

#### Important Information

- I. Chinese Mainland Focus Fund (The "Fund") invests primarily in investments which are related to mainland China.
- II. 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.
- III. 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.
- IV. 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.
- V. Investing in small /mid-capitalization securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- VI. 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.



Q1 2022 Fund leaflet

★★★★★  
Morningstar Rating™<sup>1</sup>  
As at 31-12-2021

## Chinese Mainland Focus Fund

### Seizing the opportunities of China's economic transformation



- ▲ **An all-China strategy, including domestic A-shares, HK- and U.S.-listed Chinese companies** is versatile at capturing multiple growth drivers
- ▲ **Well-positioned to capture structural growth in China's economy**, primarily in consumption upgrade, new energy, and smart hardware
- ▲ **A long-term outperformer that has ranked in the first quartile** since inception in terms of performance in the China equities fund category<sup>2</sup>

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## Investment objective and strategy

The Fund aims to achieve medium to long-term capital appreciation by investing primarily in investments which are related to mainland China.

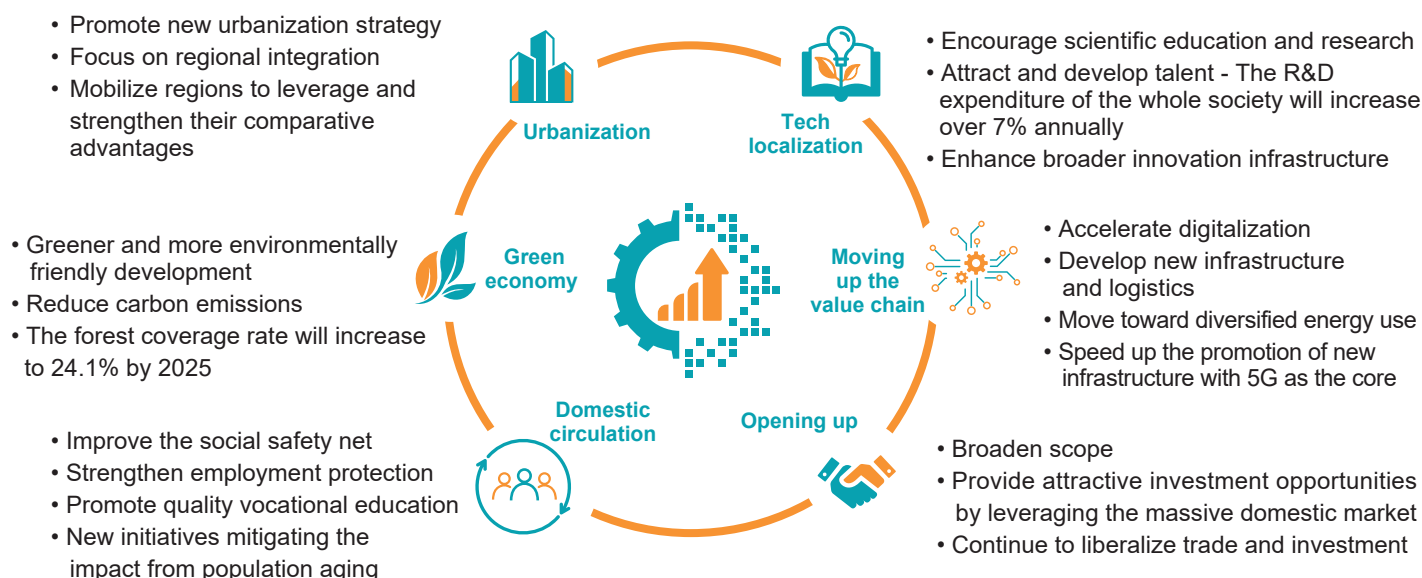
The Fund will focus primarily on mainland China and at least 70% of the Fund's latest available NAV will be on investments related to mainland China at all times. The Fund may also invest, on an ancillary basis (up to 30% of the Fund's latest available NAV), in other markets where opportunities can be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

## Why invest in Chinese Mainland Focus Fund?

### Capitalizing on China's economic shift

- The Fund maintains high conviction calls on companies benefitting in the long-term from China's policy reform and economic transformation
- Focusing on China and Hong Kong-listed stocks, the Fund can choose from different sectors and where prospects are the most attractive as a result of reforms

### Coverage of China's 14<sup>th</sup> Five-Year Plan (2021-2025)



Source: The Central People's Government, as at November 2021

### Focusing on key investment themes



#### Consumption upgrade

- Sportswear manufacturers are benefiting from the rise of "Guochao", as Chinese millennials are more receptive to domestic brands
- The market penetration of dairy products is much lower in China than other countries. Although its consumption pattern is in an early phase, it is expected to see strong growth potential



