

Value Partners Fund Series

Value Partners Asian Income Fund

NAV per unit: Class A USD Acc - USD10.39 | Class A USD MDis - USD9.25
Fund size : USD80.8 million

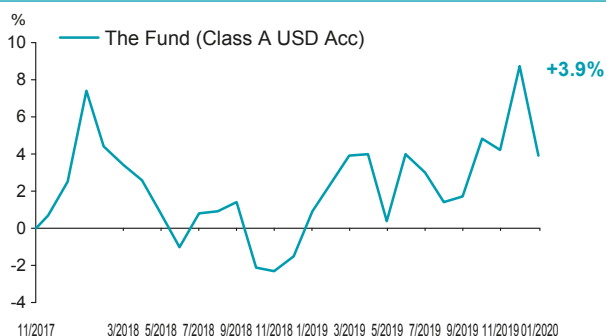
January 2020

- 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 since launch



Performance update

| | The Fund (Class A USD Acc) |
|------------------------------------|----------------------------|
| One month | -4.4% |
| Year-to-date | -4.4% |
| One year | +3.0% |
| Since launch | +3.9% |
| Annualized return [^] | +1.7% |
| Annualized volatility [^] | 8.3% |

Top holdings – equities

| Holdings | Industry ¹ | Country / region | % |
|---|--|------------------|-----|
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | Taiwan | 3.5 |
| China Construction Bank Corp | Banks | Hong Kong | 2.4 |
| Ascendas Real Estate Investment Trust | REITS | Singapore | 2.2 |
| Shimao Property Holdings Ltd | Real estate | Hong Kong | 2.0 |
| Sinopharm Group Co Ltd | Pharmaceuticals, biotechnology & life sciences | Hong Kong | 1.9 |

Top holdings – fixed income

| Holdings | Sector ¹ | Country / region | % |
|---|---------------------|------------------|-----|
| Medco Platinum Road Pte Ltd 6.75% 01/30/2025 | Energy | Indonesia | 1.9 |
| Oxley MTN Pte Ltd 6.375% 04/21/2021 | Real estate | Singapore | 1.9 |
| Vedanta Resources Finance II PLC 9.25% 04/23/2026 | Materials | India | 1.9 |
| Barclays PLC 8% PREP | Financials | United Kingdom | 1.4 |
| Redsun Properties Group Ltd 11.5% 03/04/2021 | Real estate | China | 1.3 |

Dividend information – Class MDis²

| Classes ³ | Dividend amount / unit | Annualized yield ⁴ | Ex-dividend date |
|---------------------------|------------------------|-------------------------------|------------------|
| Class A AUD Hedged MDis | 0.0342 | 4.5% | 31-1-2020 |
| Class A CAD Hedged MDis | 0.0386 | 5.1% | 31-1-2020 |
| Class A HKD Unhedged MDis | 0.0413 | 5.4% | 31-1-2020 |
| Class A NZD Hedged MDis | 0.0366 | 4.8% | 31-1-2020 |
| Class A RMB Hedged MDis | 0.0457 | 6.0% | 31-1-2020 |
| Class A RMB Unhedged MDis | 0.0437 | 5.4% | 31-1-2020 |
| Class A USD Unhedged MDis | 0.0411 | 5.3% | 31-1-2020 |

The Fund – Class A USD Acc: Monthly performance from 13 Nov 2017 to 31 Jan 2020

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 2017 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | +0.7% | +1.8% | +2.5% |
| 2018 | +4.8% | -2.8% | -1.0% | -0.8% | -1.8% | -1.8% | +1.8% | +0.1% | +0.5% | -3.5% | -0.2% | +0.8% | -3.9% |
| 2019 | +2.4% | +1.4% | +1.6% | +0.1% | -3.5% | +3.6% | -1.0% | -1.6% | +0.3% | +3.0% | -0.6% | +4.3% | +10.4% |
| 2020 (YTD) | -4.4% | | | | | | | | | | | | -4.4% |

[^] Annualized return and volatility are calculated from inception based on published NAV. 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.

NAVs & codes

| Classes ³ | NAV | ISIN | Bloomberg |
|---------------------------|-------|--------------|------------|
| Class A USD Unhedged Acc | 10.39 | HK0000352374 | VPUSUAU HK |
| Class A AUD Hedged MDis | 9.10 | HK0000352259 | VPAAHMU HK |
| Class A CAD Hedged MDis | 9.12 | HK0000352267 | VPACHMU HK |
| Class A HKD Unhedged MDis | 9.21 | HK0000352291 | VPAHUMU HK |
| Class A NZD Hedged MDis | 9.11 | HK0000352309 | VPANHMU HK |
| Class A RMB Hedged MDis | 9.12 | HK0000352317 | VPARHMU HK |
| Class A RMB Unhedged MDis | 9.74 | HK0000352325 | VPARUMU HK |
| Class A USD Unhedged MDis | 9.25 | HK0000352382 | VPAUHMU HK |
| Class A HKD Unhedged Acc | 10.35 | HK0000352283 | VPAHUAU HK |

Asset type (%)⁵

| | Equities | Fixed Income | Total |
|-------------------|----------|--------------|-------|
| China | - | 19.9 | 19.9 |
| Taiwan | 19.2 | - | 19.2 |
| Hong Kong | 15.5 | - | 15.5 |
| Singapore | 9.6 | 3.1 | 12.7 |
| H-shares | 9.5 | - | 9.5 |
| South Korea | 5.6 | - | 5.6 |
| Red Chips | 5.1 | - | 5.1 |
| India | - | 4.3 | 4.3 |
| Indonesia | - | 3.1 | 3.1 |
| Cash ⁶ | - | - | 2.4 |
| United Kingdom | - | 1.4 | 1.4 |
| China A-shares | 1.3 | - | 1.3 |
| Total | 65.8 | 31.8 | 100.0 |

Credit ratings of fixed income

| | |
|------------------------|-------|
| BB | 9.5% |
| B & Below | 19.3% |
| Non-rated ⁷ | 3.0% |

Portfolio characteristics

| As at 31 Jan 2020 | 2020 |
|------------------------------|------|
| Portfolio yield ⁸ | 6.3% |

Fund facts

| | |
|----------------|--|
| Manager: | Value Partners Hong Kong Limited |
| Base currency: | USD |
| 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

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Deputy Chief Investment Officer: Renee Hung

Senior Investment Director: Norman Ho, CFA

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

Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho;

Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

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



**I&M Professional Investment Awards 2018
Cross Border Awards: CIO of the Year (Fixed
Income) – Gordon Ip⁹**
~ Insights & Mandate

**The Asset Benchmark Research Awards 2018
Top Investment House in Hedge Fund Category¹⁰**
~ The Asset

**Benchmark Fund of the Year Awards 2018,
Hong Kong
High Yield Fixed Income House: Outstanding
Achiever¹¹**
~ Benchmark

Scan QR code for fund documents¹²:



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.

1. Classification is based on Global Industry Classification Standard (GICS). 2. 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. 3. 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. 4. 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. Equities are classified by country of listing and fixed income securities are classified by country of risk. 6. Cash: 2.4%, refers to net cash on hand excluding cash for collaterals and margins. 7. Including bonds whose issuers do not seek credit ratings. 8. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 9. The award reflects performance up to 31 December 2017. 10. Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology. 11. The award reflects performance up to 30 September 2018. 12. For Hong Kong investors only.

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

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