

Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD88.46 | Class A2 MDIs USD - USD10.61

Fund size : USD2,510.9 million



Morningstar Rating™¹
As at 31-07-2019

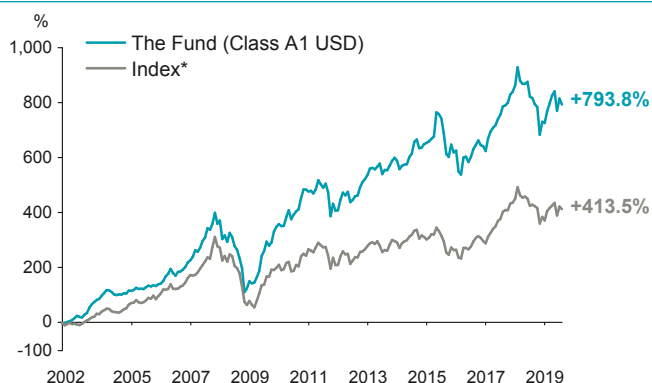
July 2019

- 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	-2.4%	-2.4%	-2.0%	-1.8%
Year-to-date	+8.1%	+8.2%	+8.4%	+8.7%
One year	-2.5%	-2.5%	-1.8%	-3.0%
Three years	+22.2%	+21.1%	+26.4%	+29.9%
Five years	+18.0%	+17.2%	+30.5%	+18.1%
Since launch	+793.8%	+48.0%	+49.9%	+413.5%
Annualized return [^]	+13.8%	+5.9%	+7.8%	+10.2%
Annualized volatility [^]	18.2%	13.7%	12.8%	19.7%

The Fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 Jul 2019

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	+6.8%	-4.8%	-1.1%	-0.0%	+0.8%	-5.5%	-0.5%	-2.4%	-1.2%	-11.3%	+6.0%	-0.5%	-14.2%
2019 (YTD)	+5.3%	+3.1%	+3.3%	+1.6%	-7.5%	+5.1%	-2.4%						+8.1%

* Index refers to MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in investment profile. MSCI (Total Net Return) Indices takes into account of dividend reinvestment after deduction of withholding tax.

[^] Annualized return and volatility are calculated from inception. 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.

Dividend information – Class A2 MDIs ²

Classes ³	Dividend per unit ⁴	Annualized yield ⁵	Ex-dividend date
Class A2 MDIs USD	0.0514	5.8%	31-7-2019
Class A2 MDIs HKD	0.0475	5.8%	31-7-2019
Class A2 MDIs AUD Hedged	0.0430	5.7%	31-7-2019
Class A2 MDIs CAD Hedged	0.0397	5.2%	31-7-2019
Class A2 MDIs GBP Hedged	0.0305	4.2%	31-7-2019
Class A2 MDIs NZD Hedged	0.0436	5.6%	31-7-2019
Class A2 MDIs RMB Hedged	0.0542	7.0%	31-7-2019
Class A2 MDIs RMB Unhedged	0.0481	5.9%	31-7-2019
Class A2 MDIs SGD Hedged	0.0436	5.2%	31-7-2019

NAVs & codes

Classes ³	NAV	ISIN	Bloomberg
Class A1 USD	88.46	HK0000288735	VALASHY HK
Class A1 HKD ⁶	692.3366	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	12.72	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.99	HK0000288727	VALHAUR HK
Class A2 MDIs USD	10.61	HK0000288743	VALHYA2 HK
Class A2 MDIs HKD	9.78	HK0000288784	VALHA2H HK
Class A2 MDIs AUD Hedged	9.03	HK0000288750	VALHA2A HK
Class A2 MDIs CAD Hedged	9.23	HK0000288768	VALHA2C HK
Class A2 MDIs GBP Hedged	8.73	HK0000288776	VALHDSF HK
Class A2 MDIs NZD Hedged	9.35	HK0000288792	VALHA2N HK
Class A2 MDIs RMB Hedged	9.27	HK0000288800	VALHRMB HK
Class A2 MDIs RMB Unhedged	9.84	HK0000288818	VAHYRMB HK
Class A2 MDIs SGD Hedged	10.13	HK0000288867	VALHA2S HK

