

Value Partners Fund Series

Value Partners China A-Share Select Fund



NAV per unit: Class A RMB (CNH) – RMB15.17
Fund size : USD35.8 million (RMB262.9 million)



Morningstar Rating™*
As at 31-10-2023

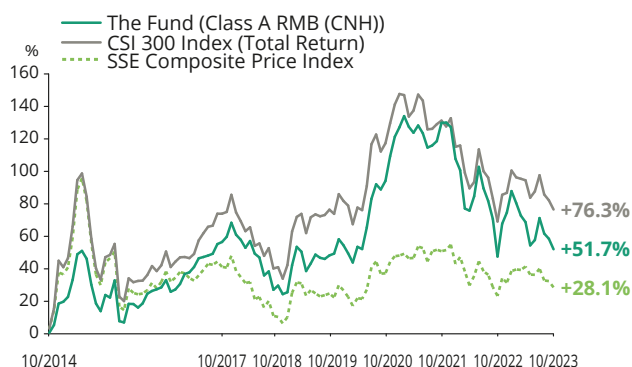
October 2023

- 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)	15.17	HK0000220001	VPCAARM HK
Class A USD Unhedged	12.61	HK0000220019	VPCAAU HK
Class A USD Hedged	13.21	HK0000220027	VPCAAU HK
Class A HKD Unhedged	12.67	HK0000220035	VPCAAHU HK
Class A HKD Hedged	12.70	HK0000220043	VPCAAPH HK
Class A GBP Unhedged	15.49	HK0000220076	VPCAAGU HK
Class A GBP Hedged	11.74	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	14.23	HK0000220092	VPCAAAU HK
Class A AUD Hedged	12.45	HK0000220100	VPCAACH HK
Class A CAD Hedged	11.71	HK0000220126	VPCAACH HK
Class A EUR Hedged	11.23	HK0000220068	VPCAACH HK
Class A NZD Unhedged	13.15	HK0000220134	VPCAACH HK
Class A NZD Hedged	12.59	HK0000220142	VPCAACH HK

Performance update

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Year-to-date	-13.0%	-5.5%	-2.3%
One month	-4.1%	-3.1%	-2.9%
One year	+3.1%	+4.4%	+4.3%
Three years	-21.8%	-18.8%	-6.4%
Five years	+19.8%	+26.2%	+16.0%
Total return since launch	+51.7%	+76.3%	+28.1%
Annualized return since launch [^]	+4.7%	+6.5%	+2.8%

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%
2023 (YTD)	+7.6%	-3.9%	-4.3%	-2.3%	-8.5%	+2.1%	+8.6%	-5.6%	-2.0%	-4.1%			-13.0%

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

Top holdings

Name	Industry ³	%
Kweichow Moutai Co Ltd	Food, beverage & tobacco	8.7
Ping An Insurance Group Co of China Ltd	Insurance	8.7
China Life Insurance Co Ltd	Insurance	8.4
China Pacific Insurance Group Co Ltd	Insurance	8.1
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	5.2

These securities constitute 39% of the Fund.

Portfolio characteristics

As at 31 Oct 2023⁴

Price/earnings ratio	11.9 times		
Price/book ratio	1.9 times		
Portfolio yield	3.2%		
	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Annualized volatility (3 years) ⁵	21.2%	17.0%	13.9%

Geographical exposure by listing⁶

Shanghai A-shares	69%
Shenzhen A-shares	28%
Cash ⁷	3%

Sector exposure^{3, 6}

Consumer staples	27%
Insurance	25%
Industrials	13%
Materials	11%
Consumer discretionary	10%
Banks	5%
Information technology	3%
Others	3%
Cash ⁷	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:	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
Dealing frequency:	Daily

Fee structure & Subscription information

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)

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Deputy Chief Investment Officer, Equities: Yu Chen Jun

Senior Investment Directors: Norman Ho, CFA; Renee Hung

Investment Directors: Lillian Cao; Kelly Chung, CFA; Luo Jing, CFA;

Michelle Yu, CFA

Senior Fund Managers: 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 fts@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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