

Important Information

- I. 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.
- II. 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.
- III. 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.
- IV. 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.
- V. 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.
- VI. 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.
- VII. You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.



Q3 2019 Fund leaflet

Value Partners Asian Income Fund

HKD, USD, RMB
and multiple currency
classes available

Capture Asia's income opportunities and growth while keeping volatility at bay

- ▲ **Focus on Asian stocks and bonds** to unearth quality yield-generating assets
- ▲ **Manage portfolio volatility** through our nimble asset-allocation model
- ▲ **Provide share classes with monthly payouts** of around **5%¹** p.a.

(Aims to make monthly dividend distributions. Actual dividend payouts are not guaranteed and dividends may be paid out of the capital of the Fund.)

Please refer to Important Information VI



¹ For Class A USD MDIs as at 28 June 2019. 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. 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.

Investment objective and strategy

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.

The Fund will be actively managed. Through bottom-up research and a screening process, the Fund focuses on the selection of companies that offer potential long term value.

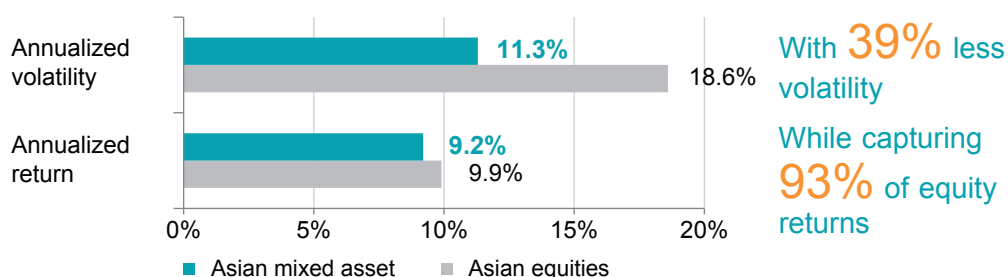
Why invest in Value Partners Asian Income Fund?



Asian mixed assets optimizes risk-reward returns

- Asian developing countries have sound fundamentals and better growth outlook than developed markets. Asian high yield bonds, especially Chinese corporates' offshore bonds, offer more attractive yields than U.S. and European peers
- Asian stock dividends have been the key driver of long-term total returns and the main income source in a low rate environment, while acting as a buffer against market fluctuation
- A mixed asset allocation can further improve portfolio efficiency – Asian mixed assets had offered better risk-reward returns for the past decade²

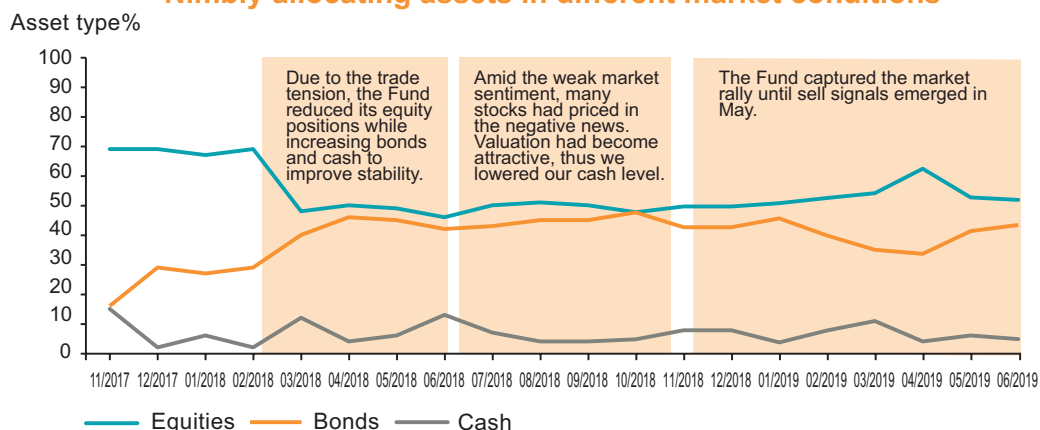
Asian mixed assets have a better risk-reward profile in the past decade²



