

Value Partners Fund Series Value Partners Asian Income Fund



NAV per unit : Class A USD Unhedged Acc - USD9.64 | Class A USD Unhedged MDis - USD7.52

Fund size : USD200.4 million



Morningstar Rating™
As at 31-10-2022

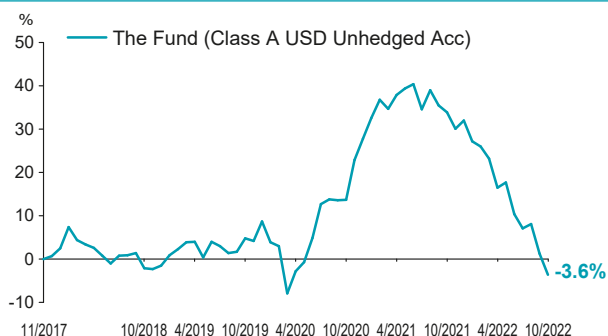
October 2022

- 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 Unhedged Acc) |
|----------------------------------|----------------------------------------|
| Year-to-date | -27.0% |
| One month | -4.8% |
| One year | -28.0% |
| Three years | -8.0% |
| Five years | N/A |
| Total return since launch | -3.6% |
| Annualized return since launch ^ | -0.7% |

NAVs & codes

| Classes ¹ | NAV | ISIN | Bloomberg |
|---------------------------|------|--------------|------------|
| Class A USD Unhedged Acc | 9.64 | HK0000352374 | VPUSUAU HK |
| Class A AUD Hedged MDis | 7.08 | HK0000352259 | VPAAHMU HK |
| Class A CAD Hedged MDis | 7.27 | HK0000352267 | VPACHMU HK |
| Class A HKD Unhedged MDis | 7.57 | HK0000352291 | VPAHUMU HK |
| Class A NZD Hedged MDis | 7.22 | HK0000352309 | VPANHMU HK |
| Class A RMB Hedged MDis | 7.46 | HK0000352317 | VPARHMU HK |
| Class A RMB Unhedged MDis | 8.23 | HK0000352325 | VPARUMU HK |
| Class A USD Unhedged MDis | 7.52 | HK0000352382 | VPAUHMU HK |
| Class A HKD Unhedged Acc | 9.71 | HK0000352283 | VPAHUAU HK |

The Fund – Class A USD Unhedged Acc: Monthly performance from 13 Nov 2017 to 31 Oct 2022

| 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% | +0.8% | +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 | -4.4% | -0.9% | -10.6% | +5.5% | +2.2% | +5.6% | +7.4% | +1.0% | -0.2% | +0.1% | +8.1% | +4.0% | +17.6% |
| 2021 | +3.8% | +3.2% | -1.5% | +2.7% | +0.8% | +0.7% | -4.1% | +3.3% | -2.5% | -1.2% | -2.8% | +1.5% | +3.3% |
| 2022 (YTD) | -3.6% | -0.9% | -2.2% | -5.4% | +1.0% | -6.2% | -3.0% | +0.9% | -6.3% | -4.8% | | | -27.0% |

^ Annualized return is calculated from inception based on published NAV.

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 | 6.4% | 31-10-2022 |
| Class A CAD Hedged MDis | 0.0375 | 6.2% | 31-10-2022 |
| Class A HKD Unhedged MDis | 0.0388 | 6.2% | 31-10-2022 |
| Class A NZD Hedged MDis | 0.0388 | 6.4% | 31-10-2022 |
| Class A RMB Hedged MDis | 0.0386 | 6.2% | 31-10-2022 |
| Class A RMB Unhedged MDis | 0.0422 | 6.2% | 31-10-2022 |
| Class A USD Unhedged MDis | 0.0390 | 6.2% | 31-10-2022 |

Top holdings – equities⁴

| Holdings | Industry ⁵ | Country / region | % |
|-------------------------------------------|------------------------------------------|------------------|-----|
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | Taiwan | 4.1 |
| ICICI Bank Ltd | Banks | United States | 1.9 |
| CapitaLand Ascendas REIT | Real estate | Singapore | 1.6 |
| China Telecom Corp Ltd | Telecom services | Hong Kong | 1.3 |
| United Overseas Bank Ltd | Banks | Singapore | 1.2 |

