

Important Information

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



Q2 2022 Fund leaflet

Value Partners Asian Total Return Bond Fund

All weather returns with Asian bonds

- ▲ **Total return strategy** to fully capture the growth potential of Asian bonds
- ▲ **Proactive asset-allocation model** that nimbly switches between High Yield and Investment Grade in pursuit of the best returns
- ▲ **Provide share classes with monthly payouts** of around **5.5%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 V



1. For Class A USD MDIs, as at 29 July 2022. 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 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 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 Manager will adopt a dynamic approach in asset allocation primarily among a wide range of debt securities based on the anticipated changes in market conditions. The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any specific industries or sectors.

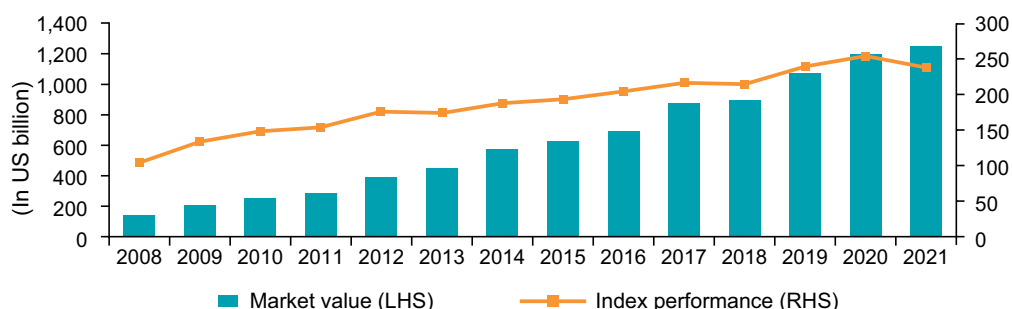
Why invest in Value Partners Asian Total Return Bond Fund?



Experience Asian bonds' premium all-weather returns

- Tap into the potential of the Asian bond market, which is one of the largest global fixed income markets in the world (over US\$1.2 trillion market size in 2021). China's increasingly dominant role is reflected in over 50% share in new issuance
- Asian bonds have consistently delivered strong returns over the past 10 years. The strength of the market is underpinned by a robust regional economy, which grew faster than most developed markets

Asia's credit market – A synonym for strong growth and returns



Source: JP Morgan (for market value), Bloomberg (for index performance), as at 31 December 2021. Performance is represented by J.P. Morgan Asia Credit Index Core Index.

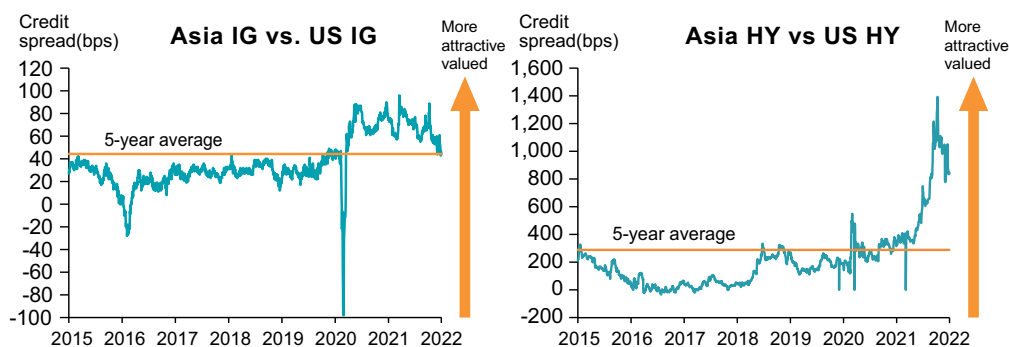


Create the best income and total return opportunities

- Asian bond yields continue to be more attractive compared to developed market bonds. Asia-US high yield bond spreads, in particular, are still higher than average in the past five years
- By nimbly switching between high yield and investment-grade bonds, the Fund pursues attractive total returns through active management
- The Fund's latest dividend payout is around **5.5%**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 V

Asian bonds offer more attractive value



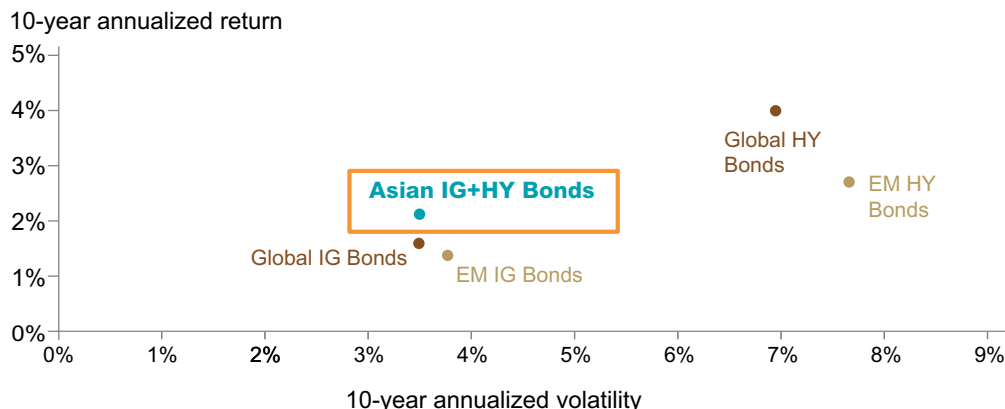
Source: Value Partners, BofA Merrill Lynch Research, as at 31 January 2022



Better risk-adjusted returns

- The relatively short duration of Asian high yield bonds are less sensitive to interest rates and able to reduce portfolio volatility
- Asian high yield bonds offer attractive risk-adjusted return compared to other credit asset classes
- The Fund is flexibly managed based on top-down macro insights and bottom-up analysis, seeking diversified sources of income

The risk-return paradigm among the major bond categories



Source: ICE Data Indices, BofA Global Research, as at 4 March 2022



Allocate to Asian bond opportunities

- Aim to construct an investment portfolio with high yield, managed volatility, and potential capital appreciation
- The Fund primarily invested in Asian dollar bonds, helping to reduce foreign exchange risk
- With at least 55% of the portfolio invested in Asian investment grade bonds, the portfolio on average maintains an investment-grade credit rating²

Strategic and tactical allocation optimizes investment value



Asian investment grade bonds
55%-100%

- Relatively stable yields
- More attractive yields than European or U.S. peers



Asian high yield bonds
≤45%

- More attractive yields than European and U.S. peers
- Lower market pricing efficiency implies larger potential for capital appreciation



Non-Asian bonds
0-30%

- Capture non-Asian opportunities while diversifying portfolio risks



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

[^] 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 31 July 2022, unless otherwise stated. 2. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying investments without taking into account derivative positions. Issuer rating may be used for unrated securities. The average credit rating is determined 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. 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.

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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 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. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. This material has not been reviewed by the Securities and Futures Commission. 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 material has not been reviewed by the Monetary Authority of Singapore.