

# Value Partners Fund Series

## Value Partners China A-Share Select Fund

NAV per unit: Class A RMB (CNH) – RMB20.27

Fund size : USD56.0 million (RMB375.0 million)



Morningstar Rating™  
As at 30-06-2022

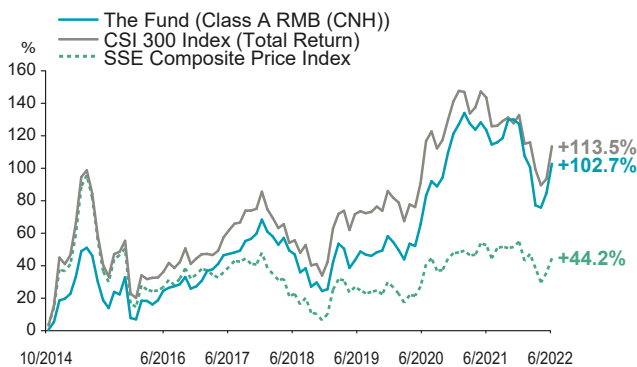
June 2022

- 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



### NAVs & codes

| Classes <sup>1</sup> | NAV   | ISIN         | Bloomberg  |
|----------------------|-------|--------------|------------|
| Class A RMB (CNH)    | 20.27 | HK0000220001 | VPCAARM HK |
| Class A USD Unhedged | 18.46 | HK0000220019 | VPCAAUJ HK |
| Class A USD Hedged   | 17.12 | HK0000220027 | VPCAAUH HK |
| Class A HKD Unhedged | 18.60 | HK0000220035 | VPCAAHU HK |
| Class A HKD Hedged   | 16.73 | HK0000220043 | VPCAAHH HK |
| Class A GBP Unhedged | 22.75 | HK0000220076 | VPCAAGU HK |
| Class A GBP Hedged   | 15.47 | HK0000220084 | VPCAAGH HK |
| Class A AUD Unhedged | 19.31 | HK0000220092 | VPCAAAU HK |
| Class A AUD Hedged   | 16.58 | HK0000220100 | VPCAAAH HK |
| Class A CAD Hedged   | 15.34 | HK0000220126 | VPCAACH HK |
| Class A EUR Unhedged | 19.37 | HK0000220050 | VPCAAEU HK |
| Class A EUR Hedged   | 15.14 | HK0000220068 | VPCAAEH HK |
| Class A NZD Unhedged | 18.11 | HK0000220134 | VPCAANU HK |
| Class A NZD Hedged   | 16.54 | HK0000220142 | VPCAANH HK |

### Performance update

|   | The Fund (Class A RMB (CNH)) | CSI 300 Index (Total Return) | SSE Composite Price Index |
|---|------------------------------|------------------------------|---------------------------|
| Year-to-date                                | -10.8%                       | -8.3%                        | -6.6%                     |
| One month                                   | +9.9%                        | +10.4%                       | +6.7%                     |
| One year                                    | -9.3%                        | -12.4%                       | -5.4%                     |
| Three years                                 | +41.8%                       | +24.5%                       | +14.1%                    |
| Five years                                  | +38.7%                       | +35.8%                       | +6.5%                     |
| Total return since launch                   | +102.7%                      | +113.5%                      | +44.2%                    |
| Annualized return since launch <sup>^</sup> | +9.6%                        | +10.3%                       | +4.9%                     |

### 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       | -2.3%  | -3.2%  | -3.8%  | +6.8%  | -0.9% | +8.8% | +10.7% | +4.9% | -1.7% | +2.8% | +7.9% | +5.7%  | +40.2%              |
| 2021       | +2.7%  | +3.0%  | -2.8%  | -1.6%  | +2.0% | -2.1% | -4.0%  | +0.6% | +1.3% | +5.2% | +0.1% | -1.2%  | +2.7%               |
| 2022 (YTD) | -8.7%  | -3.4%  | -11.8% | -0.7%  | +5.1% | +9.9% |        |       |       |       |       |        | -10.8%              |

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

## Top holdings

| Name  | Industry <sup>3</sup>            | %   |
|---|----------------------------------|-----|
| Kweichow Moutai Co Ltd                      | Food, beverage & tobacco         | 9.4 |
| Luoyang Xinqianglian Slewing Bearing Co Ltd | Capital goods                    | 6.5 |
| Ming Yang Smart Energy Group Ltd            | Capital goods                    | 6.1 |
| Luzhou Laojiao Co Ltd                       | Food, beverage & tobacco         | 5.3 |
| Luxshare Precision Industry Co Ltd          | Technology, hardware & equipment | 4.4 |

These securities constitute 32% of the Fund.

## Portfolio characteristics

As at 30 Jun 2022<sup>4</sup>

|                      |            |
|----------------------|------------|
| Price/earnings ratio | 21.9 times |
| Price/book ratio     | 3.7 times  |
| Portfolio yield      | 1.4%       |

|  | The Fund (Class A RMB (CNH)) | CSI 300 Index (Total Return) | SSE Composite Price Index |
|--|------------------------------|------------------------------|---------------------------|
| Annualized volatility (3 years) <sup>5</sup> | 17.0%                        | 17.1%                        | 14.2%                     |

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

|                   |     |
|-------------------|-----|
| Shanghai A-shares | 54% |
| Shenzhen A-shares | 43% |
| Cash <sup>7</sup> | 3%  |

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

|                        |     |
|------------------------|-----|
| Consumer staples       | 24% |
| Industrials            | 24% |
| Information technology | 14% |
| Consumer discretionary | 13% |
| Materials              | 7%  |
| Banks                  | 4%  |
| Health care            | 4%  |
| Other financials       | 3%  |
| Real estate            | 3%  |
| Others                 | 1%  |
| Cash <sup>7</sup>      | 3%  |

## 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) - 16 Oct 2014<br>Class A USD Unhedged - 29 Oct 2014<br>Class A AUD/CAD/EUR/HKD/NZD/USD Hedged - 12 Nov 2014<br>Class A HKD Unhedged - 13 Nov 2014<br>Class A GBP Hedged - 14 Nov 2014<br>Class A GBP Unhedged - 26 Nov 2014<br>Class A AUD Unhedged - 28 Nov 2014<br>Class A NZD Unhedged - 16 Jan 2015<br>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:** Kelly Chung, CFA; Chung Man Wing; Yu Chen Jun;

Michelle Yu, CFA

**Senior Fund Managers:** Lillian Cao; Anthony Chan, CFA; Doris Ho;

Glenda Hsia; Luo Jing, CFA; Frank Tsui

## 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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