

# Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD114.89 | Class A2 MDIs USD - USD12.72

Fund size : USD1,916.5 million

**Value Partners**  
Investing through discipline

★★★★  
Morningstar Rating™  
As at 31-03-2021

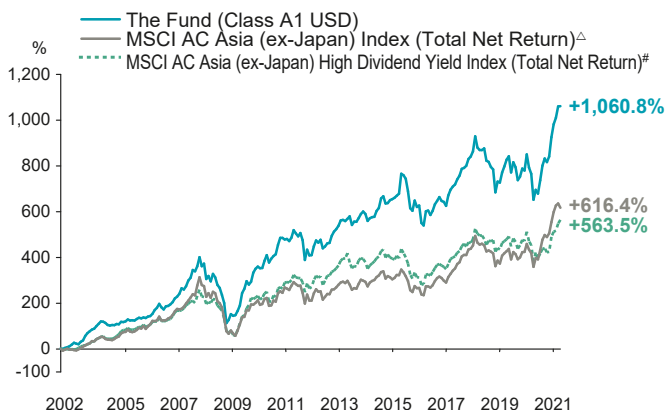
March 2021

- Value Partners High-Dividend Stocks Fund (The "Fund") primarily invests in higher yielding equity and debt securities in the Asian region.
- The Fund may invest in higher-yielding equity and debt 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 equity and debt securities in Asian region.

## Performance since launch



## Performance update

|   | Class A1<br>USD | Class A2<br>MDIs USD | Class A<br>Acc RMB | MSCI AC Asia<br>(ex-Japan) Index<br>(Total Net Return) <sup>Δ</sup> | MSCI AC Asia (ex-Japan)<br>High Dividend Yield Index<br>(Total Net Return) <sup>#</sup> |
|---|-----------------|----------------------|--------------------|---|---|
| Year-to-date                                | +7.3%           | +7.4%                | +8.5%              | +2.7%   | +8.5%   |
| One month                                   | +0.1%           | +0.1%                | +1.8%              | -2.5%   | +2.5%   |
| One year                                    | +54.5%          | +54.6%               | +44.9%             | +57.3%  | +38.0%  |
| Three years                                 | +19.8%          | +19.9%               | +24.8%             | +29.1%  | +11.6%  |
| Five years                                  | +65.6%          | +64.2%               | +67.0%             | +92.3%  | +56.7%  |
| Total return since launch                   | +1,060.8%       | +92.2%               | +85.0%             | +616.4%   | +563.5%   |
| Annualized return since launch <sup>Λ</sup> | +14.1%          | +8.0%                | +9.1%              | +11.2%  | +10.7%  |

## The Fund – Class A1 USD: Monthly performance from 1 Jan 2012 to 31 Mar 2021

| Year       | Jan    | Feb   | Mar    | Apr    | May   | Jun   | Jul   | Aug   | Sep   | Oct    | Nov   | Dec   | Annual |
|------------|--------|-------|--------|--------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| 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       | +5.3%  | +3.1% | +3.3%  | +1.6%  | -7.5% | +5.1% | -2.4% | -6.3% | +1.8% | +4.2%  | -1.0% | +8.0% | +14.9% |
| 2020       | -6.1%  | -3.0% | -13.1% | +5.8%  | -2.1% | +7.5% | +7.7% | +3.5% | -1.7% | +2.7%  | +9.0% | +5.5% | +13.9% |
| 2021 (YTD) | +2.6%  | +4.5% | +0.1%  |        |       |       |       |       |       |        |       |       | +7.3%  |

<sup>Δ</sup> MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) was used 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.

<sup>#</sup> MSCI AC Asia Pacific (ex-Japan) High Dividend Yield Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) High Dividend Yield 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.

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

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## NAVs & codes

| Classes <sup>1</sup>       | NAV      | ISIN         | Bloomberg  |
|----------------------------|----------|--------------|------------|
| Class A1 USD               | 114.89   | HK0000288735 | VALASHY HK |
| Class A1 HKD <sup>2</sup>  | 893.1146 | HK0000288735 | VALASHY HK |
| Class A Acc RMB Hedged     | 16.65    | HK0000288719 | VALHAHR HK |
| Class A Acc RMB Unhedged   | 18.50    | HK0000288727 | VALHAUR HK |
| Class A2 MDIs USD          | 12.72    | HK0000288743 | VALHYA2 HK |
| Class A2 MDIs HKD          | 11.64    | HK0000288784 | VALHA2H HK |
| Class A2 MDIs AUD Hedged   | 10.54    | HK0000288750 | VALHA2A HK |
| Class A2 MDIs CAD Hedged   | 10.94    | HK0000288768 | VALHA2C HK |
| Class A2 MDIs GBP Hedged   | 10.35    | HK0000288776 | VALHDSF HK |
| Class A2 MDIs NZD Hedged   | 10.98    | HK0000288792 | VALHA2N HK |
| Class A2 MDIs RMB Hedged   | 11.08    | HK0000288800 | VALHRMB HK |
| Class A2 MDIs RMB Unhedged | 11.23    | HK0000288818 | VAHYRMB HK |
| Class A2 MDIs SGD Hedged   | 12.05    | HK0000288867 | VALHA2S HK |

