

# Value Partners Fund Series

## Value Partners Asian Total Return Bond Fund

NAV per unit: Class A Acc USD - USD11.45 | Class A MDis USD - USD10.35

Fund size : USD189.2 million

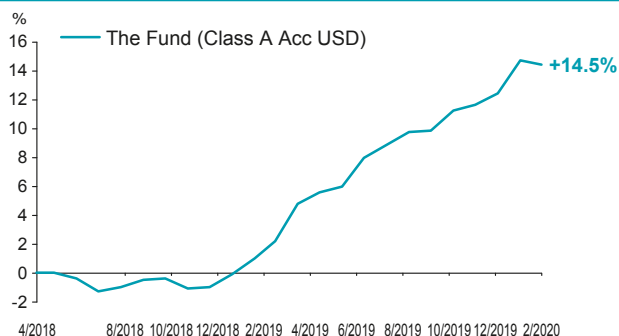
February 2020

- 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, 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.

### Performance since launch



### Performance update

	The Fund (Class A Acc USD)
One month	-0.3%
Six months	+4.3%
Year-to-date	+1.8%
One year	+12.0%
Total return since launch	+14.5%
Annualized return since launch <sup>^</sup>	+7.4%

### Dividend information – Class MDis <sup>1</sup>

Classes <sup>2</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
Class A MDis USD Unhedged	0.0471	5.5%	28-2-2020
Class A MDis AUD Hedged	0.0398	4.7%	28-2-2020
Class A MDis CAD Hedged	0.0451	5.2%	28-2-2020
Class A MDis HKD Unhedged	0.0470	5.5%	28-2-2020
Class A MDis NZD Hedged	0.0420	5.0%	28-2-2020
Class A MDis RMB Hedged	0.0518	6.1%	28-2-2020
Class A MDis RMB Unhedged	0.0528	5.5%	28-2-2020

### The Fund – Class A Acc USD: Monthly performance from 9 Apr 2018 to 28 Feb 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2018	N/A	N/A	N/A	+0.0%	-0.4%	-0.9%	+0.3%	+0.5%	+0.1%	-0.7%	+0.1%	+0.9%	-0.1%
2019	+1.1%	+1.2%	+2.5%	+0.8%	+0.4%	+1.9%	+0.8%	+0.8%	+0.1%	+1.3%	+0.4%	+0.7%	+12.6%
2020 (YTD)	+2.0%	-0.3%											+1.8%

<sup>^</sup> 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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### Sector exposure <sup>4, 5</sup>

Banks	29.1%
Diversified financials	25.0%
Real estate	15.6%
Insurance	6.6%
Energy	6.3%
Transportation	5.1%
Utilities	3.0%
Consumer durables & apparel	2.2%
Automobiles & components	1.3%
Retailing	1.1%
Technology, hardware & equipment	1.1%
Capital goods	1.0%
Cash <sup>6</sup>	0.3%
Others	2.3%

### Geographical exposure <sup>5</sup>

China	26.7%
India	20.2%
Hong Kong	8.0%
Australia	7.2%
Japan	7.0%
Singapore	2.9%
Korea	2.6%
Indonesia	2.4%
Cash <sup>6</sup>	0.3%
Others	22.7%

## Top holdings

Name	Sector <sup>4</sup>	Country / region	%
Nippon Life Insurance 3.4% 01/23/2050	Insurance	Japan	3.1
Adani Electricity Mumbai 3.949% 02/12/2030	Utilities	India	2.7
Huarong Finance 2019 Co Ltd 4.5% 05/29/2029	Diversified financials	China	2.6
Kookmin Bank 4.35% PERP REC Limited 3.375% 07/25/2024	Banks Diversified financials	Korea India	2.5 2.4

## NAVs & Codes

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
Class A Acc USD Unhedged	11.45	HK0000402450	VPATAUU HK
Class A Acc HKD Unhedged	11.37	HK0000402351	VPATANU HK
Class A MDis USD Unhedged	10.35	HK0000402468	VPATAUM HK
Class A MDis AUD Hedged	10.25	HK0000402328	VPATAAH HK
Class A MDis CAD Hedged	10.39	HK0000402344	VPATACM HK
Class A MDis HKD Unhedged	10.27	HK0000402369	VPATAHU HK
Class A MDis NZD Hedged	10.18	HK0000402385	VPATANH HK
Class A MDis RMB Hedged	10.19	HK0000402401	VPATAHM HK
Class A MDis RMB Unhedged	11.50	HK0000402427	VPATARM HK

## Currency breakdown

USD	97.2%
GBP	2.8%

## Credit ratings

A	5.6%
BBB	59.0%
BB	11.9%
B & Below	18.9%
Non-Rated	4.3%
Cash <sup>6</sup>	0.3%

Investment grade	64.6%
High yield	30.8%

## Portfolio characteristics

	The Fund (Class A Acc USD)
Annualized volatility <sup>^</sup>	3.0%
Average duration	4.8 years
Yield to worst <sup>7</sup>	5.0%
Number of bond issuers	88

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
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 <sup>1</sup> :	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

**Co-Chairmen & Co-Chief Investment Officers:**  
Cheah Cheng Hye; Louis So  
**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; Edwin Kam, CFA; Jason Yan, CFA, ACCA

## Key fixed income awards



**I&M Professional Investment Awards 2018**  
**Cross Border Awards: CIO of the Year**  
**(Fixed Income) – Gordon Ip <sup>8</sup>**  
 ~ *Insights & Mandate*

**The Asset Benchmark Research Awards 2018**  
**Top Investment House in Hedge Fund Category <sup>9</sup>**  
 ~ *The Asset*

**Benchmark Fund of the Year Awards 2018,**  
**Hong Kong**  
**High Yield Fixed Income House:**  
**Outstanding Achiever <sup>10</sup>**  
 ~ *Benchmark*

Scan QR code for fund documents<sup>11</sup>:



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](mailto:fis@vp.com.hk).

1. 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.  
 2. 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.  
 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. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%.  
 6. Cash refers to net cash on hand excluding cash for collaterals and margins.  
 7. 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.  
 8. The award reflects performance up to 31 December 2017.  
 9. Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology.  
 10. The award reflects performance up to 30 September 2018.  
 11. For Hong Kong investors only.

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 emerging markets, non-investment grade and unrated debt securities. 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. 20080225G. 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.