Important Information

I. Value Partners Health Care Fund (the "Fund") primarily invests in equities and equity-related securities in healthcare companies on a worldwide basis.

II. The investments of the Fund are concentrated in the health care sector which are subject to greater influences from government policies and regulations than those of other industries. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

III. Investing in PRC market exposes the Fund to additional risks including currency repatriation risk, uncertainty of taxation policies and risk associated with StockConnects. The Fund may also expose to RMB currency and conversion risk.

IV. Investing in small/mid-capitalization securities may have lower liquidity and their prices are more volatile to adverse economic developments.

V. 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.

VI. You should not make investment decision on the basis of this marketing material alone. Please read the prospectus for details and risk factors.

Value Partners
Investing through discipline

Q1 2022 Fund leaflet

Value Partners Health Care Fund

Guiding you through the journey of investing in China's healthcare sector

- **Our "All-China" investment strategy** adopts a flexible approach in covering Hong Kong stocks, China's A-shares and U.S.-listed Chinese companies
- The fund covers the four main subsectors: **pharmaceuticals, drug distribution, medical equipment, and healthcare services**
- **6-year of proven track record** with a total return of +55.4%[1] since its inception

1. Source: Morningstar. Value Partners Health Care Fund ("the Fund") (Class A USD Unhedged) was launched on 2 April 2015. Total return since launch (as at 31 December 2021): +55.4%. Calendar year return in the past five years: 2016: +1.9%; 2017: +20.8%; 2018: -5.4%; 2019: +21.0%; 2020: +34.4%; 2021: -14.8%.

Investment objective and strategy

The Fund aims to achieve long-term capital growth by investing primarily in equities and equity-related securities in healthcare companies including pharmaceuticals, biotechnology, healthcare services and medical technology and supplies on a worldwide basis.

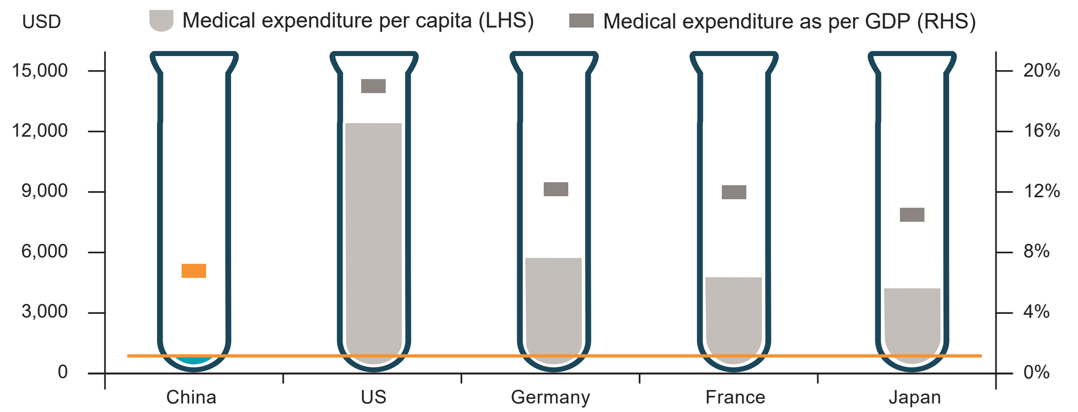
The Fund intends to achieve its investment objective by investing primarily in listed securities including equities and equity-related securities in healthcare companies (i) which have a significant portion of assets, investments, production activities, trading or other business interests in the PRC or which derive a significant part of their revenue from the PRC and (ii) which are listed on stock markets on a worldwide basis, including mainland China.

Why Value Partners Health Care Fund?

Enormous demand fueled by demographic changes

- Aging in China is accelerating. It is projected that the number of people aged 65 and over will reach 205 million by 2025 (14% of the total population); doubling to 366 million by 2050 (26% of the total population)[2]
- China lags behind the developed countries in medical spending per capita, implying immense expansion room for the medical-related sectors

China's health expenditure per capita is only 6.3% of that in the U.S.

