

Value Partners Classic Fund

NAV per unit: **A Units - USD504.73** | **B Units - USD222.34** | **C Units - USD27.81**
Fund size : **USD1,579.5 million**

★★★★
Morningstar Rating™
As at 31-10-2021

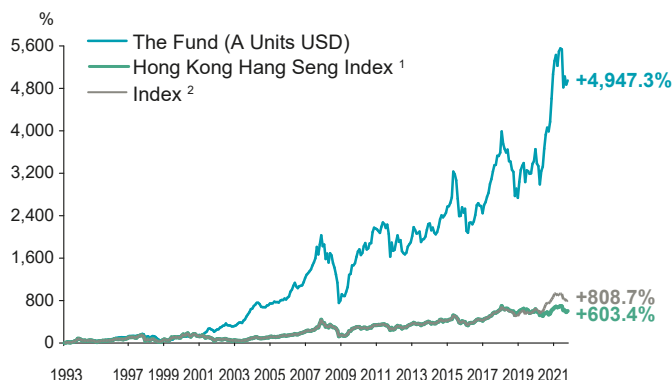
October 2021

- Value Partners Classic Fund (The "Fund") primarily invests in markets of the Asia-Pacific region, with a Greater China focus.
- The Fund invests in China-related companies and emerging markets which involve certain risks not typically associated with investment in more developed markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund is also subject to concentration risk due to its concentration in Asia-Pacific region, particularly China-related companies. 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 may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- In respect of the distribution units for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
- 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

The Fund aims to achieve consistent superior returns through an investment discipline that places emphasis on the fundamental value of potential investments, which the Manager believes are being traded at deep discounts to their intrinsic values. The Fund will concentrate on investing in the markets of the Asia Pacific region (particularly in Greater China region) but without fixed geographical, sectoral or industry weightings.

Performance since launch



Performance update

	A Units USD	B Units USD	C Units USD	Hang Seng Index 1	Index 2
Year-to-date	-2.3%	-2.6%	-2.8%	-4.8%	-5.6%
One month	+1.6%	+1.5%	+1.5%	+3.3%	+2.3%
One year	+18.2%	+17.8%	+17.4%	+7.7%	+3.8%
Three years	+75.8%	+73.6%	+73.2%	+12.4%	+51.8%
Five years	+87.9%	+83.8%	+82.1%	+30.4%	+68.4%
Total return since launch	+4,947.3%	+2,123.4%	+178.1%	+603.4%	+808.7%
Annualized return since launch [^]	+14.7%	+12.9%	+8.8%	+7.1%	+8.0%

The Fund – A Units USD: Monthly performance from 1 Jan 2012 to 29 Oct 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	+7.8%	+6.3%	-5.7%	+1.6%	-10.2%	-2.1%	-1.3%	+1.7%	+6.4%	+2.3%	+1.9%	+5.9%	+14.0%
2013	+7.9%	-2.5%	-2.9%	+0.6%	+1.2%	-9.0%	+2.3%	+0.5%	+2.2%	+6.2%	+4.8%	+0.4%	+11.2%
2014	-5.5%	+2.3%	-4.0%	-1.6%	+2.0%	+4.6%	+6.2%	+3.0%	-1.5%	+1.6%	+1.9%	+4.6%	+13.5%
2015	+0.3%	+2.4%	+3.7%	+17.1%	-1.5%	-3.5%	-11.0%	-11.6%	+0.2%	+6.5%	-3.8%	+2.9%	-1.5%
2016	-15.9%	-1.5%	+8.7%	+0.2%	-1.4%	+2.4%	+5.0%	+7.4%	+1.4%	-1.8%	-0.2%	-5.0%	-3.2%
2017	+6.1%	+1.9%	+3.7%	+2.6%	+5.7%	+3.0%	+4.5%	+3.5%	+0.3%	+4.9%	-0.1%	+1.8%	+44.9%
2018	+10.8%	-5.7%	-2.5%	-1.8%	+1.5%	-5.8%	-0.2%	-4.4%	-1.1%	-13.7%	+4.8%	-5.8%	-23.1%
2019	+10.6%	+7.2%	+2.4%	+1.5%	-10.3%	+7.1%	-0.5%	-1.5%	+0.3%	+5.5%	+1.4%	+6.4%	+32.4%
2020	-7.3%	-1.3%	-10.0%	+8.2%	+2.4%	+9.9%	+6.9%	+3.4%	-1.7%	+4.4%	+10.2%	+9.7%	+37.6%
2021 (YTD)	+4.9%	+2.1%	-3.7%	+5.1%	+1.0%	-0.3%	-12.7%	+4.1%	-3.0%	+1.6%			-2.3%

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

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NAVs & codes

Classes ³	NAV	ISIN	Bloomberg
A Units USD	504.73	HK0000264868	VLPAI HK
B Units USD	222.34	HK0000264876	VLPBI HK
C Units USD	27.81	HK0000264884	VLPARCI HK
C Units HKD ⁴	216.2367	HK0000264884	VLPARCI HK
C Units RMB	18.34	HK0000264926	VLCHCRM HK
C Units AUD Hedged	21.36	HK0000264892	VLCHAUD HK
C Units CAD Hedged	21.44	HK0000264900	VLCHCAD HK
C Units HKD Hedged	18.46	HK0000264934	VLCHCHH HK
C Units NZD Hedged	22.13	HK0000264918	VLCHNZD HK
C Units RMB Hedged	19.53	HK0000264942	VLCHCRH HK
C Units MDis USD	11.97	HK0000360880	VLCCMDU HK
C Units MDis HKD	11.89	HK0000360898	VLCCMDH HK
C Units MDis RMB	11.10	HK0000362241	VLCCMDR HK
C Units MDis RMB Hedged	11.76	HK0000362258	VLCCMRH HK