Top 10 securities holdings ⁷

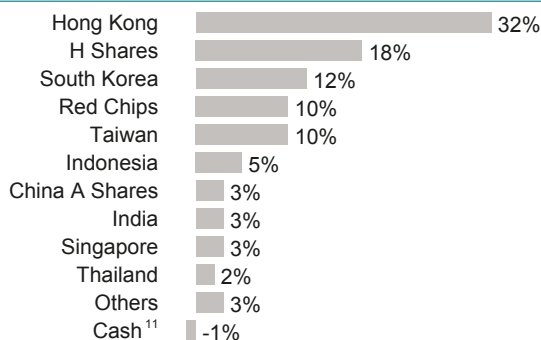
Name	Industry ⁸	%
China Construction Bank Corporation	Banks	5.5
Longfor Group Holdings Ltd	Real estate	5.4
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	4.3
Samsung Electronics Co Ltd – Preference Shares	Technology, hardware & equipment	3.8
Far East Horizon Ltd	Diversified financials	3.3
Ping An Insurance (Group) Co of China Ltd	Insurance	3.3
China Yongda Automobiles Services Holdings Ltd	Retailing	2.8
CK Asset Holdings Ltd	Real estate	2.5
Far East Consortium International Ltd	Real estate	2.5
Qingdao Port International Co Ltd	Transportation	2.5

These stocks constitute 36% of the Fund.

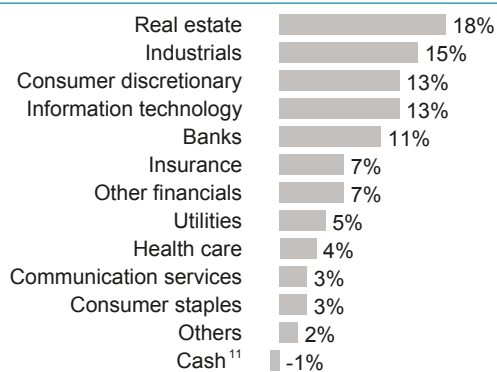
Portfolio characteristics

As at 31 Jul 2019	2019 ⁹
Price/earnings ratio	8.4 times
Price/book ratio	1.1 times
Portfolio yield	4.3%
Yield to maturity/put	N/A

Geographical exposure by listing ¹⁰



Sector exposure ^{8, 10}



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 Class A2 MDis USD - 28 Sep 2012 Class A2 MDis HKD - 23 Sep 2013 Class A2 MDis AUD/CAD/NZD Hedged - 23 Sep 2013 Class A Acc RMB Unhedged - 20 Mar 2014 Class A2 MDis RMB Unhedged - 1 Sep 2014 Class A2 MDis RMB Hedged - 10 Sep 2014 Class A Acc RMB Hedged - 11 Sep 2014 Class A2 MDis GBP Hedged - 12 Mar 2015 Class A2 MDis SGD Hedged - 23 Jan 2017
Dividend policy ² :	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 ⁶	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 ⁶	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 ¹²		15% of profit (High-on-high principle)	
Redemption fee		Nil	
Dealing day		Daily	

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers: Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards



- Benchmark Fund of the Year Awards 2018, Hong Kong**
Asia ex-Japan Equity House: Best-in-Class ¹³
~ Benchmark
- I&M Professional Investment Awards 2018**
House Performance Awards:
Offshore China Equity (10-year) ¹⁴
~ Insights & Mandate
- Listed Company Awards of Excellence 2018**
Outstanding Listed Company (Main Board Category) ¹⁵
~ Hong Kong Economic Journal

Scan QR code for fund documents¹⁶:



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. © 2019 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. 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. The hedged Classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund’s base currency. 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 at 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. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email ifs@vp.com.hk. 8. Classification is based on Global Industry Classification Standard (GICS). 9. 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. 10. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 11. Cash refers to net cash including cash equivalents, investment in money market funds but excluding cash for collaterals and margins. 12. Performance fee will only be charged if at the end of the financial year the NAV (before deduction of performance fee and relevant distributions) exceeds the “high watermark”, which is the all-time year-end high of the Fund’s NAV for the accumulation classes (and dividend adjusted equivalent for distribution paying classes). 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). 13. The award reflects performance up to 30 September 2018. 14. The award reflects performance up to 31 December 2017. 15. The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018. 16. 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. 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