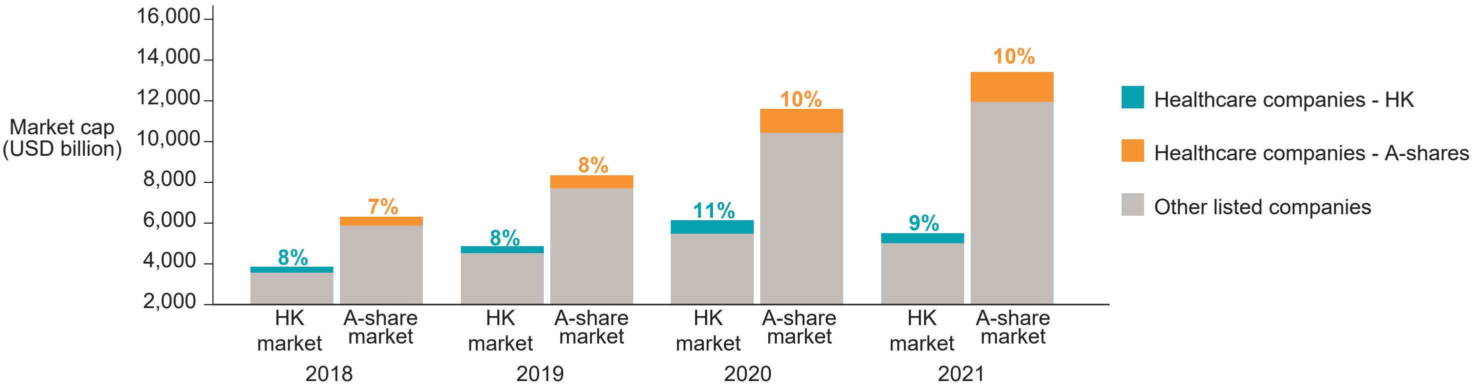


Sources: Statista, OECD, as at 31 December 2020

Speedy takeoff of Chinese healthcare industry

- Hong Kong- and Mainland China-listed healthcare companies continue to rise both in number and market capitalization. The growth potential in this sector cannot be ignored given the growing opportunities in this space
- China's healthcare sector has a more positive profit outlook than the overall market, with profits expected to grow 24.2% in 2022. The Pharmaceuticals, Biotech and Life Science sector is expected to fare even better, with profits expected to rise 27.0%, which compares with 13.2% of the MSCI China Index[3]

Healthcare companies have become increasingly important in Hong Kong and Chinese markets



Source: Morgan Stanley, HKEX, and WIND, as at 31 December 2021

2. Source: Population pyramid, as at 21 February 2022. **3**. Source: FactSet, I/B/E/S, MSCI, CSI, as at 11 February 2022.

Unearthing the industry's growth engine

- Our "All-China" investment strategy, adopts a flexible approach in covering Hong Kong stocks and China's A share. It covers the four main subsectors and seeks to fully capture the growth momentum of the Chinese healthcare sector
- There's an abundance of enterprises with advantages and enormous potential. For example, among the top 10 Chinese pharmaceutical companies, R&D costs per drug are only 1/10 that of the top 10 U.S. pharmaceutical companies[4]

Pharmaceuticals

- The Chinese government has a supportive stance of the development of TCM (traditional Chinese medicine) market. Revenue growth and earnings growth continue to show its resilience even facing the slowing economy growth and pandemic controls
- We are selective within the pharmaceuticals and biotechnology sector. Companies with innovative drug pipelines continue to offer good long-term growth. We prefer companies with strong earnings visibility

Drug distribution

- After implementation of the two-invoice policy and centralized procurement, industry consolidation has accelerated, favoring quality distributors
- Quality drug distributors are defensive and they trading at undemanding valuations with decent dividend yield

Medical equipment

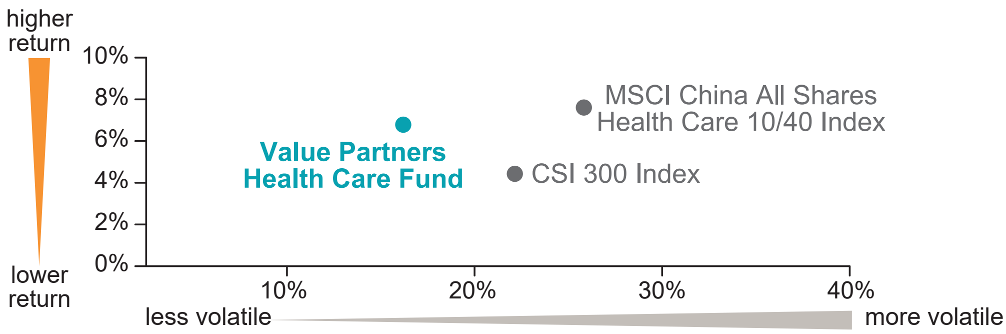
- There is substantial growth potential for medical devices and consumable products with low existing penetration rates and import substitution potential
- Chinese medical equipment manufacturers have become globally competitive in terms of both innovation and product quality and design

Healthcare services

- In the long-term, quality healthcare service providers are going to benefit from China's ongoing consumption upgrade trend. With aging and the increase in income per capita and health awareness, there will be demand for more diverse medical needs including more comprehensive and sophisticated healthcare services
- We expect life sciences tools & service providers with better core competitiveness to stand out amid consolidation in a less accommodative global funding environment. The growth of these companies would continue to be underpinned by the high-cost efficiency in China in the long run

Finding pleasure in lower volatility

- The Fund has achieved an annualized return of +6.8%[1] since its inception. Over the same period, it leveraged on lower volatility[5] to match the performance of the MSCI China All Shares Health Care 10/40 Index, and to outperform the CSI 300 Index
- Presence in Shanghai and Hong Kong enables us to conduct in-depth equity research, closely monitor industry developments, and maintain a robust network of medical experts



Source: Morningstar, Value Partners, as at 31 December 2021

Download the Value Partners Mobile App now!
Access the latest fund information^ and market updates!

^ Fund information refers to Value Partners' funds authorized by the Securities and Futures Commission of Hong Kong. Authorization does not imply official recommendation. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.
All fund information is quoted as at 31 December 2021 (unless otherwise stated). Source: HSBC Institutional Trust Services (Ireland) DAC and Bloomberg. Performance in USD, NAV to NAV, with dividends reinvested and net of all fees. All indices are for reference only.
4. Value Partners, as at Jan 2021. **5**. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years.

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