Flexible allocation for low volatility

- Being benchmark agnostic, the Fund can flexibly invest across Asian equities, bonds and other assets to capture quality income assets while managing risks
- The Fund targets to strictly contain its annualized volatility within a range of 6-8%³, about a third of the average of Asian stocks⁴
- The prudent asset allocation model incorporates longer-term macro views and monthly signals with fundamental researches. Hedging strategies can be employed to diversify risks when necessary

Nimble allocating assets in different market conditions



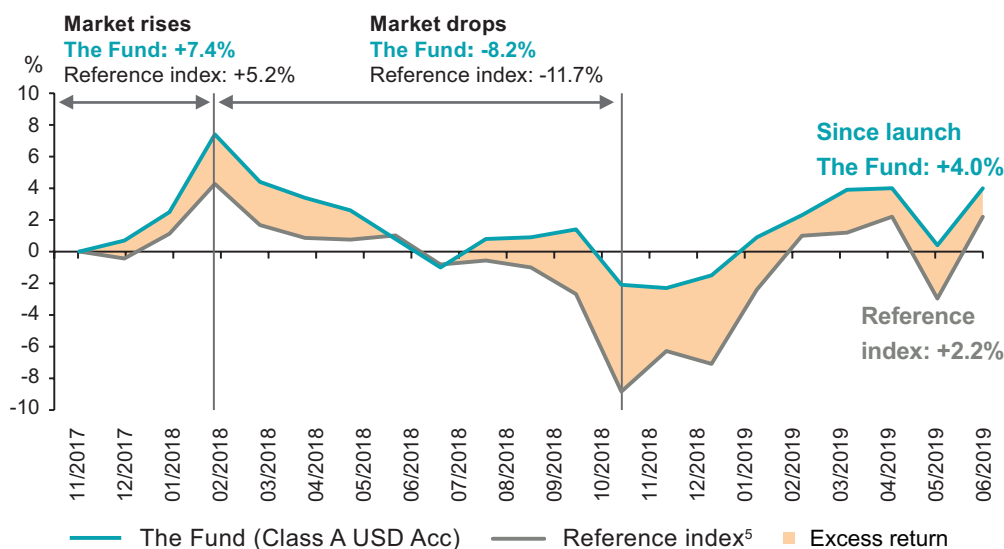
Source: Value Partners, as at 28 June 2019.

² Source: Value Partners, Morningstar, as at 31 December 2018. Asian mixed assets refer to 50% MSCI AC Asia ex-Japan Index and 50% J.P. Morgan Asia Credit Index, while Asian equities refer to MSCI AC Asia ex-Japan Index. Based on data from 1 January 2009 to 31 December 2018, with earnings reinvested. ³ The target will be adjusted according to different market conditions. ⁴ Asian stocks refer to MSCI AC Asia ex-Japan Index. 10-year annualized volatility is 16.9% as at 30 June 2019. Source: Bloomberg.



- With strategic and dynamic asset allocation as well as rigorous risk management, the Fund has outperformed the index⁵ and the average of peer funds⁶ since inception
- Comparing to the index, the Fund generally rallied higher in bull markets and dropped less in market downturns
- The Fund’s annualized return and volatility since inception have been in its peer group’s⁶ top quartile

The Fund’s performance during market ups and downs



Source: Value Partners, Morningstar, as at 30 June 2019. Value Partners Asian Income Fund (Class A) was launched on 13 November 2017. Calendar year return: 2017 (since inception): +2.5%; 2018: -3.9%.