## Dividend information – Class A2 MDIs<sup>3</sup>

| Classes <sup>1</sup>       | Dividend per unit <sup>4</sup> | Annualized yield <sup>5</sup> | Ex-dividend date |
|----------------------------|--------------------------------|-------------------------------|------------------|
| Class A2 MDIs USD          | 0.0360                         | 3.4%                          | 31-3-2021        |
| Class A2 MDIs HKD          | 0.0329                         | 3.4%                          | 31-3-2021        |
| Class A2 MDIs AUD Hedged   | 0.0298                         | 3.4%                          | 31-3-2021        |
| Class A2 MDIs CAD Hedged   | 0.0302                         | 3.3%                          | 31-3-2021        |
| Class A2 MDIs GBP Hedged   | 0.0282                         | 3.3%                          | 31-3-2021        |
| Class A2 MDIs NZD Hedged   | 0.0322                         | 3.5%                          | 31-3-2021        |
| Class A2 MDIs RMB Hedged   | 0.0386                         | 4.2%                          | 31-3-2021        |
| Class A2 MDIs RMB Unhedged | 0.0336                         | 3.6%                          | 31-3-2021        |
| Class A2 MDIs SGD Hedged   | 0.0335                         | 3.3%                          | 31-3-2021        |

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## Top holdings

| Name   | Industry <sup>6</sup>                    | %   |
|--|--|-----|
| Samsung Electronics Co Ltd                     | Technology, hardware & equipment         | 7.9 |
| Taiwan Semiconductor Manufacturing Co Ltd      | Semiconductors & semiconductor equipment | 6.4 |
| China Construction Bank Corp                   | Banks                                    | 4.9 |
| China Yongda Automobiles Services Holdings Ltd | Retailing                                | 3.5 |
| China Resources Land Ltd                       | Real estate                              | 2.5 |
| China Telecom Corp Ltd                         | Telecom services                         | 2.4 |
| Korea Investment Holdings Co Ltd               | Diversified financials                   | 2.4 |
| Pinduoduo Inc                                  | Retailing                                | 2.4 |
| CIFI Holdings (Group) Co Ltd                   | Real estate                              | 2.3 |
| Tencent Holdings Ltd                           | Media & entertainment                    | 2.1 |

These securities constitute 37% of the Fund.

## Portfolio characteristics

As at 31 Mar 2021<sup>7</sup>

|  |                 |                      |                    |   |   |
|--|-----------------|----------------------|--------------------|---|---|
| AS of 31 Mar 2024                            |                 |                      |                    |   |   |
| Price/earnings ratio                         | 9.1 times       |                      |                    |   |   |
| Price/book ratio                             | 1.1 times       |                      |                    |   |   |
| Portfolio yield                              | 3.8%            |                      |                    |   |   |
| Yield to maturity/put                        | N/A             |                      |                    |   |   |
|  | Class A1<br>USD | Class A2<br>MDis USD | Class A<br>Acc RMB | MSCI AC Asia<br>(ex-Japan) Index<br>(Total Net Return) <sup>Δ</sup> | MSCI AC Asia (ex-Japan)<br>High Dividend Yield Index<br>(Total Net Return) <sup>Δ</sup> |
| Annualized volatility (3 years) <sup>8</sup> | 18.4%           | 18.4%                | 15.2%              | 18.3%   | 17.8%   |

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

|                    |     |
|--------------------|-----|
| Hong Kong          | 26% |
| H-shares           | 18% |
| South Korea        | 17% |
| Taiwan             | 13% |
| Red Chips          | 11% |
| India              | 6%  |
| United States      | 3%  |
| China A-shares     | 2%  |
| Others             | 3%  |
| Cash <sup>10</sup> | 1%  |

## Sector exposure<sup>6,9</sup>

|                        |     |
|------------------------|-----|
| Information technology | 26% |
| Consumer discretionary | 14% |
| Real estate            | 12% |
| Industrials            | 11% |
| Communication services | 9%  |
| Other financials       | 9%  |
| Banks                  | 7%  |
| Health care            | 3%  |
| Materials              | 3%  |
| Insurance              | 2%  |
| Others                 | 3%  |
| Cash <sup>10</sup>     | 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:                   | 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<br>Class A2 MDis – aim at monthly distribution, subject to Manager's discretion |
| Dividend policy <sup>3</sup> : |  |

## Fee structure

|                                 | Class A1                                 | Class A2 MDis   | Class A Acc |
|---------------------------------|--|---|-------------|
| Minimum subscription            | USD10,000 or HKD equivalent <sup>2</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>2</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>11</sup>   |  | 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

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung

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

**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 corporate awards



**Asia ex-Japan Equity House: Best-in-Class<sup>12</sup>**  
**Greater China Equity House: Outstanding Achiever<sup>12</sup>**  
 ~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year)<sup>13</sup>**  
 ~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>14</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. 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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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.

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