividend payouts are not guaranteed and dividends may be paid out of the capital) Important Information X

An increasing pool with negative rates



Source: Value Partners, Bloomberg, as at 31 August 2019

3 Unique fixed maturity bond portfolio

- For investors intending to hold a fund to maturity, investing in a fixed maturity bond fund can ease concerns on market volatility or rate movements
- Compared with a single bond, investing in a portfolio can mitigate risks through diversification, while capturing potential income from different regions and sectors
- The Fund has an edge in subscription threshold and liquidity
- Being benchmark agnostic, the Fund adopts a bottom-up approach to select securities actively

Capturing diversified income sources



The above reference portfolio is for illustrative purposes only, and the actual investment universe and allocation may vary. Source: Value Partners, as at 18 October 2019

4 Managed by an acclaimed fixed income investment team

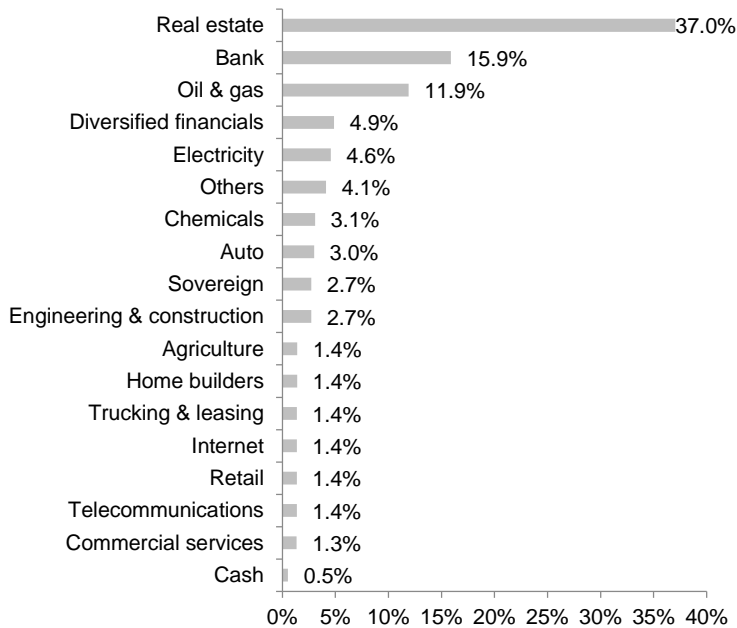
- Value Partners' fixed income team currently manages fixed income assets of about US\$7 billion. A seasoned and cohesive team of 11 investment professionals, with in-depth knowledge and proven fixed income expertise in the Asian credit markets as well as specialized sectors
- Our fixed income team leverages the full resources and knowledge of our investment teams, as well as the professional network in the region – the team gets first call on many primary issues
- Mr. Gordon Ip, Chief Investment Officer, Fixed Income, oversees Value Partners' credit and fixed income investments and portfolio management. He has over 20 years of experience in fixed income investment management and research
- Mr. Ip was crowned 2018 CIO of the Year (Fixed Income)⁷ by Insights and Mandates in the 2018 I&M Professional Investment Awards. He was named Manager of the Year (High Yield Fixed Income)⁸ by Benchmark's Fund of the Year Awards 2018. In addition, he was one of the highly commended Astute Investors in Asian G3 bonds (Hong Kong)⁹, awarded by The Asset Benchmark Research Awards 2018
- Value Partners' fixed income investment team and products have received proven recognition as witnessed by numerous accolades and awards over the years

Fund highlights:

