

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD55.45

Fund size : USD137.2 million



Morningstar Rating™*

As at 31-08-2023

August 2023

- 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 Sub-Fund aims to achieve medium to long-term capital appreciation by investing primarily in investments which are related to mainland China. The Sub-Fund will focus primarily on mainland China and at least 70% of the Sub-Fund's latest available NAV will be on investments related to mainland China at all times. The Sub-Fund may also invest, on an ancillary basis (up to 30% of the Sub-Fund's latest available NAV), in other markets where opportunities can be identified.

NAVs & codes

| Classes ² | NAV | ISIN | Bloomberg |
|----------------------|-------|--------------|------------|
| Class A USD | 55.45 | KYG9317Q1120 | VAPAICM KY |
| Class A HKD | 5.45 | KYG9317Q2037 | VACMFHA KY |
| Class A AUD Hedged | 5.08 | KYG9317Q2110 | VACMFAA KY |
| Class A CAD Hedged | 5.25 | KYG9317Q2292 | VACMFAH KY |
| Class A GBP Hedged | 5.20 | KYG9317Q2375 | VACMFGA KY |
| Class A NZD Hedged | 5.19 | KYG9317Q2458 | VACMFAZ KY |
| Class A RMB Hedged | 7.34 | KYG9317Q2862 | VACMFAR KY |

Performance since launch



Performance update

| | The Fund (Class A USD) | MSCI China Index (Total Net Return) ¹ |
|---|------------------------|--|
| Year-to-date | -8.1% | -4.7% |
| One month | -5.5% | -9.0% |
| One year | -11.4% | -7.5% |
| Three years | -32.0% | -37.0% |
| Five years | +14.6% | -18.0% |
| Total return since launch | +454.5% | +351.3% |
| Annualized return since launch [^] | +9.1% | +7.9% |

The Fund – Class A USD: Monthly performance from 1 Jan 2014 to 31 Aug 2023

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | +4.1% | -2.9% | -9.0% | +5.8% | +1.5% | +1.7% | -11.6% | +0.4% | -4.6% | +4.7% | -2.6% | +0.0% | -13.2% |
| 2022 | -13.1% | -1.6% | -14.9% | -4.8% | +4.7% | +8.6% | -6.1% | -3.8% | -13.2% | -10.6% | +17.9% | +5.4% | -31.5% |
| 2023 (YTD) | +9.2% | -8.2% | +0.2% | -4.1% | -8.9% | +4.6% | +6.1% | -5.5% | | | | | -8.1% |

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

Top holdings

| Name | Industry ³ | % |
|---|----------------------------------|-----|
| Tencent Holdings Ltd | Media & entertainment | 9.3 |
| Alibaba Group Holding Ltd | Retailing | 8.2 |
| PDD Holdings Inc | Retailing | 7.7 |
| Luxshare Precision Industry Co Ltd | Technology, hardware & equipment | 6.2 |
| Meituan | Consumer services | 5.9 |
| Inspur Electronic Information Industry Co Ltd | Technology, hardware & equipment | 5.5 |
| Contemporary Amperex Technology Co Ltd A SHARES | Capital goods | 5.2 |
| NetEase Inc | Media & entertainment | 5.1 |
| Zhejiang Sanhua Intelligent Controls Co Ltd | Capital goods | 5.0 |
| Maxscend Microelectronics Co Ltd | Technology, hardware & equipment | 4.6 |

These securities constitute 63% of the Fund.

Portfolio characteristics

As at 31 Aug 2023⁴

| | | |
|--|-------------------------------|--|
| Price/earnings ratio | 18.4 times | |
| Price/book ratio | 2.8 times | |
| Portfolio yield | 1.2% | |
| | The Fund (Class A USD) | MSCI China Index (Total Net Return)¹ |
| Annualized volatility (3 years) ⁵ | 27.4% | 29.9% |

Geographical exposure by listing⁶

| | |
|-------------------|-----|
| China A Shares | 50% |
| Hong Kong | 33% |
| United States | 8% |
| H Shares | 6% |
| Others | 1% |
| Cash ⁷ | 2% |

Sector exposure^{3, 6}

| | |
|------------------------|-----|
| Information technology | 29% |
| Consumer discretionary | 25% |
| Communication services | 17% |
| Industrials | 15% |
| Health care | 4% |
| Materials | 3% |
| Insurance | 2% |
| Utilities | 2% |
| Others | 1% |
| Cash ⁷ | 2% |

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 |
| | - Class A USD |
| | 1 Mar 2021 |
| | - Class A HKD |
| | - Class A AUD Hedged |
| | - Class A CAD Hedged |
| | - Class A GBP Hedged |
| | - Class A NZD Hedged |
| | 23 Feb 2022 |
| | - Class A RMB Hedged |

Fee structure

| | Class A |
|---------------------------------|--|
| Minimum subscription | USD10,000 or equivalent |
| Minimum subsequent subscription | USD5,000 or equivalent |
| 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: Lillian Cao; Kelly Chung, CFA; LUO Jing, CFA;

Yu Chen Jun; Michelle Yu, CFA

Senior Fund Managers: Frank Tsui

Key awards



Best Total Return – Greater China Equity (5-Year, 2nd Runner-up)⁹
~ HKCAMA & Bloomberg, Offshore China Fund Awards 2020

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

Scan QR code for fund documents¹¹:



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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