

# Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD50.99

Fund size : USD122.0 million



Morningstar Rating™\*

As at 31-10-2023

October 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 <sup>2</sup>	NAV	ISIN	Bloomberg
Class A USD	50.99	KYG9317Q1120	VAPAICM KY
Class A HKD	5.00	KYG9317Q2037	VACMFHA KY
Class A AUD Hedged	4.66	KYG9317Q2110	VACMFAA KY
Class A RMB Hedged	6.74	KYG9317Q2862	VACMFAR KY

## Performance since launch



## Performance update

	The Fund (Class A USD)	MSCI China Index (Total Net Return) <sup>1</sup>
Year-to-date	-15.5%	-11.2%
One month	-1.9%	-4.3%
One year	+5.0%	+21.1%
Three years	-38.5%	-42.7%
Five years	+20.4%	-12.6%
Total return since launch	+409.9%	+320.1%
Annualized return since launch <sup>^</sup>	+8.5%	+7.5%

## The Fund – Class A USD: Monthly performance from 1 Jan 2014 to 31 Oct 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%	-6.3%	-1.9%			-15.5%

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

## Top holdings

Name	Industry <sup>3</sup>	%
Tencent Holdings Ltd	Media & entertainment	9.3
PDD Holdings Inc	Retailing	8.9
Alibaba Group Holding Ltd	Retailing	8.2
Maxscend Microelectronics Co Ltd	Technology, hardware & equipment	7.1
Luxshare Precision Industry Co Ltd	Technology, hardware & equipment	6.9
NetEase Inc	Media & entertainment	5.5
Zhejiang Sanhua Intelligent Controls Co Ltd	Capital goods	5.0
Meituan	Consumer services	4.8
ANTA Sports Products Ltd	Consumer durables & apparel	2.9
Centre Testing International Group Co Ltd	Commercial services & supplies	2.7

These securities constitute 61% of the Fund.

## Portfolio characteristics

As at 31 Oct 2023<sup>4</sup>

Price/earnings ratio	15.5 times	
Price/book ratio	2.5 times	
Portfolio yield	1.6%	
	<b>The Fund (Class A USD)</b>	<b>MSCI China Index (Total Net Return)<sup>1</sup></b>
Annualized volatility (3 years) <sup>5</sup>	27.3%	29.7%

## Geographical exposure by listing<sup>6</sup>

China A-shares	46%
Hong Kong	35%
United States	9%
H-shares	5%
Red Chips	2%
Cash <sup>7</sup>	3%

## Sector exposure<sup>3, 6</sup>

Consumer discretionary	29%
Information technology	21%
Communication services	16%
Industrials	10%
Health care	8%
Utilities	5%
Consumer staples	3%
Materials	3%
Others	2%
Cash <sup>7</sup>	3%

## 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
	23 Feb 2022
	- Class A RMB Hedged
Dealing Frequency:	Daily

## Fee structure & Subscription information

	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 <sup>8</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil

## Senior investment staff

**Co-Chairmen & Co-Chief Investment Officers:**

Cheah Cheng Hye; Louis So

**Deputy Chief Investment Officer, Equities:** Yu Chen Jun

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung

**Investment Directors:** Lillian Cao; Kelly Chung, CFA; Luo Jing, CFA;

Michelle Yu, CFA

**Senior Fund Managers:** Frank Tsui

## Key awards



**Best Total Return – Greater China Equity (5-Year, 2<sup>nd</sup> Runner-up)<sup>9</sup>**

~ HKCAMA & Bloomberg, Offshore China Fund Awards 2020

**Best China Equity Fund (10-year)<sup>10</sup>**

~ Thomson Reuters Lipper Fund Awards 2018

Scan QR code for fund documents<sup>11</sup>:



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](mailto:fis@vp.com.hk).

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