

# Value Partners Greater China High Yield Income Fund



NAV per unit : Class P USD Acc - USD10.52 | Class P USD MDis - USD3.26  
Fund size : USD462.0 million

★★★★★  
Morningstar Rating™\*  
As at 30-11-2024



November 2024

- Value Partners Greater China High Yield Income Fund (the "Fund") primarily invests in a portfolio of fixed and floating rate bonds and other debt securities, including convertible bonds, in the Greater China region.
- The Fund may invest in high yielding securities which may be unrated or below investment grade and debt securities issued by special purpose vehicles. The Fund is therefore exposed to higher credit/insolvency risk and default risk.
- The Fund primarily invests in the Greater China region and therefore is subject to emerging market and concentration risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
- In respect of the distribution shares 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 of the net asset value per share of the Fund.
- 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.
- You should not make investment decision on the basis of this marketing material alone. Please read the explanatory memorandum for details and risk factors.

## Investment objective

The Fund aims to provide capital appreciation by primarily investing in Greater China debt securities, including but not limited to high yield, convertible and mainland Chinese offshore bonds.

## Commentary

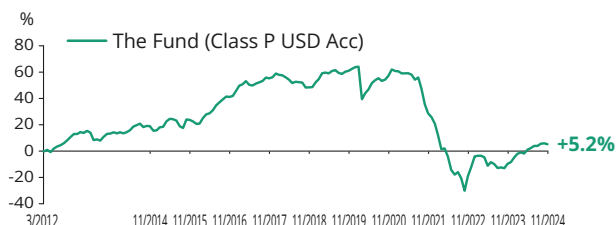
### Portfolio Review:

The Asian credit market was quiet in November as we approach the end of the year. Trump winning the US presidential election, whose policy is expected to be inflationary, initially drove US Treasury yield up before coming back down by month end. IG credits were slightly up and HY credits were slightly down for the month. China's NPC in November turned out to have zero impact to the market.

### Outlook:

As Trump comes to power a second time (Trump 2.0), a heightened level of volatility due to geopolitics, in particular to China, is expected. We will also monitor closely China's stimulus measures as well as the US inflation outlook due to change in US fiscal and trade policies.

## Performance since launch



## Performance update

|   | Class P USD Acc | Class A RMB Hedged Acc |
|---|-----------------|------------------------|
| Year-to-date                                | +14.8%          | +11.7%                 |
| One month                                   | -0.7%           | -0.7%                  |
| One year                                    | +16.5%          | +13.2%                 |
| Three years                                 | -18.3%          | -22.4%                 |
| Five years                                  | -34.8%          | -35.5%                 |
| Total return since launch                   | +5.2%           | -5.5%                  |
| Annualized return since launch <sup>^</sup> | +0.4%           | -0.6%                  |

## The Fund – Class P USD Acc: Monthly performance

| Year       | Jan   | Feb   | Mar    | Apr   | May   | Jun    | Jul   | Aug   | Sep   | Oct    | Nov    | Dec   | Annual |
|------------|-------|-------|--------|-------|-------|--------|-------|-------|-------|--------|--------|-------|--------|
| 2015       | +0.3% | +2.0% | +0.3%  | +3.5% | +1.6% | -0.2%  | -0.8% | -3.6% | -1.1% | +5.5%  | -0.2%  | -1.0% | +6.1%  |
| 2016       | -1.5% | +0.2% | +3.6%  | +2.2% | +0.6% | +1.8%  | +2.9% | +1.8% | +1.6% | +1.5%  | -0.2%  | +0.6% | +15.9% |
| 2017       | +2.8% | +2.6% | +0.7%  | +1.6% | -1.9% | -0.3%  | +0.9% | +0.7% | +0.7% | +1.7%  | -0.4%  | +0.6% | +10.1% |
| 2018       | +1.8% | -0.6% | -0.3%  | -1.0% | -1.2% | -1.7%  | +0.7% | -0.2% | -0.2% | -2.5%  | +0.1%  | +0.1% | -4.9%  |
| 2019       | +2.5% | +1.5% | +3.0%  | +0.3% | -0.4% | +1.1%  | +0.4% | -1.4% | -0.4% | +1.1%  | +0.4%  | +0.9% | +9.4%  |
| 2020       | +0.8% | +0.2% | -15.1% | +3.2% | +2.1% | +3.2%  | +1.5% | +1.0% | -1.3% | +0.7%  | +1.9%  | +3.0% | -0.3%  |
| 2021       | -0.7% | -0.1% | -1.0%  | +0.0% | +0.1% | -0.7%  | -2.4% | +1.1% | -5.6% | -8.1%  | -4.9%  | -2.3% | -22.5% |
| 2022       | -4.0% | -7.2% | -9.5%  | +0.6% | -6.3% | -10.5% | -4.2% | +2.3% | -5.7% | -11.9% | +15.9% | +8.7% | -30.2% |
| 2023       | +9.2% | +0.5% | +0.0%  | -1.2% | -6.7% | +3.0%  | -1.6% | -3.3% | +0.6% | -0.7%  | +3.9%  | +1.4% | +4.3%  |
| 2024 (YTD) | +3.9% | +2.8% | +1.1%  | -0.9% | +3.0% | +1.3%  | +1.6% | +0.0% | +1.6% | +0.3%  | -0.7%  |       | +14.8% |

