

# Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD101.83 | Class A2 MDIs USD - USD13.25

Fund size : USD3,523.7 million

★★★★★  
Morningstar Rating™<sup>1</sup>  
As at 31-01-2018

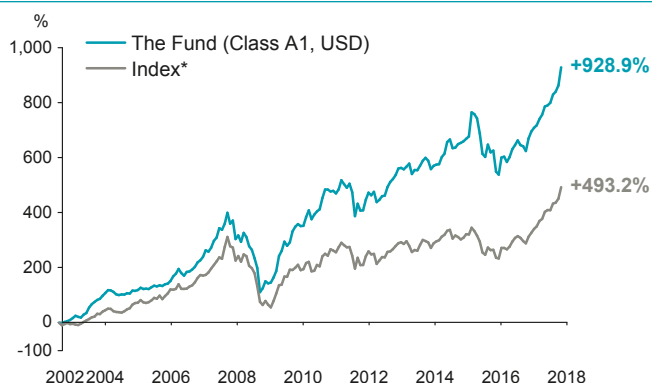
January 2018

- Value Partners High-Dividend Stocks Fund (The "Fund") primarily invests in higher yielding debt and equity securities in the Asian region.
- The Fund may invest in higher-yielding debt and equity securities that are below investment grade. Such investments can involve greater risks due to the speculative nature.
- The Fund may invest in China and other markets of the Asian region, therefore is subject to emerging market 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. 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 provide capital appreciation to unitholders by investing primarily in a portfolio of relatively higher yielding debt and equity securities in Asian region.

## Performance since launch



## Performance update

|                                    | Class A1 USD | Class A2 MDIs USD | Class A Acc RMB | Index*  |
|------------------------------------|--------------|-------------------|-----------------|---------|
| One month                          | +6.8%        | +6.8%             | +3.7%           | +7.6%   |
| Year-to-date                       | +6.8%        | +6.8%             | +3.7%           | +7.6%   |
| One year                           | +33.5%       | +32.3%            | +23.9%          | +43.5%  |
| Three years                        | +35.4%       | +34.1%            | +36.3%          | +44.9%  |
| Five years                         | +55.7%       | +53.3%            | N/A             | +52.3%  |
| Since launch                       | +928.9%      | +70.3%            | +58.5%          | +493.2% |
| Annualized return <sup>^</sup>     | +16.3%       | +10.5%            | +12.6%          | +12.2%  |
| Annualized volatility <sup>^</sup> | 19.6%        | 12.9%             | 12.4%           | 21.5%   |

## Dividend information – Class A2 MDIs <sup>2</sup>

| Classes <sup>3</sup>       | Dividend per unit <sup>4</sup> | Annualized yield <sup>5</sup> | Ex-dividend date |
|----------------------------|--------------------------------|-------------------------------|------------------|
| Class A2 MDIs USD          | 0.0476                         | 4.3%                          | 31-1-2018        |
| Class A2 MDIs HKD          | 0.0439                         | 4.3%                          | 31-1-2018        |
| Class A2 MDIs AUD Hedged   | 0.0501                         | 5.2%                          | 31-1-2018        |
| Class A2 MDIs CAD Hedged   | 0.0409                         | 4.2%                          | 31-1-2018        |
| Class A2 MDIs GBP Hedged   | 0.0350                         | 3.8%                          | 31-1-2018        |
| Class A2 MDIs NZD Hedged   | 0.0496                         | 5.0%                          | 31-1-2018        |
| Class A2 MDIs RMB Hedged   | 0.0491                         | 5.0%                          | 31-1-2018        |
| Class A2 MDIs RMB Unhedged | 0.0502                         | 5.4%                          | 31-1-2018        |
| Class A2 MDIs SGD Hedged   | 0.0415                         | 3.9%                          | 31-1-2018        |

## NAVs & codes

| Classes <sup>3</sup>       | NAV      | ISIN         | Bloomberg  |
|----------------------------|----------|--------------|------------|
| Class A1 USD               | 101.83   | HK0000288735 | VALASHY HK |
| Class A1 HKD <sup>6</sup>  | 796.2546 | HK0000288735 | VALASHY HK |
| Class A Acc RMB Hedged     | 14.57    | HK0000288719 | VALHAHR HK |
| Class A Acc RMB Unhedged   | 15.85    | HK0000288727 | VALHAUR HK |
| Class A2 MDIs USD          | 13.25    | HK0000288743 | VALHYA2 HK |
| Class A2 MDIs HKD          | 12.21    | HK0000288784 | VALHA2H HK |
| Class A2 MDIs AUD Hedged   | 11.50    | HK0000288750 | VALHA2A HK |
| Class A2 MDIs CAD Hedged   | 11.68    | HK0000288768 | VALHA2C HK |
| Class A2 MDIs GBP Hedged   | 11.08    | HK0000288776 | VALHDSF HK |
| Class A2 MDIs NZD Hedged   | 11.85    | HK0000288792 | VALHA2N HK |
| Class A2 MDIs RMB Hedged   | 11.80    | HK0000288800 | VALHRMB HK |
| Class A2 MDIs RMB Unhedged | 11.21    | HK0000288818 | VAHYRMB HK |
| Class A2 MDIs SGD Hedged   | 12.84    | HK0000288867 | VALHA2S HK |

