

# Value Partners Fund Series

## Value Partners Asian Income Fund

NAV per unit: Class A USD Acc - USD10.74 | Class A USD MDIs - USD10.65

Fund size : USD85.2 million

January 2018

- Value Partners Asian Income Fund (The "Fund") invests primarily in Asian equity and/or fixed income securities including convertible bonds and to deliver lower portfolio volatility.
- The Fund is subject to concentration risk as a result of the concentration of its investments in the Asian markets. The Fund may be more volatile than a broadly based fund as it is more susceptible to fluctuation in value resulting from adverse conditions in the Asian market.
- The Fund may invest in small and mid-capitalization companies. The stocks of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalization companies in general.
- The Fund may invest in debt securities including those that are below investment grade/unrated, and may involve greater risks, including credit risk, issuer-specific risk, counterparty risk and sovereign debt risk. The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk. All these may expose the Fund to significant losses.
- Investment in fixed income securities may include contingent convertible bonds whose structure is innovative and untested. These instruments may be subject to conversion risk e.g. compulsory conversion by the issuer upon uncontrollable triggering events and hence the Fund may experience losses.
- In respect of the distribution units 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 in the value of units.
- 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 maximize return and income by investing in Asian equities, Asian fixed income securities and other assets relating to Asian companies that are listed in Asia, or have registered offices in Asia or generate a predominant share of their sales and/or their profits in Asia. The Fund also aims to achieve lower portfolio volatility by actively screening and selecting a combination of lower volatility equities and fixed income securities.

### Performance update

	The Fund
One month	N/A
Year-to-date	N/A
Since launch	N/A
Annualized return <sup>^</sup>	N/A
Annualized volatility <sup>^</sup>	N/A

*Due to SFC regulations, no performance data is shown for fund which is less than six months old.*

### Top 5 holdings - equities

Holdings	Industry <sup>1</sup>	%
China Construction Bank Corporation	Banks	3.5
CTBC Financial Holding Co Ltd	Banks	3.0
Singtel 10	Telecom services	2.8
Far EasTone Telecommunications Co Ltd	Telecom services	2.4
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	2.2

### Top 5 holdings - fixed income

Holdings	Sector <sup>1</sup>	Country	%
Geo Coal International Pte Limited 8% 10/4/2022	Energy	Singapore	1.8
Medco Platinum Road Pte Limited 6.75% 1/30/2025	Energy	Indonesia	1.7
UBS Group Funding Switzerland 5% PERP	Financials	Switzerland	1.7
Indika Energy Capital II Pte 6.875% 4/10/2022	Energy	Indonesia	1.3
Medco Straits Services Pte Limited 8.5% 8/17/2022	Energy	Indonesia	1.3

<sup>^</sup> 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.

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### Asset type (%)<sup>2</sup>

	Equities	Fixed Income	Total
Taiwan	19.8	-	19.8
China	-	16.0	16.0
Singapore	11.5	1.8	13.3
Hong Kong	10.9	1.2	12.1
H Shares	11.3	-	11.3
Thailand	6.4	-	6.4
Cash <sup>3</sup> & cash equivalents	-	-	6.1
Indonesia	-	4.9	4.9
Korea	3.3	-	3.3
Malaysia	2.9	-	2.9
Switzerland	-	1.7	1.7
India	-	1.2	1.2
Red Chips	1.0	-	1.0
Total	67.1	26.8	100.0

### Credit ratings of fixed income

BBB	1.2%
BB	6.6%
B & Below	15.5%
Non-rated <sup>4</sup>	3.6%

## NAV &amp; codes

Classes <sup>5</sup>	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	10.74	HK0000352374	VPUSUAU HK
Class A AUD Hedged MDis	10.62	HK0000352259	VPAAHMU HK
Class A CAD Hedged MDis	10.60	HK0000352267	VPACHMU HK
Class A HKD Unhedged MDis	10.67	HK0000352291	VPAHUMU HK
Class A NZD Hedged MDis	10.62	HK0000352309	VPANHMU HK
Class A RMB Hedged MDis	10.65	HK0000352317	VPARHMU HK
Class A RMB Unhedged MDis	10.09	HK0000352325	VPARUMU HK
Class A USD Unhedged MDis	10.65	HK0000352382	VPAUHMU HK
Class A HKD Unhedged Acc	10.77	HK0000352283	VPAHUAU HK

Dividend information – Class MDis <sup>6</sup>

Classes <sup>5</sup>	Dividend amount / unit	Annualized yield <sup>7</sup>	Ex-dividend date
Class A AUD Hedged MDis	0.048700	5.5%	31-1-2018
Class A CAD Hedged MDis	0.043300	4.9%	31-1-2018
Class A HKD Unhedged MDis	0.044500	5.0%	31-1-2018
Class A NZD Hedged MDis	0.052300	5.9%	31-1-2018
Class A RMB Hedged MDis	0.057400	6.5%	31-1-2018
Class A RMB Unhedged MDis	0.042400	5.0%	31-1-2018
Class A USD Unhedged MDis	0.044400	5.0%	31-1-2018

## Portfolio characteristics

As at 31 Jan 2018	2018
Portfolio yield <sup>8</sup>	4.8%

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	US dollars
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	13 Nov 2017
	Class A USD Unhedged Acc
	Class A AUD Hedged MDis
	Class A CAD Hedged MDis
	Class A HKD Unhedged MDis
	Class A NZD Hedged MDis
	Class A RMB Hedged MDis
	Class A RMB Unhedged MDis
	Class A USD Unhedged MDis
	Class A HKD Unhedged Acc

## Fee structure (Class A)

Share classes	Acc	MDis
	Unhedged: HKD/SGD/USD Hedged: SGD	Unhedged: HKD/RMB/SGD/USD Hedged: AUD/CAD/EUR/NZD/ RMB/SGD
Minimum subscription	USD10,000 or equivalent	
Minimum subsequent subscription	USD5,000 or equivalent	
Subscription fee	Up to 5%	
Redemption fee	Nil	
Management fee	1.5% p.a.	
Performance fee	N/A	
Dealing day	Daily	

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;  
 Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;  
 Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Senior Fund Managers:** Elaine Hu; Jason Yan, CFA, ACCA  
**Fund Managers:** Edwin Kam, CFA; Yee Choon Lim

## Recent corporate awards



**Manager of the Year - Greater China Equity (Outstanding Award)**  
**Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs) <sup>9</sup>**  
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

**Management Firm of the Year <sup>10</sup>**  
 ~ AsiaHedge Awards 2017

**Best Fund Provider - Greater China Equity <sup>11</sup>**  
 ~ Asset Management Awards for Excellence 2017

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. Classification is based on Global Industry Classification Standard (GICS). 2. Equities are classified by country of listing and fixed income securities are classified by country of risk. 3. Cash refers to net cash on hand excluding cash for collaterals and margins. 4. Including bonds whose issuers do not seek credit ratings. 5. The Fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the Fund's use of FDI may become ineffective in hedging and the Fund may suffer significant losses. 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. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/EUR/NZD/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 6. 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. No dividends will be paid with respect to the Accumulation Classes. 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. 7. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as of 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. 8. Portfolio yield is the weighted average of the dividend yield of equity and fixed income securities. 9. The award recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 10. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 11. Based on performance and achievements for 2016.

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 read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information herein has been obtained from sources believed to be reliable but Value Partners Hong Kong 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.

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