<sup>^</sup> The Fund is one of the eligible collective investment schemes for the purpose of the New Capital Investment Entrant Scheme (New CIES) in Hong Kong with effect from 1 March 2024.

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

## NAVs & Codes

| Classes <sup>1</sup>    | NAV   | ISIN         | Bloomberg  |
|-------------------------|-------|--------------|------------|
| Class P USD Acc         | 10.52 | KYG9319N1097 | VPGCPUA KY |
| Class P HKD Acc         | 10.47 | KYG9319N1253 | VPGCPHA KY |
| Class P USD MDis        | 3.26  | KYG9319N1170 | VPGPUMD KY |
| Class P HKD MDis        | 3.25  | KYG9319N1337 | VPGPHMD KY |
| Class P SGD Hedged MDis | 3.50  | KYG9319N1824 | VPPSHMA KY |
| Class A EUR Hedged Acc  | 6.11  | KYG9319N3804 | VPGAHA KY  |
| Class A AUD Hedged MDis | 3.07  | KYG9319N2327 | VPGCAUD KY |
| Class A CAD Hedged MDis | 3.19  | KYG9319N2400 | VPGCCAD KY |
| Class A GBP Hedged MDis | 3.22  | KYG9319N3317 | VPGCAGH KY |
| Class A EUR Hedged MDis | 3.43  | KYG9319N3499 | VCHAMEH KY |
| Class A NZD Hedged MDis | 3.23  | KYG9319N2574 | VPGCHNZ KY |
| Class A RMB Hedged Acc  | 9.45  | KYG9319N2814 | VPGCAHR KY |
| Class A RMB Hedged MDis | 3.66  | KYG9319N3077 | VPGCRMB KY |
| Class A RMB MDis        | 3.92  | KYG9319N3150 | VPGCMDR KY |

## Dividend information – Class MDis <sup>2</sup>

| Classes <sup>1</sup>    | Dividend amount / unit | Annualized yield | Ex-dividend date |
|-------------------------|------------------------|------------------|------------------|
| Class P USD MDis        | 0.0269                 | 9.9%             | 29-11-2024       |
| Class P HKD MDis        | 0.0270                 | 10.0%            | 29-11-2024       |
| Class P SGD Hedged MDis | 0.0231                 | 7.9%             | 29-11-2024       |
| Class A AUD Hedged MDis | 0.0227                 | 8.9%             | 29-11-2024       |
| Class A CAD Hedged MDis | 0.0245                 | 9.2%             | 29-11-2024       |
| Class A EUR Hedged MDis | 0.0225                 | 7.9%             | 29-11-2024       |
| Class A GBP Hedged MDis | 0.0267                 | 10.0%            | 29-11-2024       |
| Class A NZD Hedged MDis | 0.0267                 | 9.9%             | 29-11-2024       |
| Class A RMB Hedged MDis | 0.0242                 | 7.9%             | 29-11-2024       |
| Class A RMB MDis        | 0.0319                 | 9.8%             | 29-11-2024       |

Top holdings <sup>3</sup>

| Name  | Sector <sup>4</sup>    | Country / region | %   |
|---|------------------------|------------------|-----|
| Mongolian Mining Corp/ Energy Resources LLC<br>12.5% 09/13/2026 | Materials              | Mongolia         | 3.4 |
| Wynn Macau Ltd<br>5.625% 08/26/2028                             | Consumer services      | Macao            | 3.2 |
| ABM Investama Tbk PT<br>9.5% 08/05/2026                         | Energy                 | Indonesia        | 3.1 |
| Studio City Co Ltd<br>7% 02/15/2027                             | Consumer services      | Macao            | 2.6 |
| Sammaan Capital Ltd<br>9.7% 07/03/2027                          | Diversified financials | India            | 2.4 |
| China Oil & Gas Group Ltd<br>4.7% 06/30/2026                    | Utilities              | China/Hong Kong  | 2.3 |
| PCPD Capital Ltd<br>5.125% 06/18/2026                           | Real estate            | China/Hong Kong  | 2.2 |
| GLP China Holdings Ltd<br>2.95% 03/29/2026                      | Real estate            | China/Hong Kong  | 2.2 |
| Elect Global Investments Ltd<br>4.1% PERP                       | Real estate            | China/Hong Kong  | 2.1 |
| Mongolian Mortgage Corp<br>Hfc LLC 11.5% 01/18/2027             | Diversified financials | Mongolia         | 1.9 |