Top holdings – fixed income⁴

| Holdings | Sector ⁵ | Country / region | % |
|------------------------------------------------|------------------------|------------------|-----|
| Vedanta Resources Finance II PLC 8% 04/23/2023 | Materials | India | 2.6 |
| China Government Bond 2.86% 07/16/2030 | Sovereign | China | 1.3 |
| China Hongqiao Group Ltd 6.25% 06/08/2024 | Materials | China | 1.3 |
| China Government Bond 3.02% 05/27/2031 | Sovereign | China | 1.1 |
| Gajah Tunggal Tbk PT 8.95% 06/23/2026 | Consumer discretionary | Indonesia | 1.1 |

Portfolio characteristics

As at 31 Oct 2022

| | |
|------------------------------------------------------|-------|
| Portfolio yield ⁶ | 5.4% |
| The Fund (Class A USD Unhedged Acc) | |
| Annualized volatility (3 years) ⁷ | 14.3% |

Asset type by geography (%) ⁴

| | Equities | Fixed Income | Total |
|-------------------|----------|--------------|-------|
| China | - | 15.6 | 15.6 |
| Hong Kong | 8.2 | 3.1 | 11.3 |
| Taiwan | 8.8 | - | 8.8 |
| H-shares | 8.4 | - | 8.4 |
| Australia | 2.7 | 5.6 | 8.3 |
| Japan | 6.5 | 0.5 | 7.0 |
| Singapore | 6.4 | 0.4 | 6.8 |
| South Korea | 3.1 | 3.7 | 6.8 |
| Indonesia | 2.9 | 3.6 | 6.5 |
| India | 0.8 | 4.5 | 5.3 |
| Red Chips | 3.5 | - | 3.5 |
| United States | 3.0 | - | 3.0 |
| China A-shares | 2.6 | - | 2.6 |
| Malaysia | 0.4 | 0.8 | 1.2 |
| Cambodia | - | 0.4 | 0.4 |
| Macao | - | 0.3 | 0.3 |
| Others | 2.0 | - | 2.0 |
| Cash ⁸ | - | - | 2.2 |
| Total | 59.3 | 38.5 | 100.0 |

Asset type by sector (%) ⁵

| | Equities | Fixed Income | Total |
|------------------------|----------|--------------|-------|
| Information technology | 12.9 | 2.3 | 15.2 |
| Financials | 10.4 | 3.1 | 13.5 |
| Real estate | 7.5 | 4.5 | 12.0 |
| Industrials | 4.8 | 6.8 | 11.6 |
| Materials | 3.1 | 7.4 | 10.5 |
| Consumer discretionary | 5.4 | 3.7 | 9.1 |
| Energy | 5.5 | 2.7 | 8.2 |
| Utilities | 2.1 | 3.3 | 5.4 |
| Communication services | 4.0 | 0.8 | 4.8 |
| Sovereign | - | 2.4 | 2.4 |
| Consumer staples | 1.3 | 0.8 | 2.1 |
| Health care | 0.3 | 0.7 | 1.0 |
| Others | 2.0 | - | 2.0 |
| Cash ⁸ | - | - | 2.2 |
| Total | 59.3 | 38.5 | 100.0 |

Credit ratings of fixed income ⁹

| | |
|--------------------------------------------|--------------|
| AA | 1.9% |
| A | 7.5% |
| BBB | 6.5% |
| BB | 6.8% |
| B & Below | 13.1% |
| Non-rated ¹⁰ | 2.7% |
| Investment grade | 15.9% |
| High yield | 19.9% |
| Average credit rating ¹¹ | BB+ |

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.

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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.

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)

| | Acc | MDIs |
|---------------------------------|--------------------------------------------|------------------------------------------------------------------------|
| Share classes | 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 Director, Head of Multi-Assets: Kelly Chung, CFA

Investment Directors: Chung Man Wing; Yu Chen Jun; Michelle Yu, CFA

Senior Fund Managers: Lillian Cao; Luo Jing, CFA; Frank Tsui

Fixed income investment team:

Chief Investment Officer, Fixed Income: Gordon Ip, CFA

Head of Credit Research & Strategy: Anna Ho

Fund Manager: Danielle Li

Key fund and corporate awards



Best Fund Provider - Multi-Asset Solution ¹²

~ 2022 Asian Private Banker Asset Management Awards for Excellence

Top Fund - Asia Allocation (Hong Kong & Singapore) (Best-in-class) ¹³

~ Benchmark Fund of the Year Awards 2021

Scan QR code¹⁴:



Fund documents Fund notices