

Value Partners Health Care Fund

A UCITS-Compliant Fund ¹

NAV per unit: **Class A USD Unhedged - USD10.91**

Fund size : **USD24.0 million**

30 June 2017

- Value Partners Health Care Fund (the "Fund") primarily invests in equities and equity-related securities in healthcare companies in China or companies which derive a significant part of their revenue from the PRC and which are listed on other worldwide stock markets.
- The Fund may have significant investments in the securities of high growth companies and that these securities may be very volatile. The value of the Fund could decrease substantially within a short time. Investors may lose part or all of their investment.
- The Fund's investments in China are subject to a higher level of market risk than investments in a developed country due to greater market volatility, political and economic instability and governmental limitations etc.
- The Fund may also invest in derivatives and debt securities that are below investment grade or unrated which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- The Fund's investments are primarily denominated in RMB. RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions. 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.
- You should not make investment decision on the basis of this marketing material alone. Please read the prospectus for details and risk factors.
- The Fund is not authorized by the Securities and Futures Commission in Hong Kong and its shares are not available to the general public in Hong Kong.

Investment objective

Value Partners Health Care Fund (the "Fund") aims to achieve long-term capital growth by investing primarily in equities and equity related securities in healthcare companies, such as pharmaceuticals, biotechnology, healthcare services, as well as medical technology and supplies, which derive a significant part of their revenue from the PRC and which are listed on stock markets on a worldwide basis, including mainland China.

Performance update ²

	Class A USD Unhedged	CSI 300 Index	Hang Seng China Enterprises Index
One month	+2.7%	+6.2%	-0.7%
Three months	+4.9%	+8.8%	+2.4%
Since launch	+9.1%	-14.9%	-10.8%

Top 5 securities holdings

Name	Industry ³	%
China Resources Pharmaceutical Group Ltd	Pharmaceuticals, biotechnology & life sciences	7.6
Beijing Tong Ren Tang Chinese Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	5.6
Livzon Pharmaceutical Group Inc	Pharmaceuticals, biotechnology & life sciences	5.2
Sinopharm Group Co Ltd	Pharmaceuticals, biotechnology & life sciences	4.0
Tianjin Zhongxin Pharmaceutical Group Corporation Limited	Pharmaceuticals, biotechnology & life sciences	3.9

These stocks constitute 26% of the fund.

Portfolio characteristics

As at 30 Jun 2017	2017 ⁴
Price/earnings ratio	20.7 times
Price/book ratio	2.5 times
Dividend yield	1.5%

Geographical exposure by listing ⁵

China A Shares	31%
H Shares	23%
Red Chips	17%
Cash ⁶	10%
Hong Kong	10%
China B Shares	4%
Singapore	4%
United States	1%

NAVs & codes

Classes ⁷	NAV	ISIN	Bloomberg
Class A USD Unhedged	10.91	IE00BSM8VZ90	VPHCUAU ID
Class A HKD Unhedged	10.71	IE00BSM8VQ00	VPHCUAH ID
Class Z RMB (CNH) Unhedged	11.83	IE00BSM8VT31	VPHCUZR ID

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Launch date:	Class A USD Unhedged/HKD Unhedged - 2 Apr 2015 Class Z RMB (CNH) Unhedged - 2 Apr 2015
Dealing frequency:	Daily, Cutoff time 11:59am Irish time
Legal status:	Authorized by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ¹
Depository:	HSBC Institutional Trust Services (Ireland) DAC
Reporting:	www.valuepartners-group.com and Financial Times

Fee structure

	Class A	Class Z RMB (CNH)
Minimum subscription:	USD10,000 or equivalent	RMB10,000,000
Initial subscription fee:	Up to 5% of issue price	
Management fee:	1.5% p.a.	1.0% p.a.
Performance fee ⁸ :	15% of profit (high-on-high)	
Redemption fee:	Redeem within 6 months after purchase – 3% Redeem after 6 months – currently nil	

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: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

Recent corporate awards



Asset Management Awards 2016⁹
Fund House of the Year – Hong Kong
 ~ AsianInvestor



Thomson Reuters Lipper Fund Awards 2016⁹
Best Equity Group (Hong Kong)
 ~ Thomson Reuters

All fund information is as of 30 Jun 2017 unless stated otherwise. Source: HSBC Institutional Trust Services (Ireland) DAC and Bloomberg.

1. Value Partners Health Care Fund is a sub-fund of Value Partners Ireland Fund plc (the "Company"). The Company is both authorized and supervised by the Central Bank of Ireland ("Central Bank") as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. Authorization of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorization of the Company is not an endorsement or guarantee of the Company by the Central Bank. 2. Performance data is in USD, NAV to NAV, with dividends reinvested and net of all fees. 3. Classification is based on Global Industry Classification Standard (GICS). 4. 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. 5. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 6. Cash refers to net cash on hand excluding cash for collaterals and margins. 7. All classes are not available for public retail distribution in Hong Kong. 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 reflecting performance as at December 2015.

No investor should subscribe to the Fund without having read the Prospectus, Supplement and Key Investor Information Documents (in English) which are available at www.valuepartners-group.com.

Recipients of this marketing document who intend to subscribe for the Fund following publication of the Prospectus, Supplement and Key Investor Information Document are reminded that any such application may only be made on the basis of the information contained in the final Prospectus, Supplement and Key Investor Information Documents which may be different from the information contained in this marketing document which may be subject to updating, amendment and/or completion.

No reliance may be placed for any purpose whatsoever on the information contained in this marketing document or on its completeness. No representation or warranty, express or implied, is given by the promoter of the Fund as to the accuracy of the information or opinions contained in this document and no liability is accepted for any such information or opinions.

Investors should note that the Fund is not a guaranteed fund. Value of investment in the Fund can go down as well as up and return upon such investment will therefore necessarily be variable. Neither past experience nor the current situation are necessarily accurate guides to the future. Past performance may not be a reliable guide to future performance. Income may fluctuate in accordance with market conditions and taxation arrangements. Changes in exchange rates may have an adverse effect on the value price or income of the Fund. Investors should also be aware that the Fund may be subject to sudden and large falls in value, in which case investors could lose the total value of their initial investment. 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

For Swiss Qualified Investors: The sales prospectus, the Articles of Association, the Key Investor Information Document (KIID) as well as the annual and semi-annual reports of the Fund are available free of charge from the Representative in Switzerland.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, CH-8008 Zurich.

Swiss Paying Agent: NPB New Private Bank Ltd., Limmatquai 1, CH-8024 Zurich.

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