- The Fund targets to provide monthly payouts of around 5% p.a.¹ (Aims to make monthly dividend distributions. Actual dividend payouts are not guaranteed and dividends may be paid out of the capital of the Fund.) Please refer to Important Information VI
- Through Value Partners’ unique bottom-up value investing philosophy, the Fund filters quality enterprises that offer sustainable stock dividends or bond yields and have growth potentials in the low interest rate environment
- Committed to use income as the source of dividend payouts and achieve long-term asset appreciation

Dividend history of Class A MDis USD over the past 6 months

Ex-dividend date	Ex-dividend date NAV (USD)	Dividend per unit (USD)	Annualized yield
28/06/2019	9.55	0.0435	5.5%
31/05/2019	9.27	0.0435	5.6%
30/04/2019	9.64	0.0435	5.4%
29/03/2019	9.67	0.0435	5.4%
28/02/2019	9.56	0.0435	5.5%
31/01/2019	9.48	0.0435	5.5%

5. Index refers to 50% MSCI AC Asia ex-Japan Index and 50% J.P. Morgan Asia Credit Index, for reference only. 6. Source: Morningstar. Peer Group refers to Morningstar Category of Asia ex-Japan Equity(HKSFC authorized funds) which includes all funds with performance history started between 13 November 2017 and 30 June 2019.

Value Partners Asian Income Fund

Fund facts (Class A)

Share classes	Acc		MDis ¹	
	Unhedged: HKD/SGD/USD	Hedged ⁷ : SGD	Unhedged: HKD/RMB/SGD/USD	Hedged ⁷ : AUD/CAD/EUR/NZD/RMB/SGD
Launch date	13 Nov 2017			
Subscription fee	Up to 5%			
Management fee	1.5% p.a.			
Dealing frequency	Daily			
Base currency	USD			
Manager	Value Partners Hong Kong Limited			

Asset type (%)⁸

	Equities	Fixed Income	Total
China	-	31.0	31.0
Hong Kong	12.6	-	12.6
Singapore	7.5	2.4	9.9
Taiwan	8.9	-	8.9
H Shares	8.6	-	8.6
Red Chips	6.1	-	6.1
India	0.3	4.5	4.8
Indonesia	0.9	3.6	4.5
Thailand	3.5	-	3.5
South Korea	2.5	-	2.5
United Kingdom	-	1.0	1.0
China B Shares	0.9	-	0.9
Denmark	-	0.9	0.9
Cash ⁹ & others	-	-	4.8
Total	51.8	43.4	100.0

Credit ratings of fixed income

A	3.6%
BBB	5.0%
BB	6.8%
B & Below	21.7%
Non-rated ¹⁰	6.3%

Portfolio characteristics

As at 28 Jun 2019	2019
Portfolio yield ¹¹	5.3%



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

^A Fund information refers to Value Partners' funds authorized by the Securities and Futures Commission of Hong Kong. Authorization does not imply official recommendation. All fund information is quoted as at 28 June 2019 (unless otherwise stated). Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Performance in USD, NAV to NAV, with dividends reinvested and net of all fees.

7. 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. **8.** Equities are classified by country of listing and fixed income securities are classified by country of risk. **9.** Cash: 4.8%, refers to net cash on hand excluding cash for collaterals and margins. **10.** Including bonds whose issuers do not seek credit ratings. **11.** Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. **12.** 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. **13.** Announced in May 2019, the award recognize fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. **14.** The award reflects performance up to 30 September 2018. **15.** Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology.

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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. 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 of Hong Kong. Issuer: Value Partners Hong Kong Limited

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.

Performance update

	The Fund (Class A USD Acc)
One month	+3.6%
Year-to-date	+5.6%
Since launch	+4.0%
Annualized return ¹²	+2.4%
Annualized volatility ¹²	7.8%

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 corporate awards



The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019¹³

Fund Manager of the Year – Fixed Income High Yield (Greater China) – Gordon Ip

Benchmark Fund of the Year Awards 2018, Hong Kong¹⁴

Asia ex-Japan Equity House: Best-in-Class
High Yield Fixed Income House: Outstanding Achiever

The Asset Benchmark Research Awards 2018¹⁵

Top Investment House in the Hedge Fund Category