

Value Partners Fund Series

Value Partners China A-Share Select Fund

NAV per unit: Class A RMB (CNH) – RMB17.44

Fund size : USD48.6 million (RMB338.3 million)



Morningstar Rating™
As at 31-12-2022

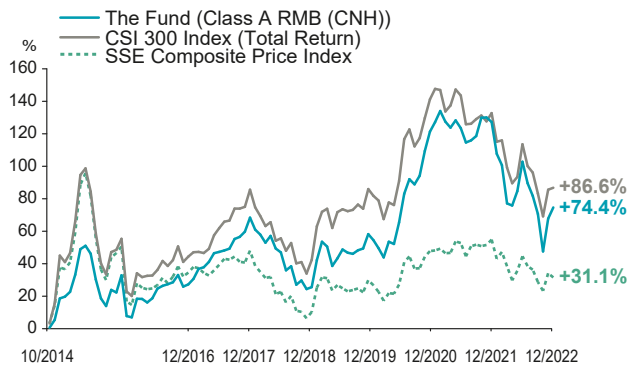
December 2022

- 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 ¹	NAV	ISIN	Bloomberg
Class A RMB (CNH)	17.44	HK0000220001	VPCAARM HK
Class A USD Unhedged	15.29	HK0000220019	VPCAAUJ HK
Class A USD Hedged	14.85	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	15.31	HK0000220035	VPCAAHU HK
Class A HKD Hedged	14.46	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	18.95	HK0000220076	VPCAAGU HK
Class A GBP Hedged	13.32	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	16.18	HK0000220092	VPCAAAU HK
Class A AUD Hedged	14.26	HK0000220100	VPCAAAH HK
Class A CAD Hedged	13.27	HK0000220126	VPCAACH HK
Class A EUR Unhedged	15.70	HK0000220050	VPCAAEU HK
Class A EUR Hedged	12.90	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	14.72	HK0000220134	VPCAANU HK
Class A NZD Hedged	14.27	HK0000220142	VPCAANH HK

Performance update

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Year-to-date	-23.3%	-19.8%	-15.1%
One month	+4.1%	+0.6%	-2.0%
One year	-23.3%	-19.8%	-15.1%
Three years	+10.4%	+0.5%	+1.3%
Five years	+9.4%	+6.8%	-6.6%
Total return since launch	+74.4%	+86.6%	+31.1%
Annualized return since launch [^]	+7.0%	+7.9%	+3.4%

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% ²
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	-8.7%	-3.4%	-11.8%	-0.7%	+5.1%	+9.9%	-6.6%	-4.1%	-6.2%	-13.6%	+13.8%	+4.1%	-23.3%

[^] Annualized return is calculated from inception based on published NAV.

Top holdings

Name	Industry ³	%
China Merchants Bank Co Ltd	Banks	9.8
Kweichow Moutai Co Ltd	Food, beverage & tobacco	8.8
Luzhou Laojiao Co Ltd	Food, beverage & tobacco	5.3
Ming Yang Smart Energy Group Ltd	Capital goods	4.9
Ping An Insurance Group Co of China Ltd	Insurance	4.8

These securities constitute 34% of the Fund.

Portfolio characteristics

As at 30 Dec 2022⁴

Price/earnings ratio	12.8 times
Price/book ratio	2.0 times
Portfolio yield	2.5%

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Annualized volatility (3 years) ⁵	21.2%	19.1%	15.5%

Geographical exposure by listing⁶

Shanghai A-shares	58%
Shenzhen A-shares	40%
Cash ⁷	2%

Sector exposure^{3,6}

Consumer staples	24%
Industrials	16%
Consumer discretionary	13%
Banks	12%
Insurance	8%
Information technology	7%
Materials	7%
Other financials	4%
Real estate	4%
Communication services	2%
Others	1%
Cash ⁷	2%

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:	16 Oct 2014
	– Class A RMB (CNH)
	29 Oct 2014
	– Class A USD Unhedged
	12 Nov 2014
	– Class A AUD/CAD/EUR/HKD/NZD/USD Hedged
	13 Nov 2014
	– Class A HKD Unhedged
	14 Nov 2014
	– Class A GBP Hedged
	26 Nov 2014
	– Class A GBP Unhedged
	28 Nov 2014
	– Class A AUD Unhedged
	16 Jan 2015
	– Class A NZD Unhedged
	29 Feb 2016
	– Class A EUR Unhedged

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

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; Luo Jing, CFA; Frank Tsui

Key corporate awards



Asia ex-Japan Equity House: Best-in-Class⁹
Greater China Equity House: Outstanding Achiever⁹
 ~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year)¹⁰
 ~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents¹¹:



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.

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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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