## The Fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 Jan 2018

| Year       | Jan    | Feb   | Mar   | Apr    | May    | Jun   | Jul   | Aug   | Sep    | Oct    | Nov   | Dec   | Annual |
|------------|--------|-------|-------|--------|--------|-------|-------|-------|--------|--------|-------|-------|--------|
| 2009       | -3.0%  | +1.2% | +7.5% | +8.9%  | +18.9% | +5.4% | +9.2% | -3.8% | +3.3%  | +10.2% | +3.9% | +2.1% | +82.8% |
| 2010       | -1.6%  | +0.2% | +7.0% | +5.1%  | -6.4%  | +3.5% | +2.4% | +1.5% | +8.0%  | +5.6%  | +0.0% | -1.2% | +25.8% |
| 2011       | +0.4%  | -1.6% | +2.6% | +5.7%  | -2.3%  | -2.1% | +2.5% | -5.2% | -15.1% | +9.2%  | -4.7% | +0.2% | -11.9% |
| 2012       | +7.5%  | +4.7% | -1.7% | +2.2%  | -6.5%  | +1.5% | +2.4% | +0.4% | +5.5%  | +3.1%  | +1.7% | +2.4% | +25.2% |
| 2013       | +3.7%  | +0.4% | -0.8% | +1.5%  | +1.7%  | -5.6% | +2.3% | -0.1% | +2.5%  | +2.7%  | +1.6% | -1.5% | +8.1%  |
| 2014       | -4.4%  | +1.8% | +0.7% | +0.2%  | +3.8%  | +1.8% | +5.9% | +1.2% | -4.1%  | +0.3%  | +1.8% | +0.6% | +9.4%  |
| 2015       | +0.8%  | +1.2% | +1.1% | +11.2% | -0.7%  | -1.8% | -6.4% | -9.5% | -1.6%  | +6.4%  | -3.8% | +0.9% | -3.7%  |
| 2016       | -10.5% | -1.7% | +9.7% | +0.4%  | -2.7%  | +2.6% | +4.1% | +2.0% | +2.3%  | -2.2%  | -0.6% | -2.3% | -0.2%  |
| 2017       | +6.3%  | +3.2% | +1.7% | +1.1%  | +2.8%  | +1.9% | +3.5% | +0.4% | +1.0%  | +3.3%  | +1.2% | +2.4% | +32.9% |
| 2018 (YTD) | +6.8%  |       |       |        |        |       |       |       |        |        |       |       | +6.8%  |

\* Index refers to MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index. The Index is for reference only.

<sup>^</sup> Annualized return and volatility are calculated from inception on 2 Sep 2002. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

### Top 10 securities holdings

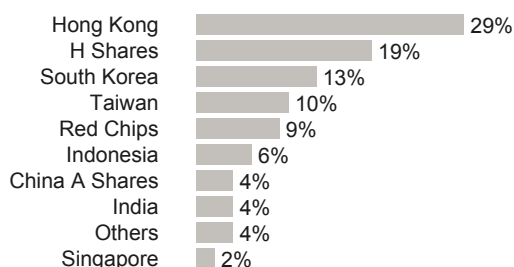
| Name  | Industry <sup>7</sup>                    | %   |
|---|--|-----|
| Longfor Properties Co Ltd                     | Real estate                              | 4.9 |
| China Construction Bank Corp                  | Banks                                    | 4.7 |
| Ping An Insurance (Group) Co of China Ltd     | Insurance                                | 3.1 |
| Taiwan Semiconductor Manufacturing Co Ltd     | Semiconductors & semiconductor equipment | 3.1 |
| PetroChina Co Ltd                             | Energy                                   | 2.4 |
| SITC International Holdings Co Ltd            | Transportation                           | 2.4 |
| China Resources Power Holdings Co Ltd         | Utilities                                | 2.3 |
| Far East Horizon Ltd                          | Diversified financials                   | 2.3 |
| Midea Group Co Ltd                            | Consumer durables & apparel              | 2.2 |
| Samsung Electronics Co Ltd - Preference Share | Technology, hardware & equipment         | 2.1 |

These stocks constitute 30% of the Fund.

