

Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD88.14 | Class A2 MDIs USD - USD11.73
Fund size : USD3,375.4 million

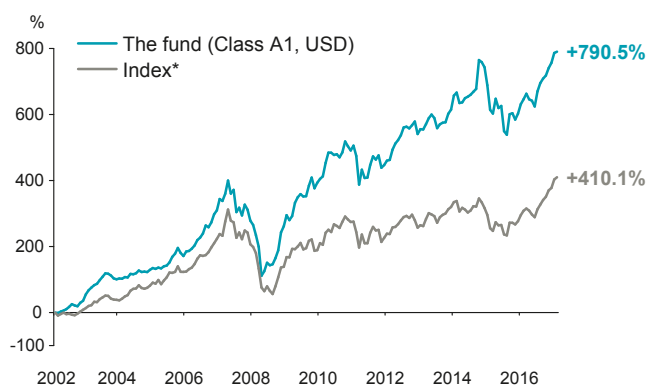
31 August 2017

- 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	Class Z ¹ USD	Index*
One month	+0.4%	+0.4%	-1.2%	+0.0%	+1.3%
Year-to-date	+22.9%	+22.2%	+16.7%	+21.5%	+31.1%
One year	+19.3%	+18.6%	+18.0%	+18.4%	+24.8%
Three years	+16.2%	+15.5%	+23.3%	+16.4%	+16.4%
Five years	+58.3%	N/A	N/A	N/A	+50.9%
Since launch	+790.5%	+47.9%	+42.9%	+39.4%	+410.1%
Annualized return [^]	+15.7%	+8.3%	+10.9%	+7.8%	+11.5%
Annualized volatility [^]	18.5%	13.1%	12.8%	12.6%	20.2%

The fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 Aug 2017

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 (YTD)	+6.3%	+3.2%	+1.7%	+1.1%	+2.8%	+1.9%	+3.5%	+0.4%					+22.9%

* 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.

[^] 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.

Dividend information – Class A2 MDIs²

Classes ³	Dividend per unit ⁴	Annualized yield ⁵	Ex-dividend date
Class A2 MDIs USD	0.0476	4.9%	31-8-2017
Class A2 MDIs HKD	0.0439	4.9%	31-8-2017
Class A2 MDIs AUD Hedged	0.0501	5.9%	31-8-2017
Class A2 MDIs CAD Hedged	0.0409	4.7%	31-8-2017
Class A2 MDIs GBP Hedged	0.0350	4.3%	31-8-2017
Class A2 MDIs NZD Hedged	0.0496	5.7%	31-8-2017
Class A2 MDIs RMB Hedged	0.0491	5.7%	31-8-2017
Class A2 MDIs RMB Unhedged	0.0502	5.8%	31-8-2017
Class A2 MDIs SGD Hedged	0.0415	4.4%	31-8-2017

NAVs & codes

Classes ³	NAV	ISIN	Bloomberg
Class A1 USD	88.14	HK0000288735	VALASHY HK
Class A1 HKD ⁶	689.7528	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	12.48	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.29	HK0000288727	VALHAUR HK
Class A2 MDIs USD	11.73	HK0000288743	VALHYA2 HK
Class A2 MDIs HKD	10.84	HK0000288784	VALHA2H HK
Class A2 MDIs AUD Hedged	10.21	HK0000288750	VALHA2A HK
Class A2 MDIs CAD Hedged	10.36	HK0000288768	VALHA2C HK
Class A2 MDIs GBP Hedged	9.87	HK0000288776	VALHDSF HK
Class A2 MDIs NZD Hedged	10.44	HK0000288792	VALHA2N HK
Class A2 MDIs RMB Hedged	10.37	HK0000288800	VALHRMB HK
Class A2 MDIs RMB Unhedged	10.32	HK0000288818	VAHYRMB HK
Class A2 MDIs SGD Hedged	11.35	HK0000288867	VALHA2S HK
Class Z USD ¹	13.94	HK0000288826	VALHDSZ HK

