

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: USD81.59

Fund size : USD167.0 million



Morningstar Rating™¹
As at 31-08-2020

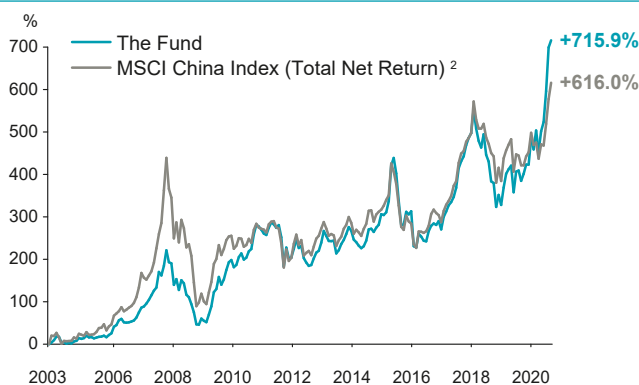
August 2020

- Chinese Mainland Focus Fund (The "Fund") invests primarily in investments which are related to mainland China.
- The Fund invests in China-related companies which involve certain risks not typically associated with investment in more developed markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund is also subject to concentration risk due to its concentration in China-related companies. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
- Investing in China exposes the Fund to additional risks including currency repatriation risk, uncertainty of taxation policies and risk associated with StockConnects, RQFII Quota, SME board, ChiNext market and/or the STAR board. The Fund may also expose to RMB currency and conversion risk.
- Investing in small/mid-capitalization securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- It is possible that the entire value of your investment could be lost. 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 achieve medium to long-term capital appreciation by focusing on investments related to mainland China. This includes RMB-denominated corporate and government bonds, listed or unlisted shares issued by companies whose assets and/or revenues are principally denominated in RMB and/or whose costs or liabilities are principally denominated in US dollars. The investable universe can also cover A, B and H-shares.

Performance since launch



Performance update

	The Fund	MSCI China Index (Total Net Return) ²
Year-to-date	+39.5%	+19.7%
One month	+2.1%	+5.7%
One year	+68.3%	+37.3%
Three years	+53.7%	+30.4%
Five years	+114.3%	+90.1%
Total return since launch	+715.9%	+616.0%
Annualized return since launch ^A	+13.4%	+12.5%

Top holdings

Name	Industry ³	%
Meituan Dianping	Retailing	5.6
Centre Testing International Group Co Ltd	Commercial services & supplies	5.1
Guangdong Haid Group Co Limited	Food, beverage & tobacco	4.8
Alibaba Group Holding Ltd	Retailing	4.5
Shenzhen Inovance Technology Co Ltd	Capital goods	4.2
Zhejiang Sanhua Intelligent Controls Co Ltd	Capital goods	3.9
Tencent Holdings Ltd	Media & entertainment	3.7
China Merchants Property Operation & Service Co Ltd	Real estate	3.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	3.4
Midea Group Co Ltd	Consumer durables & apparel	3.4

These securities constitute 42% of the Fund.

Portfolio characteristics

As at 31 Aug 2020⁴

Price/earnings ratio	36.4 times
Price/book ratio	5.8 times
Portfolio yield	0.6%

	The Fund	MSCI China Index (Total Net Return) ²
Annualized volatility (3 years) ⁵	24.3%	20.9%

The Fund – Monthly performance from 1 Jan 2011 to 31 Aug 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	-2.5%	-0.9%	+4.8%	+3.4%	-1.2%	-2.2%	+1.8%	-7.6%	-19.5%	+15.6%	-7.8%	+0.6%	-17.8%
2012	+6.7%	+6.8%	-5.7%	+1.4%	-8.6%	-3.5%	-2.7%	+0.7%	+5.5%	+4.5%	+1.4%	+6.0%	+11.6%
2013	+8.1%	-3.2%	-3.3%	-0.1%	+0.4%	-8.8%	+2.4%	+4.5%	+2.9%	+4.1%	+4.5%	-2.3%	+8.3%
2014	-5.7%	-1.7%	-2.4%	-1.8%	+1.4%	+4.0%	+7.7%	+0.4%	-2.0%	+2.8%	+1.8%	+6.5%	+10.6%
2015	-0.5%	+1.6%	+6.4%	+19.4%	+3.3%	-6.8%	-13.0%	-12.9%	+0.3%	+7.9%	-1.5%	+1.8%	+1.7%
2016	-19.9%	-0.8%	+9.8%	-1.9%	-2.7%	-0.4%	+7.0%	+3.5%	+1.4%	-0.9%	+2.4%	-5.0%	-10.3%
2017	+7.9%	+3.2%	+3.5%	+1.8%	+2.8%	+4.9%	+9.8%	+3.2%	+2.2%	+4.9%	+3.0%	+1.9%	+61.2%
2018	+9.4%	-7.0%	-4.8%	-2.7%	+5.6%	-8.2%	-2.9%	-8.8%	-0.8%	-11.8%	+6.7%	-5.2%	-28.3%
2019	+9.6%	+7.0%	+2.1%	+1.6%	-12.0%	+10.6%	+0.5%	-4.8%	+3.4%	+4.4%	-0.0%	+11.8%	+36.6%
2020 (YTD)	-4.4%	+8.0%	-8.1%	+8.5%	+3.6%	+11.7%	+14.8%	+2.1%					+39.5%

^A Annualized return is calculated from inception based on published NAV.

Geographical exposure by listing ⁶

China A-shares	71%
Hong Kong	30%
H-shares	2%
Others	1%
Cash ⁷	-4%

Sector exposure ^{3, 6}

Industrials	24%
Consumer discretionary	23%
Consumer staples	18%
Information technology	17%
Health care	12%
Communication services	4%
Real estate	4%
Utilities	2%
Cash ⁷	-4%

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	27 Nov 2003
Bloomberg and ISIN codes:	VAPAICM KY / KYG9317Q1120

Fee structure

Minimum subscription	USD10,000
Minimum subsequent subscription	USD5,000
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee ⁸	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; Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

Key awards

**Best China Equity Fund (10-year) ⁹**

~ Thomson Reuters Lipper Fund Awards 2018

Value Partners:**Asia ex-Japan Equity House: Best-in-Class ¹⁰**

Greater China Equity House: Outstanding Achiever ¹⁰
~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year) ¹¹

~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents¹²:



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 fis@vp.com.hk.

1. © 2020 Morningstar, Inc. All Rights Reserved. 2. MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. 3. Classification is based on Global Industry Classification Standard (GICS). 4. The profile is based on market consensus forecast as derived from FactSet and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 5. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 6. Exposure refers to net exposure (long exposure minus short exposure). With immediate effect, derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 7. Cash includes receivables and payables (except cash for collaterals and margins). 8. 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). 9. The award reflects the fund's 10-year performance up to the end of 2017. 10. The award reflects performance up to 30 Sep 2018. 11. The award reflects performance up to 31 Dec 2017. 12. For Hong Kong investors only.

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This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Limited.