# **Chinese Mainland Focus Fund**

# A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD49.89 Fund size : USD115.5 million







February 2024

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

#### **NAVs & codes**

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
Class A USD	49.89	KYG9317Q1120	VAPAICM KY
Class A HKD	4.90	KYG9317Q2037	VACMFHA KY
Class A AUD Hedged	4.53	KYG9317Q2110	VACMFAA KY
Class A RMB Hedged	6.52	KYG9317Q2862	VACMFAR KY

#### **Performance since launch**



# Performance update

	The Fund (Class A USD)	MSCI China Index (Total Net Return) 1
Year-to-date	-5.5%	-3.1%
One month	+12.2%	+8.4%
One year	-17.5%	-14.1%
Three years	-51.4%	-50.5%
Five years	-0.5%	-26.8%
Total return since launch	+398.9%	+307.3%
Annualized return since launch ^	+8.3%	+7.2%

## The Fund - Class A USD: Monthly performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+9.2%	-8.2%	+0.2%	-4.1%	-8.9%	+4.6%	+6.1%	-5.5%	-6.3%	-1.9%	+6.2%	-2.6%	-12.5%
2024 (YTD)	-15.7%	+12.2%											-5.5%

<sup>-</sup> The Fund is one of the eligible collective investment schemes for the purpose of the New Capital Investment Entrant Scheme (New CIES) in Hong Kong with effect from 1 March 2024.



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

## Top holdings

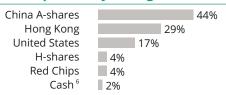
Name	Industry <sup>3</sup>	%
TAL Education Group	Consumer services	8.0
PDD Holdings Inc	Retailing	7.7
Tencent Holdings Ltd	Media & entertainment	7.7
NetEase Inc	Media & entertainment	7.0
Maxscend Microelectronics Co Ltd	Technology, hardware & equipment	6.1
Zhejiang Sanhua Intelligent Controls Co Ltd	Capital goods	5.6
New Oriental Education & Technology Group Inc	Consumer services	4.0
Foxconn Industrial Internet Co Ltd	Technology, hardware & equipment	3.4
Xiaomi Corp	Technology, hardware & equipment	3.2
Lenovo Group Ltd	Technology, hardware & equipment	3.0

These securities constitute 56% of the Fund.

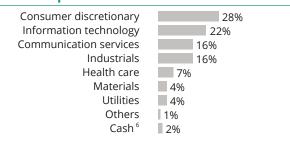
## **Portfolio characteristics**

As at 29 Feb 2024		
Price/earnings ratio		16.7 times
Price/book ratio		2.7 times
Portfolio yield		1.2%
	The Fund (Class A USD)	MSCI China Index (Total Net Return) <sup>1</sup>
Annualized volatility (3 years) 4	27.7%	30.2%

# Geographical exposure by listing 5



# Sector exposure 3,5



#### **Fund facts**

Manager: Value Partners Limited Base currency:

HSBC Trustee (Cayman) Limited Trustee:

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>7</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 Chief Investment Officer, Multi Assets: Kelly Chung, CFA Investment Directors: Lillian Cao; Luo Jing, CFA; Michelle Yu, CFA

Senior Fund Manager: Frank Tsui

## **Key awards**



Best Total Return - Greater China Equity (5-Year, 2<sup>nd</sup> Runner-up) <sup>8</sup> ~ HKCAMA & Bloomberg, Offshore China Fund

Awards 2020

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

~ Thomson Reuters Lipper Fund Awards 2018

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Source: Value Partners, HSBC Institutional Trust Services (Asia) Limited, FactSet 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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3. Classification is based on Global Industry Classification Standard (GICS). 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. 6. Cash includes the past of the high-on-high principle). 8. The awards recognize the top performing fereater 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 customiz

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