## **Chinese Mainland Focus Fund**

## A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: USD101.50 Fund size : USD230.9 million



Fund size : USD230.9 million



December 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) 1
Year-to-date	+73.6%	+29.5%
One month	+16.5%	+2.8%
One year	+73.6%	+29.5%
Three years	+70.0%	+29.7%
Five years	+145.6%	+101.6%
Total return since launch	+915.0%	+674.5%
Annualized return since launch ^	+14.5%	+12.7%

## **Top holdings**

Name	Industry <sup>2</sup>	%
Pinduoduo Inc	Retailing	5.9
Tencent Holdings Ltd	Media & entertainment	4.7
Jiangsu Hengrui Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	4.6
Meituan	Retailing	4.3
Centre Testing International Group Co Ltd	Commercial services & supplies	3.6
Midea Group Co Ltd	Consumer durables & apparel	3.6
Xiaomi Corp	Technology, hardware & equipment	3.6
Kingdee International Software Group Co Ltd	Software & services	3.4
Guangdong Haid Group Co Ltd	Food, beverage & tobacco	3.3
Smoore International Holdings Ltd	Food, beverage & tobacco	3.2

These securities constitute 40% of the Fund.

#### **Portfolio characteristics**

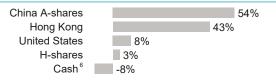
As at 31 Dec 2020 <sup>3</sup>		
Price/earnings ratio		32.5 times
Price/book ratio		5.2 times
Portfolio yield		0.8%
	The Fund	MSCI China Index (Total Net Return) 1
Annualized volatility (3 years) 4	26.0%	21.1%

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

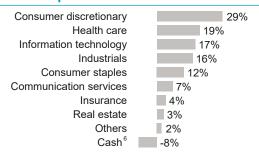
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	-2.5%	-0.9%	+4.8%	+3.4%	-1.2%	-2.2%	+1.8%	-7.6%	-19.5%	+15.6%	-7.8%	+0.6%	-17.8%
2012	+6.7%	+6.8%	-5.7%	+1.4%	-8.6%	-3.5%	-2.7%	+0.7%	+5.5%	+4.5%	+1.4%	+6.0%	+11.6%
2013	+8.1%	-3.2%	-3.3%	-0.1%	+0.4%	-8.8%	+2.4%	+4.5%	+2.9%	+4.1%	+4.5%	-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	-4.4%	+8.0%	-8.1%	+8.5%	+3.6%	+11.7%	+14.8%	+2.1%	-3.4%	+5.2%	+5.1%	+16.5%	+73.6%

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

## Geographical exposure by listing 5



## **Sector exposure**



#### **Fund facts**

Manager: Value Partners Limited

Base currency: USD

HSBC Trustee (Cayman) Limited Trustee: 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 7	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: Lillian Cao; 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 Total Return - Greater China Equity (5-Year, 2<sup>nd</sup> Runner-up) 8 HKCÁMA & Bloomberg, Offshore China Fund Awards 2020

Best China Equity Fund (10-year) 9 ~ Thomson Reuters Lipper Fund Awards 2018

Scan QR code for fund documents10:



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.

request to email fis@vp.com.hks.

\* @ Morningstar 2020. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. 1. MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. 2. Classification is based on Global Industry Classification Standard (GICS).

3. 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. 4. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 5. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure 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). 8. The awards recognize the top performing Greater China Equity funds, issued by CAMAHK members with at least 1 year of historical performance as of 30 Sep 2020. The Best Total Return calculation methodology, Bloomberg calculates the customized 1 year, 3 years and 5 years total return using Bloomberg calculates the customized 1 year, 3 years and 5 years total return using Bloomberg calculates the customized of years and 5 years total return using Bloomberg calculates the customized of years, 3 years and 5 years total return using Bloomberg calculates the customized of years, 3 years and 5 years tota

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. This advertisement has not been reviewed by the Monetary Authority of Singapore.