

# Value Partners Fund Series

## Value Partners Asian Total Return Bond Fund



NAV per unit: Class A Acc USD - USD11.21 | Class A MDis USD - USD9.86  
Fund size : USD114.6 million

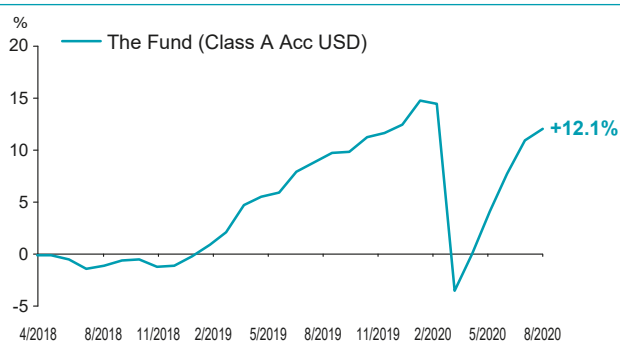
August 2020

- 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)
Year-to-date	-0.4%
One month	+1.0%
Three months	+7.6%
Six months	-2.1%
One year	+2.1%
Total return since launch	+12.1%
Annualized return since launch ^	+4.9%

### NAVs & Codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A Acc USD Unhedged	11.21	HK0000402450	VPATAUU HK
Class A Acc HKD Unhedged	11.07	HK0000402351	VPATANU HK
Class A Acc RMB Unhedged	9.91	HK0000402419	VPATARU HK
Class A Acc SGD Hedged	9.86	HK0000402435	VPATASA HK
Class A MDis USD Unhedged	9.86	HK0000402468	VPATAUH HK
Class A MDis AUD Hedged	9.67	HK0000402328	VPATAAH HK
Class A MDis CAD Hedged	9.85	HK0000402344	VPATACM HK
Class A MDis HKD Unhedged	9.73	HK0000402369	VPATAHU HK
Class A MDis NZD Hedged	9.61	HK0000402385	VPATANH HK
Class A MDis RMB Hedged	9.69	HK0000402401	VPATAHM HK
Class A MDis RMB Unhedged	10.74	HK0000402427	VPATARM HK
Class A MDis SGD Hedged	9.61	HK0000402443	VPATASH HK

### Dividend information – Class MDis <sup>2</sup>

Classes <sup>1</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
Class A MDis USD Unhedged	0.0411	5.0%	31-8-2020
Class A MDis AUD Hedged	0.0403	5.0%	31-8-2020
Class A MDis CAD Hedged	0.0404	4.9%	31-8-2020
Class A MDis HKD Unhedged	0.0405	5.0%	31-8-2020
Class A MDis NZD Hedged	0.0413	5.2%	31-8-2020
Class A MDis RMB Hedged	0.0477	5.9%	31-8-2020
Class A MDis RMB Unhedged	0.0463	5.2%	31-8-2020
Class A MDis SGD Hedged	0.0395	4.9%	31-8-2020

### The Fund – Class A Acc USD: Monthly performance from 9 Apr 2018 to 31 Aug 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%	-15.6%	+3.6%	+4.1%	+3.5%	+3.0%	+1.0%					-0.4%

<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.

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

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### Top holdings

Name	Sector <sup>4</sup>	Country / region	%
Huarong Finance II Co Ltd 4.625% 06/03/2026	Diversified financials	China	2.9
Manila Water Co Inc 4.375% 07/30/2030	Utilities	Philippines	2.8
Shimao Property Holdings Ltd 4.6% 07/13/2030	Real estate	China	2.7
Sri Rejeki Isman Tbk PT 7.25% 01/16/2025	Consumer durables & apparel	Indonesia	2.6
Tongfang Aqua Ltd 6.8% 01/10/2022	Technology, hardware & equipment	China	2.6

### Portfolio characteristics

The Fund (Class A Acc USD)	
Annualized volatility <sup>▲</sup>	11.8%
Average duration	6.1 years
Yield to worst <sup>5</sup>	5.0%
Number of bond issuers	73

### Geographical exposure <sup>6</sup>

China	51.4%
Indonesia	6.1%
Hong Kong	6.0%
Philippines	5.3%
Japan	4.7%
India	3.4%
Australia	2.3%
Singapore	1.8%
Malaysia	1.7%
Others	11.9%
Cash <sup>7</sup>	5.4%

### Sector exposure <sup>4,6</sup>

Real estate	24.9%
Diversified financials	20.7%
Materials	7.5%
Retailing	5.6%
Capital goods	4.8%
Pharmaceuticals, biotechnology & life sciences	4.7%
Telecommunication services	4.3%
Utilities	4.2%
Insurance	3.2%
Energy	3.1%
Consumer durables & apparel	2.6%
Technology, hardware & equipment	2.6%
Banks	2.3%
Others	4.3%
Cash <sup>7</sup>	5.4%

### Credit ratings

A	8.7%
BBB	44.1%
BB	12.2%
B & Below	16.7%
Non-Rated	12.9%
Cash <sup>7</sup>	5.4%
Investment grade	52.8%
High yield	28.9%
Average credit rating <sup>8</sup>	BBB-

### Currency breakdown

USD	98.7%
GBP	1.3%

### 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
	11 March 2020
	Class A Acc SGD Hedged
	Class A MDis SGD Hedged
	30 July 2020
	Class A Acc RMB Unhedged
Dividend policy <sup>2</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  
**Senior Investment Directors:** Norman **Ho**, CFA; Renee **Hung**  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Senior Fund Managers:** Elaine **Hu**; Edwin **Kam**, CFA

### Key fixed income awards



**CIO of the Year in Asia (Fixed Income) <sup>9</sup>**  
**CIO of the Year (Fixed Income, Hong Kong) <sup>9</sup>**  
**Winner: Mr. Gordon Ip**  
 ~ *Insight & Mandate, Professional Investment Awards 2020*

**Fund Manager of the Year (Fixed Income High Yield, Greater China) <sup>10</sup>**  
**Winner: Mr. Gordon Ip**  
 ~ *The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019*

**Top Investment House in Asian G3 Bonds <sup>11</sup>**  
**Top Investment House in Asian Local Currency Bond <sup>11</sup>**  
 (both for the Hedge Fund category)  
 ~ *The Asset Benchmark Research Awards 2019*

Scan QR code for fund documents<sup>12</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. 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. 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. 6. Exposure refers to net exposure (long exposure minus short exposure). With immediate effect, derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 7. Cash includes receivables and payables (except cash for collaterals and margins). 8. 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. 9. The award reflects performance up to 31 Dec 2019. 10. The award recognizes fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. 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. 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.

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