Top 10 securities holdings

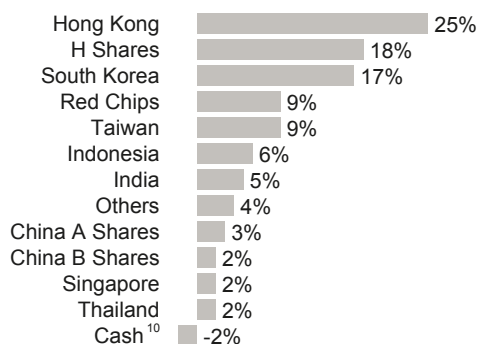
Name	Industry ⁷	%
Samsung Electronics Co Ltd – Preference Share	Technology, hardware & equipment	6.9
China Construction Bank Corp	Banks	5.6
Longfor Properties Co Ltd	Real estate	4.6
PetroChina Co Ltd	Energy	3.1
China Resources Power Holdings Co Ltd	Utilities	2.4
Samsung Electronics Co Ltd – Ordinary Share	Technology, hardware & equipment	2.3
Korea Electric Power Corp	Utilities	2.1
Ping An Insurance (Group) Co of China Ltd	Insurance	2.1
SITC International Holdings Co Ltd	Transportation	2.1
Yangtze Optical Fibre and Cable Joint Stock Ltd Co	Technology, hardware & equipment	2.0

These stocks constitute 33% of the fund.

Portfolio characteristics

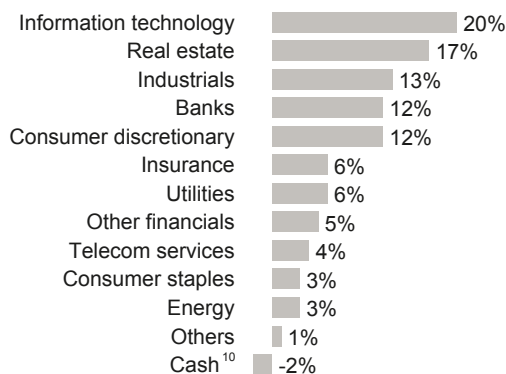
As at 31 Aug 2017	2017 ⁸
Price/earnings ratio	9.4 times
Price/book ratio	1.1 times
Dividend yield	3.9%
Yield to maturity/put	N/A

Geographical exposure by listing ⁹



Short exposure includes: H Shares, -0.1%.

Sector exposure ^{7, 9}



Total short exposure is -0.1%.

Short exposure includes: Derivatives, -0.1%.

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 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 Z – 5 Apr 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 Class A2 MDis – aim at monthly distribution, subject to Manager's discretion
Dividend policy ² :	Class A2 MDis – aim at monthly distribution, subject to Manager's discretion

Unit price is published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times

Fee structure

	Class A1	Class A2 MDis	Class A Acc	Class Z ¹
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	USD10,000,000
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	USD100,000
Subscription fee			Up to 5%	
Management fee	1.25% p.a.	1.25% p.a.	1.25% p.a.	0.75% p.a.
Performance fee ¹¹	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 Tjan](#), CFA;
[Michelle Yu](#), CFA; [Yu Xiao Bo](#)
Senior Fund Managers: [Kelly Chung](#), CFA; [Doris Ho](#); [Glenda Hsia](#);
[Philip Li](#), CFA; [Kai Mak](#)

All fund information is as of 31 Aug 2017 unless otherwise stated. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Performance in USD. NAV to NAV, with dividend reinvested and net of all fees. 1. Class Z is not authorized by the SFC and is not available for public retail distribution in Hong Kong. 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 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 Class A2 MDis is calculated as follows: (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 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. Cash refers to net cash including cash equivalents, investment in money market funds but excluding cash for collaterals and margins. 11. 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). The Fund is not registered under the United States Securities Act of 1933, as amended ("the Securities Act") or the securities laws of any of the states of the United States. The units of the Fund ("Units") may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" except pursuant to an exemption with the consent of the Trustee and/or the Manager of the Fund in a transaction which does not result in a violation of applicable United States federal or state securities laws.

The Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom, as well as in accordance with the requirements set forth in the Explanatory Memorandum and Supplemental Disclosure Statement for US Persons ("Memorandum"). Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

The Units are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are able to bear the loss of their investment in the Fund. The Fund's investment program, by its nature, may be considered to involve a substantial degree of risk. Prospective investors should not subscribe for Units unless satisfied that he or she and his or her investment representative have asked for and received all information which would enable him or her or both of them to evaluate the merits and risks of the proposed investment. The Units are not, and are not expected to be, liquid, except as described in the Memorandum.

Offering materials for the offering of the Units have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

This material does not constitute an offer or solicitation in any state or other jurisdiction in which an offer or solicitation is not authorized. No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this material as legal or tax advice. Each investor should consult his or her own counsel and accountant for advice concerning the various legal, tax and economic considerations relating to his or her investment.