

Value Partners Fund Series

Value Partners China A-Share Select Fund



NAV per unit: Class A RMB (CNH) – RMB13.80

Fund size : USD82.0 million (RMB564.3 million)



Morningstar Rating™¹
As at 30-09-2018

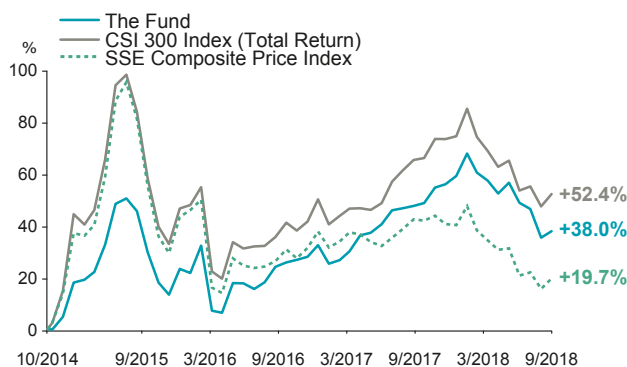
September 2018

- 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)	CSI 300 Index (Total Return)	SSE Composite Price Index
One month	+1.8%	+3.2%	+3.5%
Three months	-7.4%	-0.9%	-0.9%
Year-to-date	-13.4%	-12.8%	-14.7%
Since launch	+38.0%	+52.4%	+19.7%
Annualized return [^]	+8.5%	+11.2%	+4.7%
Annualized volatility [^]	20.1%	26.8%	26.0%

Top 5 securities holdings

Name	Industry ²	%
Ping An Insurance (Group) Company of China Ltd	Insurance	9.6
CRRC Corporation Limited	Capital goods	8.3
China Merchants Bank Co Ltd	Banks	6.1
New China Life Insurance Company Ltd	Insurance	6.0
Tongkun Group Co Ltd	Materials	5.7

These stocks constitute 36% of the Fund.

Portfolio characteristics

As at 28 Sep 2018	2018 ³
Price/earnings ratio	11.3 times
Price/book ratio	1.5 times
Portfolio yield	2.8%

Geographical exposure by listing ⁴

Shanghai A Shares	70%
Shenzhen A Shares	23%
Cash ⁵	7%

Sector exposure ^{2,4}

Consumer discretionary	18%
Banks	16%
Insurance	16%
Industrials	13%
Materials	9%
Cash ⁵	7%
Consumer staples	5%
Other financials	5%
Real estate	4%
Communication services	3%
Health care	3%
Others	1%

The Fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 28 Sep 2018

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% ⁶
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	+1.1%	+2.7%	+4.8%	+0.7%	+2.4%	+3.8%	+0.5%	+0.6%	+0.7%	+4.0%	+0.8%	+2.0%	+27.1%
2018 (YTD)	+5.5%	-4.4%	-1.9%	-3.2%	+2.8%	-5.0%	-1.6%	-7.6%	+1.8%				-13.4%

[^] 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.

NAVs & codes

Classes ⁷	NAV	ISIN	Bloomberg
Class A RMB (CNH)	13.80	HK0000220001	VPCAARM HK
Class A USD Unhedged	12.39	HK0000220019	VPCAAUU HK
Class A USD Hedged	12.25	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	12.43	HK0000220035	VPCAAHU HK
Class A HKD Hedged	12.14	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	14.06	HK0000220076	VPCAAGU HK
Class A GBP Hedged	11.85	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	12.27	HK0000220092	VPCAAAU HK
Class A AUD Hedged	12.48	HK0000220100	VPCAAAH HK
Class A CAD Hedged	11.44	HK0000220126	VPCAACH HK
Class A EUR Unhedged	11.67	HK0000220050	VPCAAEU HK
Class A EUR Hedged	11.64	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	11.45	HK0000220134	VPCAANU HK
Class A NZD Hedged	12.31	HK0000220142	VPCAANH HK

Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Base currency:	Renminbi
Trustee:	HSBC Institutional Trust Services (Asia) Limited
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%
Redemption fee	Nil
Management fee	1.5% p.a.
Performance fee ⁸	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: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho;
 Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

Recent corporate awards



Manager of the Year - Greater China Equity (Outstanding Award)
Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs) ⁹
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year ¹⁰
 ~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity ¹¹
 ~ Asset Management Awards for Excellence 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. © 2018 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. 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/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 recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 10. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 11. Based on performance and achievements for 2016.

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. 200808225G

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