#### New energy

- In light of policy support, technological progress, and capacity expansion, China's photovoltaic companies have rapidly expanded
- China is the world's largest electric vehicle manufacturer, and domestic manufacturers have an edge in the development of new technology such as solid-state batteries



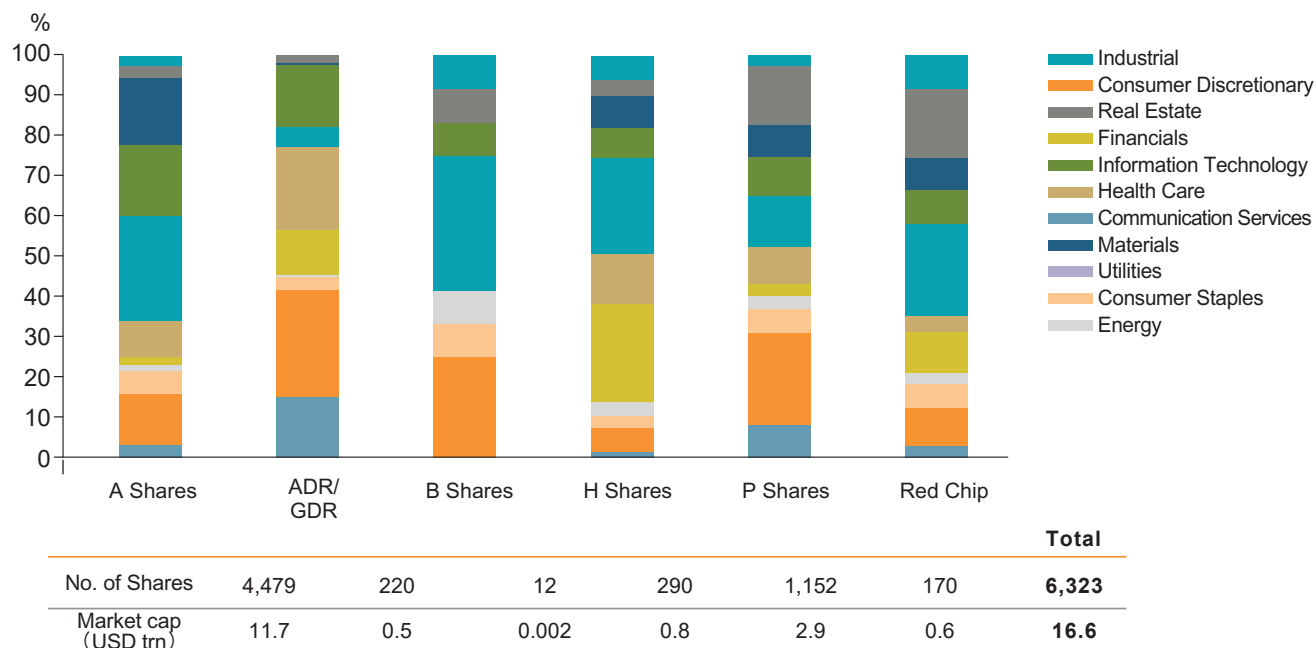
#### Smart hardware

- China has reduced imports of semiconductors from the U.S., relying instead on R&D capacity and domestic semiconductor manufacturing to meet the huge demand
- With the global semiconductor industry still in a peak cycle, a shortage of chips and rises in price will continue in the short term

## Positioning for the next chapter of growth

- The Fund comprehensively captures the growth drivers of China with over 6,000 Chinese companies listed worldwide by investing in domestic A-shares, HK- and U.S.-listed Chinese companies
- Under gradual market liberalization, global investors are set to increase their allocation in China, lifting demand for mainland-listed stocks. Value Partners conducts comprehensive due-diligence on the A-shares market, including areas that are commonly overlooked
- The Fund may strategically invest in A-Shares (0–100%), B-Shares (0–35%), and H-Shares (0–100%)

### Capturing opportunities from all sectors



Source: Bloomberg, Factset, Value Partners, as at 31 December 2021. Only the market cap of the listed share class is included. Offshore China stocks are defined based on companies with ultimate parent domiciled in China, or companies with key risk or revenue source from China. Suspended stocks are excluded.

## Pioneering investment in China's markets

- The Fund has ranked in the first quartile<sup>2</sup> since inception and outperformed its peer group in the China equities fund category
- Value Partners has been investing in China since the country first opened its markets. We are dedicated to uncovering hidden value and delivering alpha through 360-degree fundamental research analysis and over 6,500 annual due diligence meetings
- Our 70-member investment team is one of the largest in the region with extensive experience and local knowledge



**Download the Value Partners Mobile App now!**  
**Access the latest fund information<sup>^</sup> and market updates!**

<sup>^</sup> Fund information refers to Value Partners' funds authorized by the Securities and Futures Commission of Hong Kong. Authorization does not imply official recommendation.

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