

Value Partners Fund Series

Value Partners Asian Income Fund



NAV per unit: Class A USD Acc - USD11.36 | Class A USD MDis - USD9.76
Fund size : USD77.1 million

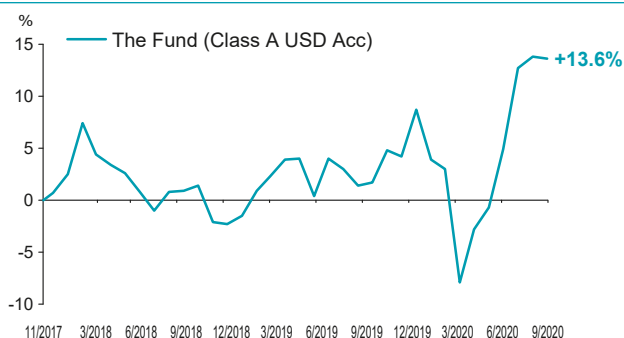
September 2020

- 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)
Year-to-date	+4.5%
One month	-0.2%
Three months	+8.3%
Six months	+23.3%
One year	+11.7%
Total return since launch	+13.6%
Annualized return since launch ^	+4.5%

NAVs & codes

Classes ¹	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	11.36	HK0000352374	VPUSUUAU HK
Class A AUD Hedged MDis	9.41	HK0000352259	VPAAHMU HK
Class A CAD Hedged MDis	9.53	HK0000352267	VPACHMU HK
Class A HKD Unhedged MDis	9.69	HK0000352291	VPAHUMU HK
Class A NZD Hedged MDis	9.48	HK0000352309	VPANHMU HK
Class A RMB Hedged MDis	9.62	HK0000352317	VPARHMU HK
Class A RMB Unhedged MDis	10.03	HK0000352325	VPARUMU HK
Class A USD Unhedged MDis	9.76	HK0000352382	VPAUHMU HK
Class A HKD Unhedged Acc	11.29	HK0000352283	VPAHUAU HK

The Fund – Class A USD Acc: Monthly performance from 13 Nov 2017 to 30 Sep 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%	-0.9%	-10.6%	+5.5%	+2.2%	+5.6%	+7.4%	+1.0%	-0.2%				+4.5%

[^] 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.

43rd Floor, The Center, 99 Queen's Road Central, Hong Kong
Hotline: Hong Kong (852) 2143 0688 | Singapore (65) 6718 0380
Email: fis@vp.com.hk | www.valuepartners-group.com

Dividend information – Class MDis²

Classes ¹	Dividend amount / unit	Annualized yield ³	Ex-dividend date
Class A AUD Hedged MDis	0.0379	4.8%	30-9-2020
Class A CAD Hedged MDis	0.0375	4.7%	30-9-2020
Class A HKD Unhedged MDis	0.0388	4.8%	30-9-2020
Class A NZD Hedged MDis	0.0388	4.9%	30-9-2020
Class A RMB Hedged MDis	0.0455	5.7%	30-9-2020
Class A RMB Unhedged MDis	0.0422	5.0%	30-9-2020
Class A USD Unhedged MDis	0.0390	4.8%	30-9-2020

Top holdings – equities

Holdings	Industry ⁴	Country / region	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	Taiwan	5.2
MediaTek Inc	Semiconductors & semiconductor equipment	Taiwan	2.8
Samsung Electronics Co Ltd	Technology, hardware & equipment	South Korea	2.7
Shimao Group Holdings Ltd	Real estate	Hong Kong	2.6
Genius Electronic Optical Co Ltd	Technology, hardware & equipment	Taiwan	2.5

Top holdings – fixed income

Holdings	Sector ⁴	Country / region	%
Vedanta Holdings Mauritius II Ltd 13% 08/21/2023	Materials	India	2.1
Tongfang Aqua Ltd 6.8% 01/10/2022	Information technology	China	2.0
eHi Car Services Ltd 5.875% 08/14/2022	Industrials	China	1.4
Fortune Star BVI Ltd 6.85% 07/02/2024	Industrials	China	1.4
New Metro Global Ltd 7.5% 12/16/2021	Real estate	China	1.4

Portfolio characteristics

As at 30 Sep 2020

Portfolio yield ⁵	5.3%
The Fund (Class A USD Acc)	
Annualized volatility [^]	11.7%

Asset type by geography (%) ⁶

	Equities	Fixed Income	Total
China	-	22.4	22.4
Hong Kong	21.2	-	21.2
Taiwan	19.9	-	19.9
H-shares	8.6	-	8.6
Singapore	8.1	-	8.1
Red Chips	5.0	-	5.0
South Korea	4.8	-	4.8
India	-	4.7	4.7
China A-shares	2.8	-	2.8
Australia	-	1.3	1.3
United States	0.8	-	0.8
Indonesia	-	0.7	0.7
Cash ⁷	-	-	-0.3
Total	71.2	29.1	100.0

Asset type by sector (%) ⁴

	Equities	Fixed Income	Total
Real estate	13.2	16.3	29.5
Information technology	22.8	2.0	24.8
Consumer discretionary	12.6	2.0	14.6
Banks	7.2	-	7.2
Industrials	3.8	2.8	6.6
Communication services	4.6	1.3	5.9
Materials	1.2	2.1	3.3
Financial	1.7	1.3	3.0
Insurance	1.9	-	1.9
Health care	1.4	-	1.4
Energy	-	1.3	1.3
Consumer staples	0.8	-	0.8
Cash ⁷	-	-	-0.3
Total	71.2	29.1	100.0

Credit ratings of fixed income

BBB	1.3%	Investment grade	1.3%
BB	12.7%	High yield	24.5%
B & Below	11.8%	Average credit rating ⁹	BB-
Non-rated ⁸	3.3%		

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

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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

Key fixed income awards



CIO of the Year in Asia (Fixed Income) ¹⁰

CIO of the Year (Fixed Income, Hong Kong) ¹⁰

Winner: Mr. Gordon IP

~ *In Sight & Mandate, Professional Investment Awards 2020*

Fund Manager of the Year

(Fixed Income High Yield, Greater China) ¹¹

Winner: Mr. Gordon IP

~ *The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019*

Top Investment House in Asian G3 Bonds ¹²

Top Investment House in Asian Local Currency Bond ¹²

(both for the Hedge Fund category)

~ *The Asset Benchmark Research Awards 2019*

Scan QR code for fund documents¹³:



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. 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. 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. 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. 4. Classification is based on Global Industry Classification Standard (GICS). 5. Portfolio yield is based on market consensus forecast as derived from FactSet and Bloomberg and is the weighted average of the total dividend yield of all securities in the portfolio. 6. Equities are classified by country of listing and fixed income securities are classified by country of risk. 7. Cash: -0.3%, includes receivables and payables (except cash for collaterals and margins). 8. Including bonds whose issuers do not seek credit ratings. 9. 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. 10. The award reflects performance up to 31 Dec 2019. 11. 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. 12. 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. 13. 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.