

Value Partners Fund Series

Value Partners Asian Innovation Opportunities Fund



NAV per unit: Class A USD Acc - USD14.11 | Class A USD MDis - USD13.86

Fund size : USD13.5 million

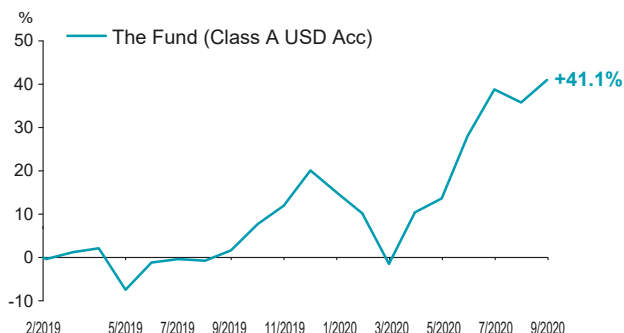
September 2020

- Value Partners Asian Innovation Opportunities Fund (the "Fund") invests predominantly in Asian equity and/or fixed income securities of companies that are related to innovative technologies or business innovations.
- The Fund's investments are concentrated in the Asian market and therefore subject to emerging market risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty.
- The Fund is also subject to concentration risks due to its concentration in the sectors relating to innovative technology or business innovation. Such companies are characterised by relatively higher uncertainty and volatility in price performance when compared to other economic sectors.
- The Fund may invest in small and mid-capitalisation companies. The stocks of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- The Fund may invest in unrated or below investment grade bonds and financial derivative instruments. The Fund is therefore exposed to additional risks, including volatility risk, valuation risk, leverage risk, liquidity risk, correlation risk, counterparty/credit risk, legal risk, over-the-counter transaction risk and settlement risk.
- In respect of the distribution classes 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 of the net asset value per unit of the Fund.
- 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

To maximise return and income by investing primarily (i.e. not less than 70% of its Net Asset Value) in Asian equity and/or fixed income securities relating to Asian companies that are listed, or have their registered offices in Asia or that generate a predominant share of their sales and/or their profits in Asia which are related to innovative technologies or business innovations including but not limited to information technology, consumption services, healthcare and financials.

Performance since launch



Performance update

The Fund (Class A USD Acc)

Year-to-date	+17.4%
One month	+3.8%
Three months	+10.1%
Six months	+43.1%
One year	+38.7%
Total return since launch	+41.1%
Annualized return since launch ^	+24.1%

NAVs & codes

Classes ¹	NAV	ISIN	Bloomberg
Class A AUD Hedged MDis	13.33	HK0000475878	VPAIAAH HK
Class A CAD Hedged MDis	13.64	HK0000475886	VPAIACH HK
Class A HKD Unhedged Acc	13.94	HK0000475902	VPAIOAU HK
Class A HKD Unhedged MDis	13.70	HK0000475910	VPAIAHU HK
Class A NZD Hedged MDis	13.26	HK0000475928	VPAIANH HK
Class A RMB Hedged MDis	13.80	HK0000475936	VPAIARH HK
Class A SGD Hedged Acc	13.89	HK0000475944	VPAIASH HK
Class A SGD Hedged MDis	13.68	HK0000475951	VPASIAH HK
Class A USD Unhedged Acc	14.11	HK0000475969	VPASIAU HK
Class A USD Unhedged MDis	13.86	HK0000475977	VPASAUU HK

The Fund – Class A USD Acc: Monthly performance from 26 Feb 2019 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019	N/A	-0.3%	+1.6%	+0.9%	-9.4%	+6.8%	+0.8%	-0.4%	+2.4%	+6.0%	+3.9%	+7.3%	+20.2%
2020 (YTD)	-4.3%	-4.1%	-10.6%	+12.1%	+2.9%	+12.7%	+8.4%	-2.2%	+3.8%				+17.4%

[^] 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.