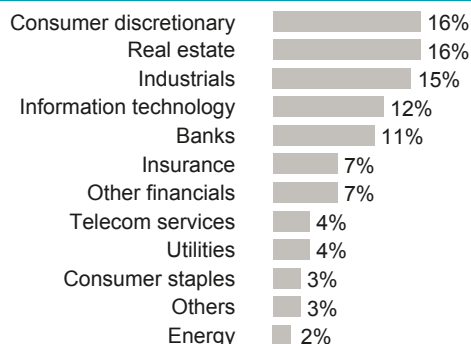
### Portfolio characteristics

| As at 31 Jan 2018     | 2018 <sup>8</sup> |
|-----------------------|-------------------|
| Price/earnings ratio  | 9.8 times         |
| Price/book ratio      | 1.3 times         |
| Portfolio yield       | 3.8%              |
| Yield to maturity/put | N/A               |

### Geographical exposure by listing <sup>9</sup>



### Sector exposure <sup>7, 9</sup>



### 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:                   | Class A1 USD - 2 Sep 2002<br>Class A2 MDis USD - 28 Sep 2012<br>Class A2 MDis HKD - 23 Sep 2013<br>Class A2 MDis AUD/CAD/NZD Hedged - 23 Sep 2013<br>Class A Acc RMB Unhedged - 20 Mar 2014<br>Class A2 MDis RMB Unhedged - 1 Sep 2014<br>Class A2 MDis RMB Hedged - 10 Sep 2014<br>Class A Acc RMB Hedged - 11 Sep 2014<br>Class A2 MDis GBP Hedged - 12 Mar 2015<br>Class A2 MDis SGD Hedged - 23 Jan 2017 |
| Dividend policy <sup>2</sup> : | Class A2 MDis – aim at monthly distribution, subject to Manager’s discretion   |

### Fee structure

|                                 | Class A1                                 | Class A2 MDis   | Class A Acc |
|---------------------------------|--|---|-------------|
| Minimum subscription            | USD10,000 or HKD equivalent <sup>6</sup> | USD10,000 / HKD80,000 / AUD10,000 / CAD10,000 / GBP10,000 / RMB60,000 / NZD10,000 / SGD10,000 | RMB60,000   |
| Minimum subsequent subscription | USD5,000 or HKD equivalent <sup>6</sup>  | USD5,000 / HKD40,000 / AUD5,000 / CAD5,000 / GBP5,000 / RMB30,000 / NZD5,000 / SGD5,000       | RMB30,000   |
| Subscription fee                |  | Up to 5%  |             |
| Management fee                  |  | 1.25% p.a.  |             |
| Performance fee <sup>10</sup>   |  | 15% of profit (High-on-high principle)  |             |
| Redemption fee                  |  | Nil   |             |
| Dealing day                     |  | Daily   |             |

### 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:** Chung Man Wing; Kenny Tian, CFA; Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

### Recent fund awards



**Thomson Reuters Lipper Fund Awards 2016 & 2017 <sup>11</sup>**  
**Best Asia Pacific ex-Japan Equity (10 Years)**  
 ~ Thomson Reuters



**Fund Selector Asia Singapore Awards 2016 <sup>12</sup>**  
**Asia Pacific Equity (Platinum Winner)**  
 ~ Fund Selector Asia

Scan QR code for fund documents<sup>13</sup>:



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.

1. © 2018 Morningstar, Inc. All Rights Reserved (for Class A1). 2. The Manager currently intends to make monthly dividend distribution in respect of the A2 MDis Classes; actual dividend payout will be subject to the Manager’s discretion. 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 that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. For A1 Class units, Manager will review dividend distribution at its discretion once a year (last dividend payout date: 21 Nov 2005). Please refer to the explanatory memorandum for more details. 3. The Fund may invest in financial derivative instruments (“FDI”) for hedging purposes. In adverse situations, the Fund’s use of FDI may become ineffective in hedging and the Fund may suffer significant losses. Each hedged share class will hedge the Fund’s base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the Fund’s base currency may be higher than that of the equivalent class denominated in the Fund’s base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/GBP/NZD/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 5. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as of ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the Fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 6. Investors should note that the base currency of the Fund is in USD. The HKD equivalent NAV per unit is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of the Fund will normally take place at the prevailing rate (as determined by the Fund’s Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD. 7. Classification is based on the Global Industry Classification Standard (GICS). 8. 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. Investors should note that all yield figures are for reference only and do not represent the actual performance of the Fund or the dividend yield received by investors, nor does a positive yield imply a positive return. “Dividend yield” is calculated based on the equity portion of the Fund, whereas “Yield to maturity/put” is calculated based on the debt portion of the Fund by taking the average of yields of individual holdings (being the higher of the yield to maturity and yield to put of each bond/convertible bond) after excluding event-driven investment with extremely high yield. 9. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 10. 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). 11. The award reflecting performance as at Dec 2016 and Dec 2015 respectively. 12. The award winners were selected among funds with “Accredited Investor” status in Singapore, based on performance data from 30 Jun 2012 to 30 Jun 2015 and voting from a panel of industry fund selectors. 13. For Hong Kong investors only.

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

For Swiss Qualified Investors: The sales prospectus, the Articles of Association, the Key Investor Information Document as well as the annual and semi-annual reports of the Fund are available free of charge from the Representative. Both the place of performance and the place of jurisdiction for units/shares in the Fund offered or distributed in or from Switzerland shall be the seat of the Swiss representative.

Swiss Representative and Paying Agent: BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.  
 This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.