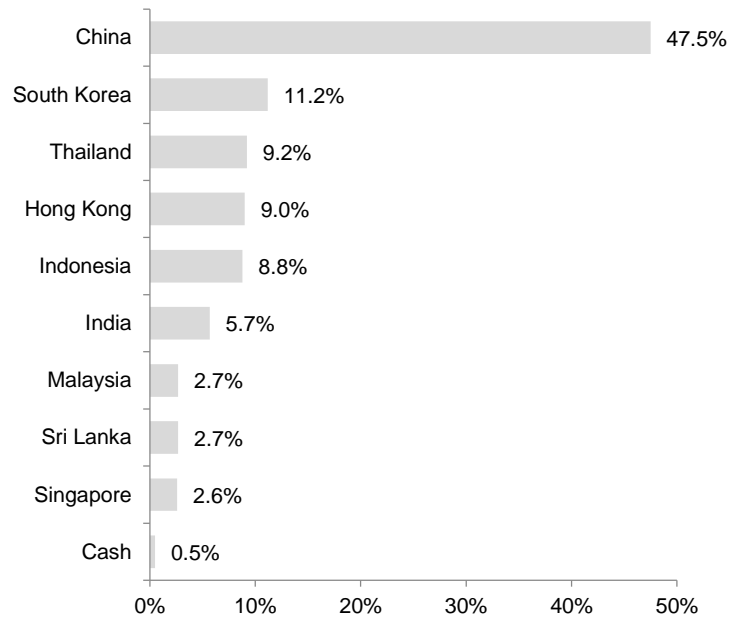
- Allow investors to lock in potential yields before Fund maturity amid uncertain outlook for rates
- For investors holding a Fund to maturity, investing in a fixed maturity bond Fund can effectively shield them from market volatility or rate movements
- Compared with a single bond, a portfolio can mitigate risks through diversification, while capturing potential income from different regions and sectors
- The Fund has an edge in subscription threshold and liquidity

Simulated portfolio¹⁰

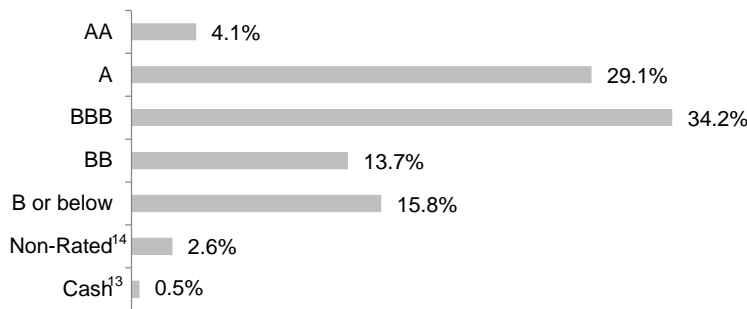
Sector breakdown^{11, 12}



Geographical breakdown¹¹



Credit ratings



Investment grade	67.4%
High yield	29.6%
Non-Rated ¹⁴	2.6%
Cash ¹³	0.5%
Average credit rating ⁵	BBB
Modified duration (Years)	2.3
Tenor (Years)	Approximately 3 years

3. Source: Bloomberg, as at August 2019. 4. For Class A USD MDis. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) 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. 5. The average credit rating is a market value weighted average of Bloomberg composite ratings, excluding non-rated issues. 6. As at 30 September 2019. 7. The award reflects performance up to 31 December 2017. 8. This award aims to recognize an individual who has led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers, and how they have managed their mandates with excellent stewardship in safeguarding shareholders' capital, grew the size of the fund/mandate without compromising safety and returns. For performances up to 30 September 2018. 9. The Most Astute Investors were selected by a poll covering global institutional investors that are active in the Asian G3 bond markets. 10. Source: Value Partners, as of 18 Oct 2019, based on indicative portfolio data. This is indicative and may change over time. 11. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 12. Classification is based on Global Industry Classification Standard (GICS). 13. Cash refers to net cash on hand excluding cash for collaterals and margins. 14. Including bonds whose issuers do not tend to seek credit ratings.

Objectives and Investment Strategy

The investment objective of the Fund is 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.

The Fund seeks to achieve its investment objective by investing*:

- i. at least 65% of its net asset value in a portfolio of investment grade-rated fixed income securities; and
- ii. not more than 35% of its net asset value in a portfolio of below investment grade-rated or unrated fixed income securities

These securities are primarily (at least 70% of its Net Asset Value) denominated in USD that are issued by corporations, governments, government entities or corporate agencies that have a significant portion of assets, investments, production activities, trading or other business interests in or derive a significant portion of revenue from Asian region (which may include both developed and emerging market countries). The Fund may also invest up to 30% of its Net Asset Value in Mainland China onshore fixed income securities.

