

# Value Partners China A-Share Select Fund

NAV per unit: Class A RMB (CNH) – RMB15.49

Fund size : USD89.3 million (RMB592.3 million)



Morningstar Rating™  
As at 31-10-2017

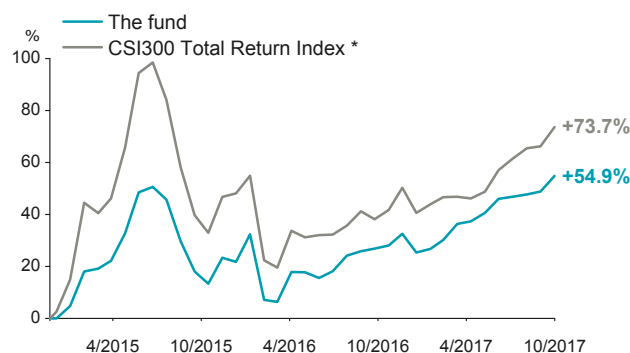
31 October 2017

- Value Partners China A-Share Select Fund (The "Fund") invests primarily in RMB-denominated equities in China.
- The Fund is also subject to concentration risk as a result of investing only in China. Adverse developments in such region may affect the value of the underlying securities in which the Fund invests. The value of the Fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The Fund intends to invest predominantly in China A Shares directly, via its Manager's RQFII quota. Investors will be subject to certain risks including repatriation risk, custodial risk, regulatory risk and risks associated with the Manager's RQFII status. In addition, the RQFII policy and rules are relatively new and there may be uncertainty in implementation and such policy and rules are subject to change. All these may adversely impact the Fund.
- The Fund and its primary investments are denominated in RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
- The Fund may invest in debt securities including those that are below investment grade/unrated, and may involve greater risks, including credit risk, issuer-specific risk, counterparty risk and sovereign debt risk. The fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk. All these may expose the Fund to significant losses.
- 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 achieve long-term capital growth and income appreciation by predominately investing in RMB-denominated equities in the PRC utilizing the Manager's RQFII quota.

## Performance since launch



## Performance update

	Class A RMB (CNH)	CSI300 Total Return Index*	Shanghai Composite Index*
One month	+4.0%	+4.4%	+1.3%
Three months	+5.4%	+7.5%	+3.7%
Year-to-date	+23.5%	+23.5%	+9.3%
Since launch	+54.9%	+73.7%	+44.0%

## Top 5 securities holdings

Name	Industry <sup>2</sup>	%
Ping An Insurance (Group) Company of China Ltd	Insurance	5.3
China Everbright Bank Company Limited	Banks	5.2
Huayu Automotive Systems Company Limited	Automobiles & components	4.7
China CITIC Bank Corporation Limited	Banks	4.5
Beijing New Building Materials Public Limited Company	Capital goods	4.1

These stocks constitute 24% of the fund.

## Portfolio characteristics

As at 31 Oct 2017	2017 <sup>3</sup>
Price/earnings ratio	12.5 times
Price/book ratio	1.6 times
Dividend yield	2.8%

## Geographical exposure by listing<sup>4</sup>

Shanghai A Shares	57%
Shenzhen A Shares	30%
Cash <sup>5</sup>	13%

## Sector exposure<sup>2,4</sup>

Consumer discretionary	23%
Banks	17%
Cash <sup>5</sup>	13%
Materials	11%
Consumer staples	9%
Health care	6%
Insurance	6%
Energy	4%
Industrials	4%
Information technology	4%
Real estate	3%

## The fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 31 Oct 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+0.0%	+4.8%	+12.7%	+18.1% <sup>6</sup>
2015	+0.9%	+2.5%	+8.7%	+11.9%	+1.4%	-3.3%	-11.0%	-9.0%	-4.0%	+8.8%	-1.3%	+8.7%	+12.1%
2016	-19.0%	-0.7%	+10.8%	-0.1%	-1.9%	+2.2%	+5.1%	+1.4%	+0.8%	+0.9%	+3.5%	-5.4%	-5.3%
2017 (YTD)	+1.1%	+2.7%	+4.8%	+0.7%	+2.4%	+3.8%	+0.5%	+0.6%	+0.7%	+4.0%			+23.5%

\* CSI300 Total Return Index includes dividend reinvestment whereas Shanghai Composite Index does not take into account reinvestment of dividends. The indices are for reference only.



## NAVs &amp; codes

Classes <sup>7</sup>	NAV	ISIN	Bloomberg
Class A RMB (CNH)	15.49	HK0000220001	VPCAARM HK
Class A USD Unhedged	14.47	HK0000220019	VPCAAUU HK
Class A USD Hedged	13.96	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	14.56	HK0000220035	VPCAAHU HK
Class A HKD Hedged	13.95	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	16.17	HK0000220076	VPCAAGU HK
Class A GBP Hedged	13.71	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	13.46	HK0000220092	VPCAAAU HK
Class A AUD Hedged	14.27	HK0000220100	VPCAAAH HK
Class A CAD Hedged	13.12	HK0000220126	VPCAACH HK
Class A EUR Unhedged	13.54	HK0000220050	VPCAAEU HK
Class A EUR Hedged	13.63	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	12.78	HK0000220134	VPCAANU HK
Class A NZD Hedged	14.08	HK0000220142	VPCAANH HK

## Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Base currency:	Renminbi
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
PRC custodian:	HSBC Bank (China) Company Limited
Launch date:	Class A RMB (CNH) Hedged - 16 Oct 2014 Class A USD Unhedged - 29 Oct 2014 Class A AUD/CAD/EUR/HKD/NZD/USD Hedged - 12 Nov 2014 Class A HKD Unhedged - 13 Nov 2014 Class A GBP Hedged - 14 Nov 2014 Class A GBP Unhedged - 26 Nov 2014 Class A AUD Unhedged - 28 Nov 2014 Class A NZD Unhedged - 16 Jan 2015 Class A EUR Unhedged - 29 Feb 2016

## Fee structure

	Class A
Minimum subscription	RMB60,000 or equivalent
Minimum subsequent subscription	RMB30,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee <sup>8</sup>	15% of profit (High-on-High)
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  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;  
 Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;  
 Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent corporate awards



Asset Management Awards 2016 <sup>9</sup>  
**Fund House of the Year – Hong Kong**  
 ~ AsianInvestor



Thomson Reuters Lipper Fund Awards 2016 <sup>9</sup>  
**Best Equity Group (Hong Kong)**  
 ~ Thomson Reuters

All fund information is as of 31 Oct 2017 unless otherwise stated. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Performance in RMB, NAV to NAV, with dividend reinvested and net of all fees.

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Classification is based on Global Industry Classification Standard (GICS). 3. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 4. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 5. Cash refers to net cash on hand excluding cash for collaterals and margins. 6. Performance shown is calculated based on the fund's since launch return. The fund was launched on 29 Oct 2014. 7. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. 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. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/EUR/GBP/HKD/NZD/USD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 8. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the fund's NAV. If in any one year, the fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 9. The award reflecting performance as at Dec 2015.

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.

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

For Swiss Qualified Investors: The sales prospectus, the Articles of Association, the Key Investor Information Document as well as the annual and semi-annual reports of the Fund are available free of charge from the Representative. Both the place of performance and the place of jurisdiction for units/shares in the Fund offered or distributed in or from Switzerland shall be the seat of the Swiss representative.

Swiss Representative and Paying Agent: BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.

This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.