

Value Partners Fund Series

Value Partners Asian Total Return Bond Fund



NAV per unit: USD9.96 (A Acc USD) / USD9.73 (A MDis USD)

Fund size : USD51.6 million

September 2018

- Value Partners Asian Total Return Bond Fund (the "Fund") primarily invests in fixed income securities issued by any Asia Pacific governments, government agencies, supra-nationals, banks or companies which derive substantial revenue from or have significant business or economic activities in Asia Pacific or are denominated in any Asia Pacific currency.
- The Fund primarily invests in the Asia Pacific markets and therefore is subject to emerging market and concentration 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. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
- The Fund may also invest in PRC interbank bond market via Bond Connect and is therefore subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk. The relevant rules and regulations on investment in the PRC interbank bond market via Bond Connect are subject to change and may adversely impact the Fund.
- The Fund may invest in high yielding securities which may be unrated or below investment grade 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 shares 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 share of the Fund.
- You should not make investment decision on the basis of this marketing material alone. Please read the explanatory memorandum for details and risk factors.

Investment objective

To provide a competitive total return, consisting of income and capital growth over the medium to longer term, by investing primarily in fixed income securities issued by an Asia Pacific governments, governments agencies, supra-nationals, banks or companies which derive substantial revenue from or have significant business or economic activities in Asia Pacific or are denominated in any Asia Pacific currency.

Performance update ¹

	The Fund
One month	N/A
Year-to-date	N/A
Since launch	N/A
Annualized return [^]	N/A
Annualized volatility [^]	N/A

Due to SFC regulations, no performance data is shown for fund which is less than six months old.

Dividend information – Class MDis ²

Classes ³	Dividend amount / unit	Annualized yield ⁴	Ex-dividend date
Class A MDis USD Unhedged	0.0457	5.6%	28-9-2018
Class A MDis AUD Hedged	0.0456	5.6%	28-9-2018
Class A MDis CAD Hedged	0.0429	5.3%	28-9-2018
Class A MDis HKD Unhedged	0.0457	5.7%	28-9-2018
Class A MDis NZD Hedged	0.0461	5.7%	28-9-2018
Class A MDis RMB Hedged	0.0582	7.2%	28-9-2018
Class A MDis RMB Unhedged	0.0465	5.3%	28-9-2018

Top 5 securities holdings

Name	Sector ⁵	Country	%
China National Chemical Corp 4.125% 03/14/2021	Chemicals	China	3.9
Bocom Leasing Intl Finance 3.5% 01/25/2021	Diversified financials	China	3.8
Metallurgical Corp of China 2.95% 05/31/2020	Capital goods	China	3.8
Nan Hai Corp 3% 05/25/2020	Media	China	3.4
China Jinmao Hldg Group 6.75% 04/15/2021	Real estate	China	3.1

NAVs & Codes

Classes ³	NAV	ISIN	Bloomberg
Class A Acc USD Unhedged	9.96	HK0000402450	VPATAUU HK
Class A Acc HKD Unhedged	9.92	HK0000402351	VPATANU HK
Class A MDis USD Unhedged	9.73	HK0000402468	VPATAUM HK
Class A MDis AUD Hedged	9.69	HK0000402328	VPATAAH HK
Class A MDis CAD Hedged	9.67	HK0000402344	VPATACM HK
Class A MDis HKD Unhedged	9.69	HK0000402369	VPATAHU HK
Class A MDis NZD Hedged	9.63	HK0000402385	VPATANH HK
Class A MDis RMB Hedged	9.65	HK0000402401	VPATAHM HK
Class A MDis RMB Unhedged	10.61	HK0000402427	VPATARM HK

Sector exposure ^{5, 6}

Real estate	46.9%
Diversified financials	15.0%
Capital goods	6.7%
Chemicals	6.7%
Media	3.5%
Cash ⁷	3.2%
Mining	3.0%
Transportation	2.9%
Textiles	2.6%
Automobiles & parts	2.4%
Energy	2.1%
Utilities	2.1%
Sovereign	1.1%
Insurance	0.9%
Telecommunication services	0.9%

Average duration	2.0 years
Yield to worst ⁸	7.3%
Number of bond issuers	40

Geographical exposure ⁶

China	84.7%
Korea	7.4%
Hong Kong	4.7%
Cash ⁷	3.2%

[^] 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.

Currency breakdown

USD	97.2%
CNY	2.8%

Credit ratings

AA	1.2%
A	16.3%
BBB	43.1%
B & Below	25.7%
Non-Rated	10.5%
Cash ⁷	3.2%

Investment grade	60.6%
High yield	25.7%

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	US dollars
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	9 April 2018
	Class A Acc USD Unhedged
	Class A Acc HKD Unhedged
	Class A MDis USD Unhedged
	Class A MDis AUD Hedged
	Class A MDis CAD Hedged
	Class A MDis HKD Unhedged
	Class A MDis NZD Hedged
	Class A MDis RMB Hedged
	Class A MDis RMB Unhedged
Dividend policy ² :	MDis – Aim at Monthly distribution, subject to Manager's discretion

Fee structure

	Class A
Minimum subscription	USD10,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent
Subscription fee	Up to 5%
Redemption fee	Nil
Management fee	1.25% p.a.
Performance fee	N/A
Dealing day	Daily

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Fixed income investment team:
Chief Investment Officer, Fixed Income: Gordon Ip, CFA
Senior Fund Managers: Elaine Hu; Jason Yan, CFA, ACCA
Fund Manager: Edwin Kam, CFA

Recent awards on fixed income capabilities



2017 Asian G3 Bonds Top Investment House ⁹
Value Partners - Ranked Number 1
in Hedge Fund category
 ~ The Asset Benchmark Research Awards 2017

Best Fixed Income Fund –
Value Partners Greater China High Yield Income Fund ¹⁰
 ~ HFM Asia Performance Awards 2017

Fund Manager of the Year –
Long-only Fixed Income (Highly Commended) ¹¹
Value Partners' Chief Investment Officer,
Fixed Income – Gordon Ip
 ~ The Asset, Triple A, Asset Servicing, Investor
 and Fund Management Awards 2017

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.

1. Performance data will be available after 6 months from its launch. 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 AUD/CAD/EUR/GBP/NZD/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 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. Classification is based on Global Industry Classification Standard (GICS). 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding cash for collaterals and margins. 8. Investors should note that Yield to worst is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors, nor does a positive yield imply a positive return. 9. Announced in Oct 2017 by The Asset Benchmark Research in the Asian G3 Bond Benchmark Review, which ranks the Top Investment Houses (Hedge Funds category) based on the number of votes won by their astute investors. All votes are subject to a weighting methodology. 10. The awards were judged based on performance over the past 12 months, up to 30 Apr 2017. 11. The period covered by the awards is from 1 Jan 2016 to 31 Dec 2016.

Investors should note investment involves risk and past performance is not indicative of future results. Investors should refer to the explanatory memorandum for details and risk factors in particular those associated with investment in Greater China markets, non-investment grade debt securities, and debt securities issued by special purpose vehicles. 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 document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.