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Dividend information – Class MDis²

Classes ¹	Dividend amount / unit	Annualized yield ³	Ex-dividend date
Class A AUD Hedged MDis	0.0114	1.0%	30-9-2020
Class A CAD Hedged MDis	0.0165	1.5%	30-9-2020
Class A HKD Unhedged MDis	0.0189	1.7%	30-9-2020
Class A NZD Hedged MDis	0.0123	1.1%	30-9-2020
Class A RMB Hedged MDis	0.0249	2.2%	30-9-2020
Class A SGD Hedged MDis	0.0164	1.4%	30-9-2020
Class A USD Unhedged MDis	0.0190	1.6%	30-9-2020

Top holdings – equities

Holdings	Sector ⁴	Geography	%
Alibaba Group Holding Ltd	Retailing	United States/ Hong Kong	9.7
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	Taiwan	8.7
Samsung Electronics Co Ltd	Technology, hardware & equipment	South Korea	5.9
Nexon Co Ltd	Media & entertainment	Japan	5.5
Hugel Inc	Pharmaceuticals, biotechnology & life sciences	South Korea	5.3

These equities constitute 35% of the Fund.

Top holdings – fixed income

Holdings	Sector ⁴	Geography	%
SoftBank Group Corp 5.125% 09/19/2027	Telecommunication services	Japan	3.7
Lenovo Perpetual Securities Ltd 5.875% 04/24/2025	Technology, hardware & equipment	China	1.6
Lenovo Perpetual Securities Ltd 5.375% PERP 09/16/2066	Technology, hardware & equipment	China	1.5

These fixed income securities constitute 7% of the Fund.

Portfolio characteristics

As at 30 Sep 2020

Portfolio yield ⁵	2.8%
The Fund (Class A USD Acc)	
Annualized volatility [^]	22.0%

Asset type by geography (%) ⁶

	Equities	Fixed Income	Total
Taiwan	37.3	-	37.3
Japan	18.4	3.7	22.1
South Korea	15.4	-	15.4
Hong Kong	14.3	-	14.3
United States	5.0	-	5.0
China	-	3.1	3.1
Cash ⁷	-	-	2.8
Total	90.4	6.8	100.0

Asset type by sector (%) ⁴

	Equities	Fixed Income	Total
Semiconductors & semiconductor equipment	29.9	-	29.9
Technology, hardware & equipment	21.4	3.1	24.5
Retailing	14.2	-	14.2
Media & entertainment	7.8	-	7.8
Pharmaceuticals, biotechnology & life sciences	6.3	-	6.3
Health care equipment & services	6.1	-	6.1
Telecommunication services	-	3.7	3.7
Food, beverage & tobacco	2.8	-	2.8
Consumer durables & apparel	1.9	-	1.9
Cash ⁷	-	-	2.8
Total	90.4	6.8	100.0

Credit ratings of fixed income

BB	3.7%	Investment grade	0.0%
Non-rated ⁸	3.1%	High yield	3.7%
		Average credit rating ⁹	BB

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	26 Feb 2019
	Class A AUD Hedged MDIs
	Class A CAD Hedged MDIs
	Class A HKD Unhedged Acc
	Class A HKD Unhedged MDIs
	Class A NZD Hedged MDIs
	Class A RMB Hedged MDIs
	Class A SGD Hedged Acc
	Class A SGD Hedged MDIs
	Class A USD Unhedged Acc
	Class A USD Unhedged MDIs

Fee structure (Class A)

Share classes	Acc	MDIs
	HKD/USD unhedged, SGD hedged ¹	HKD/USD unhedged, AUD/CAD/NZD/RMB/SGD hedged ¹
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 corporate awards

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

Winner: Mr. Gordon IP

~ Insight & Mandate, Professional Investment Awards 2020

Top Investment House in Asian G3 Bonds ¹¹Top Investment House in Asian Local Currency Bond ¹¹

(both for the Hedge Fund category)

~ The Asset Benchmark Research Awards 2019

Asia ex-Japan Equity House: Best-in-Class

Greater China Equity House: Outstanding Achiever

~ Benchmark Fund of the Year Awards 2018, Hong Kong ¹²Scan QR code for fund documents ¹³:

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: 2.8%, 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 Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. ¹² The award reflects performance up to 30 Sep 2018. 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.

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