

# Value Partners Fund Series

## Value Partners China A-Share Select Fund

NAV per unit: Class A RMB (CNH) – RMB18.87

Fund size : USD55.0 million (RMB374.2 million)

**Value Partners**  
Investing through discipline



Morningstar Rating™  
As at 30-09-2020

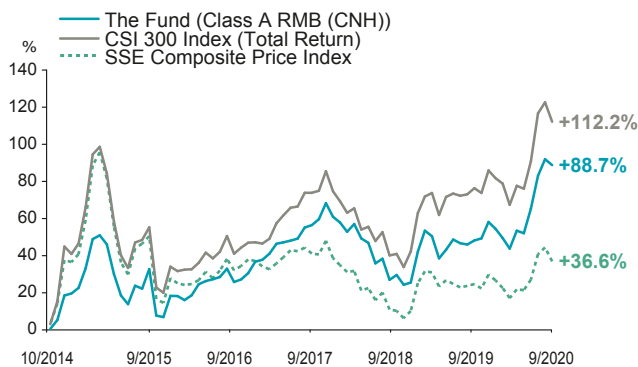
September 2020

- 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

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Year-to-date	+19.5%	+14.2%	+5.5%
One month	-1.7%	-4.7%	-5.2%
One year	+29.5%	+22.7%	+10.8%
Three years	+26.7%	+27.6%	-3.9%
Five years	+66.4%	+59.5%	+5.4%
Total return since launch	+88.7%	+112.2%	+36.6%
Annualized return since launch <sup>^</sup>	+11.2%	+13.5%	+5.4%

### The Fund – Class A RMB (CNH): Monthly performance

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>2</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	+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	+5.5%	-4.4%	-1.9%	-3.2%	+2.8%	-5.0%	-1.6%	-7.6%	+1.8%	-8.3%	+2.1%	-4.1%	-22.3%
2019	+1.0%	+13.3%	+8.0%	-2.0%	-8.0%	+3.4%	+3.8%	-1.3%	-0.5%	+1.5%	+0.7%	+6.0%	+27.4%
2020 (YTD)	-2.3%	-3.2%	-3.8%	+6.8%	-0.9%	+8.8%	+10.7%	+4.9%	-1.7%				+19.5%

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

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### NAVs & codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A RMB (CNH)	18.87	HK0000220001	VPCAARM HK
Class A USD Unhedged	17.17	HK0000220019	VPCAAUU HK
Class A USD Hedged	16.59	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	17.11	HK0000220035	VPCAAHU HK
Class A HKD Hedged	16.31	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	19.75	HK0000220076	VPCAAGU HK
Class A GBP Hedged	15.27	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	16.95	HK0000220092	VPCAAAU HK
Class A AUD Hedged	16.39	HK0000220100	VPCAAAH HK
Class A CAD Hedged	15.13	HK0000220126	VPCAACH HK
Class A EUR Unhedged	16.01	HK0000220050	VPCAAEU HK
Class A EUR Hedged	15.17	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	15.78	HK0000220134	VPCAANU HK
Class A NZD Hedged	16.34	HK0000220142	VPCAANH HK

## Top holdings

Name	Industry <sup>3</sup>	%
Jiangsu Hengrui Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	10.0
China Vanke Co Ltd	Real estate	9.9
China Merchants Bank Co Ltd	Banks	9.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	9.3
Inner Mongolia Yili Industrial Group Co Ltd	Food, beverage & tobacco	7.3

These securities constitute 46% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020<sup>4</sup>

Price/earnings ratio	14.2 times
Price/book ratio	2.1 times
Portfolio yield	2.6%

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Annualized volatility (3 years) <sup>5</sup>	17.8%	19.2%	16.7%

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

Shanghai A-shares	57%
Shenzhen A-shares	39%
Cash <sup>7</sup>	4%

## Sector exposure<sup>3,6</sup>

Consumer staples	22%
Health care	13%
Real estate	13%
Banks	12%
Consumer discretionary	12%
Industrials	8%
Materials	8%
Energy	6%
Others	2%
Cash <sup>7</sup>	4%

## Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Base currency:	RMB
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 <sup>8</sup>	15% of profit (High-on-High)
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

**Investment Directors:** Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo

**Senior Fund Managers:** Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



**Asia ex-Japan Equity House: Best-in-Class<sup>9</sup>**  
**Greater China Equity House: Outstanding Achiever<sup>9</sup>**  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year)<sup>10</sup>**  
~ Insight & Mandate, Professional Investment Awards 2018

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).

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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 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.

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