Currency breakdown

|     |       |
|-----|-------|
| USD | 99.7% |
| HKD | 0.3%  |

Fund facts

Manager: Value Partners Hong Kong Limited  
 Base currency: USD  
 Administrator: HSBC Trustee (Cayman) Limited  
 Custodian: HSBC Institutional Trust Services (Asia) Limited  
 Launch date: 27 Mar 2012  
 – Class P USD/HKD Acc & MDis  
 23 Sep 2013  
 – Class A AUD/CAD/NZD Hedged MDis  
 26 Sep 2014  
 – Class P SGD Hedged MDis  
 5 Feb 2015  
 – Class A EUR Hedged MDis  
 14 Apr 2015  
 – Class A GBP Hedged MDis  
 16 Jul 2018  
 – Class A EUR Hedged Acc  
 11 Apr 2022  
 – Class A RMB Hedged Acc & MDis  
 – Class A RMB MDis

Dealing frequency: Daily

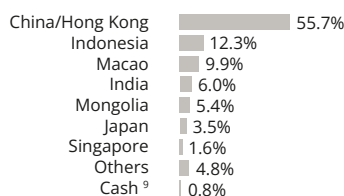
Portfolio characteristics

|  | Class P USD Acc | Class A RMB Hedged Acc |
|--|-----------------|------------------------|
| Annualized volatility (3 years) <sup>5</sup> | 19.0%           | 18.6%                  |
| Weighted modified duration <sup>6</sup>      | 2.7 years       |                        |
| Yield to worst <sup>7</sup>                  | 10.2%           |                        |
| Number of bond issuers                       | 111             |                        |

Fee structure & Subscription information

|                                 | Class A and Class P                | Class A RMB |
|---------------------------------|------------------------------------|-------------|
| Minimum subscription            | HK\$80,000/USD10,000 or equivalent | RMB60,000   |
| Minimum subsequent subscription | HK\$40,000/USD5,000 or equivalent  | RMB30,000   |
| Subscription fee                | Up to 5.0%                         |             |
| Management fee                  | 1.5% p.a.                          |             |
| Performance fee                 | Nil                                |             |

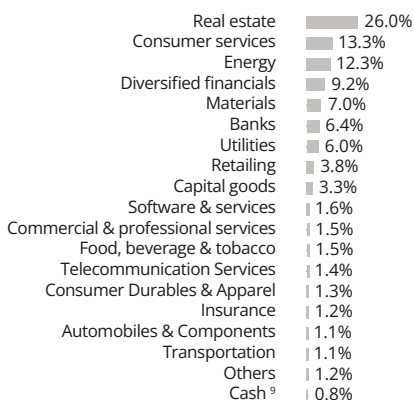
Geographical exposure <sup>8</sup>



Senior investment staff

**Co-Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Co-Chief Investment Officer:** Louis So  
**Senior Investment Directors:** Norman Ho, CFA; Renee Hung  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Head of Credit Research & Strategy:** Anna Ho  
**Senior Fund Manager:** Danielle Li

Sector exposure <sup>4, 8</sup>



Key awards



**Top Investment House in G3 Bonds (Asset Managers category) <sup>12</sup>**

~ The Asset Benchmark Research Awards 2024



**Best Fund Provider – High Yield Bond <sup>13</sup>**

~ Asian Private Banker Asset Management Awards for Excellence 2021

**Best Total Return – Greater China Fixed Income (5-Year, Winner) <sup>14</sup>**

~ HKCAMA & Bloomberg, Offshore China Fund Awards 2020

**Best USD High Yield (5-Year) <sup>15</sup>**

~ Refinitiv, Lipper Fund Awards 2020 (Hong Kong)

Credit ratings <sup>10</sup>

|                   |       |
|-------------------|-------|
| A                 | 4.1%  |
| BBB               | 8.9%  |
| BB                | 31.9% |
| B & Below         | 34.8% |
| Non-Rated         | 19.5% |
| Cash <sup>9</sup> | 0.8%  |

|                                     |       |
|-------------------------------------|-------|
| Investment grade                    | 13.0% |
| High yield                          | 66.7% |
| Average credit rating <sup>11</sup> | BB-   |

Scan QR code <sup>16</sup>:



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 respective currencies 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 [fi@vp.com.hk](mailto:fi@vp.com.hk).  
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