Fund facts (Class A)

Initial offering period	4 November 2019 – 21 November 2019
Expected maturity date	18 November 2022
Target launch date	22 November 2019
Share Classes Available ¹⁵	MDis USD / HKD / AUD Hedged ¹⁶ /RMB Hedged ¹⁶ /RMB Unhedged
Subscription fee	Up to 5%
Management fee	0.8% p.a.
Swing pricing policy ¹⁷	Max. 3% (swing price) for net flow larger than 1% of AUM (swing factor)
Base Currency	USD
Manager	Value Partners Hong Kong Limited

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

Fixed income investment team:

Chief Investment Officer, Fixed Income	Gordon IP, CFA
Senior Fund Managers :	Elaine Hu; Edwin Kam, CFA; Jason Yan, CFA, ACCA

Key fixed income awards



The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019¹⁸
Fund Manager of the Year – Fixed Income High Yield (Greater China) – Gordon Ip

The Asset Benchmark Research Awards 2019¹⁹
Top Investment House in the Hedge Fund Category

Benchmark Fund of the Year Awards 2018, Hong Kong²⁰
High Yield Fixed Income House: Outstanding Achiever



Download the Value Partners Mobile App now!
Access the latest fund information[^] and market updates!

[^] Fund information refers to Value Partners' funds authorized by the Securities and Futures Commission of Hong Kong. Authorization does not imply official recommendation.

*The Fund will adopt a buy and hold strategy and monitor risk proactively. Managers will actively monitor and manage the risk level of the portfolio during investment period. When the manager believes that the credit status of an investment instrument has deteriorated after purchase, the Manager will have full discretion after considering various factors (including but not limited to: default risk, time to maturity, market liquidity and market price), whether to hold or sell such instruments and, where appropriate, reinvest the post-sale income in other fixed income instruments within the scope of the above investment strategy. **15.** Each hedged share class will hedge the Fund's base currency back to its currency of denomination on a best efforts basis. The dividend payout on hedged classes would not be fixed and subject to portfolio yield, interest rate environment and current Interest Rate Differentials (IRDs vs the base currency, USD, of the Fund). The hedging cost will be reflected in the Fund's NAV. The fund manager currently intends to distribute dividends on a monthly basis, however the dividend rate is not guaranteed. The dividend payout ratio is not a criterion for fund returns. 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 and footnotes 1 and 4 for more details. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) 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. Effective Gross Yield reflects the average portfolio annualized yield based on sample portfolio and assuming underlying bonds are held until their maturities, which could be earlier than that of the portfolio, before any fees. Such yield is no projection, prediction or guarantee for future performance, and there is no certainty that the expected yield will be reached. **16.** 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.

17. The main purpose of swing pricing is to protect existing investors from large redemption transactions, which may dilute fund assets. Swing pricing is not a charge on funds or investors. It is a protection that ensures existing fund investors do not have to bear the transaction cost in response to the redemption transactions caused by other investors. This mechanism will only be implemented when there are large fund outflows, rather than the usual transaction volume, so it is assumed that the adjustment of the net asset value will not occur frequently. The swing pricing mechanism means that the Fund will start swing pricing only when the daily total net redemption exceeds the threshold set by the Fund (1% of the fund's net asset under management), the net asset value (NAV) of the fund per share may be adjusted downward. In any case, the maximum limit of the adjustment is 3% of the Fund's net asset value. When swing pricing kicks in, the net asset value per share will be adjusted according to the "Swing Factor", which is an estimate of the transaction cost, including: market liquidity, trading spread, and transaction cost. The rate adjustment of the swing pricing will be formulated and reviewed by the 'Swing Pricing Management Committee'. The aim is to protect existing investors from the effects of dilution caused by large trading activities. Therefore, when the committee sets the rate adjustment, it will ensure that it can protect investors' rights, and also minimize the fluctuation of the net asset value of the fund per share due to swing pricing, that is, to ensure that the swing pricing will not be activated when there is no significant dilution impact to investors.

18. Announced in May 2019, 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.

19. Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology.

20. The award reflects performance up to 30 September 2018.

The views expressed are the views of Value Partners Hong Kong Limited only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investors should note 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 refer to the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets, non-investment grade and unrated debt securities. 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 material has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.