Dividend information – C Units MDis⁵

Classes ³	Dividend per unit ⁶	Annualized yield ⁷	Ex-dividend date
C Units MDis USD	0.0196	2.0%	29-10-2021
C Units MDis HKD	0.0194	2.0%	29-10-2021
C Units MDis RMB	0.0197	2.1%	29-10-2021
C Units MDis RMB Hedged	0.0391	4.0%	29-10-2021

Top holdings

Name	Industry ⁸	% ⁹
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.2
Meituan	Retailing	6.8
Tencent Holdings Ltd	Media & entertainment	6.0
China Merchants Bank Co Ltd	Banks	5.1
Techtronic Industries Co Ltd	Capital goods	4.9
Kweichow Moutai Co Ltd	Food, beverage & tobacco	4.3
Innovent Biologics Inc	Pharmaceuticals, biotechnology & life sciences	3.7
AIA Group Ltd	Insurance	3.5
Ping An Bank Co Ltd	Banks	3.2
Li Ning Co Ltd	Consumer durables & apparel	3.0

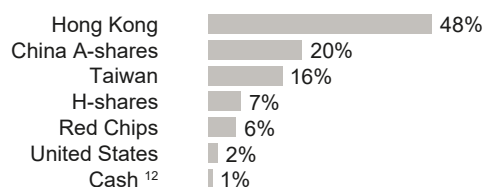
These securities constitute 50%⁹ of the Fund.

Portfolio characteristics

As at 29 Oct 2021¹⁰

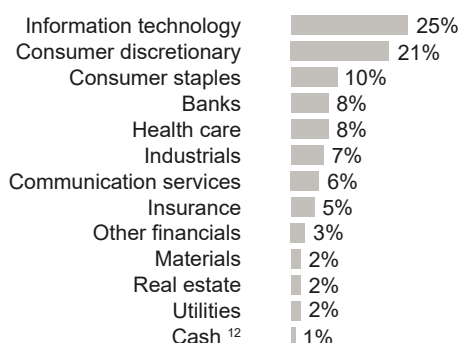
Price/earnings ratio	13.2 times			
Price/book ratio	2.2 times			
Portfolio yield	2.4%			
	A Units USD	B Units USD	C Units USD	Hang Seng Index ¹
Annualized volatility (3 years) ¹¹	20.4%	20.4%	20.4%	17.7%
				Index ²
				18.4%

Geographical exposure by listing⁹



Short exposure includes: Hong Kong, -1.1%.

Sector exposure^{8,9}



Total short exposure is -1.1%.

Short exposure includes: Consumer discretionary, -1.1%.

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	A Units USD - 1 Apr 1993 B Units USD - 15 May 1996 C Units USD - 15 Oct 2009 C Units AUD/CAD/NZD Hedged - 17 Mar 2014 C Units RMB Hedged - 28 Oct 2015 C Units HKD Hedged - 30 Nov 2015 C Units RMB - 1 Dec 2015 C Units MDis USD - 16 Oct 2017 C Units MDis HKD - 16 Oct 2017 C Units MDis RMB - 16 Oct 2017 C Units MDis RMB Hedged - 16 Oct 2017
Dividend Policy ⁵ :	C Units MDis – aim at monthly distribution, subject to Manager's discretion

A, B and C units are invested in the same fund, A and B units were no longer issued from 12 Apr 2002 and 15 Oct 2009 respectively. Only C units are currently available.

Fee structure

	A Units	B Units	C Units
Minimum subscription	Closed	Closed	USD10,000 or equivalent
Minimum subsequent subscription	Nil	Nil	USD5,000 or equivalent
Subscription fee	Closed	Closed	up to 5%
Management fee	0.75% p.a.	1.25% p.a.	1.25% p.a.
Performance fee ¹³	15% of profit (High-on-high principle)		
Redemption fee	Nil		
Dealing day	Daily redemption	Daily redemption	Daily dealing

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

Investment Directors: Chung Man Wing; Yu Chen Jun; Michelle Yu, CFA

Senior Fund Managers: Lillian Cao; Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui

Key fund and corporate awards



Golden Bull Overseas China Equity Fund (1-Year)¹⁴

~ *China Securities Journal, The 4th China Overseas Fund Golden Bull Awards 2020*

Asia ex-Japan Equity House: Best-in-Class¹⁵

Greater China Equity House: Outstanding Achiever¹⁵
~ *Benchmark Fund of the Year Awards 2018, Hong Kong*

Offshore China Equity (10-year)¹⁶

~ *Insight & Mandate, Professional Investment Awards 2018*

Scan QR code¹⁷:



Fund documents Fund notices

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 in this report 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. 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. This advertisement has not been reviewed by the Monetary Authority of Singapore. This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.