

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: **Class A - USD101.97**

Fund size : **USD273.8 million**



Morningstar Rating™
As at 30-06-2021

June 2021

- 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 (Class A)	MSCI China Index (Total Net Return) ¹
Year-to-date	+0.5%	+1.8%
One month	+1.7%	+0.1%
One year	+46.5%	+27.4%
Three years	+86.7%	+34.4%
Five years	+197.9%	+115.4%
Total return since launch	+919.7%	+688.7%
Annualized return since launch [^]	+14.1%	+12.5%

The Fund – Class A: Monthly performance from 1 Jan 2012 to 30 Jun 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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%
2021 (YTD)	+4.1%	-2.9%	-9.0%	+5.8%	+1.5%	+1.7%							+0.5%

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

Top holdings

Name	Industry ³	%
Tencent Holdings Ltd	Media & entertainment	8.0
Li Ning Co Ltd	Consumer durables & apparel	4.7
Shanghai Milkground Food Tech Co Ltd	Food, beverage & tobacco	4.6
Centre Testing International Group Co Ltd	Commercial services & supplies	4.5
Guangdong Haid Group Co Limited	Food, beverage & tobacco	3.5
ANTA Sports Products Ltd	Consumer durables & apparel	3.4
Meituan	Retailing	3.0
Midea Group Co Ltd	Consumer durables & apparel	2.9
Shenzhen Mindray Bio-Medical Electronics Co Ltd	Health care equipment & services	2.9
Zhejiang Sanhua Intelligent Controls Co Ltd	Capital goods	2.9

These securities constitute 40% of the Fund.

Portfolio characteristics

As at 30 Jun 2021 ⁴

Price/earnings ratio	35.3 times
Price/book ratio	5.0 times
Portfolio yield	0.7%
Annualized volatility (3 years) ⁵	25.0%

	The Fund (Class A)	MSCI China Index (Total Net Return) ¹
Annualized volatility (3 years) ⁵	25.0%	19.9%

Geographical exposure by listing ⁶

China A-shares	58%
Hong Kong	33%
United States	6%
Red Chips	2%
Others	1%

Sector exposure ^{3, 6}

Consumer discretionary	22%
Information technology	18%
Consumer staples	14%
Communication services	13%
Health care	13%
Industrials	13%
Banks	3%
Real estate	2%
Others	2%

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class A - 27 Nov 2003
	Class A HKD - 26 Feb 2021
	Class A AUD Hedged - 26 Feb 2021
	Class A CAD Hedged - 26 Feb 2021
	Class A GBP Hedged - 26 Feb 2021
	Class A NZD Hedged - 26 Feb 2021
	Class Z USD - 03 May 2021

Fee structure

	Class A	Class Z
Minimum subscription	USD10,000 or equivalent	USD10,000,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent	USD100,000 or equivalent
Subscription fee	Up to 5%	Up to 5%
Management fee	1.25% p.a.	0.75% p.a.
Performance fee ⁷	15% of profit (High-on-high principle)	15% of profit (High-on-high principle)
Redemption fee	Nil	Nil
Dealing day	Daily	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

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 awards



Best Total Return – Greater China Equity (5-Year, 2nd Runner-up) ⁸

~ HKCAMA & 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.

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