

# Value Partners Taiwan Fund

NAV per unit: USD19.48  
Fund size : USD62.0 million



Morningstar Rating™<sup>1</sup>  
As at 30-06-2017

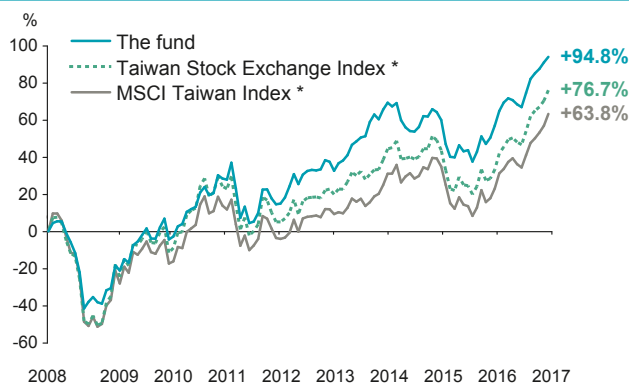
30 June 2017

- Value Partners Taiwan Fund (The "Fund") invests primarily in companies established in Taiwan or which derive a majority of their revenue from business related to Taiwan.
- The Fund may invest in Taiwan and therefore is subject to emerging market risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty which may adversely affect volatility and market liquidity.
- The Fund is also subject to concentration risk due to its concentration in Taiwan-related companies. Adverse development in such region may affect the value of the underlying securities in which the Fund invests. The value of the Fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- 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 long term capital growth through primarily investing in equity and equity linked securities of companies that are listed on (a) the Taiwan Stock Exchange; or (b) the GRE Tai Securities Market; or (c) any stock exchange but which have their main operations or majority of assets in or derive the majority of their income from Taiwan. This includes companies incorporated and/or quoted outside Taiwan.

## Performance since launch <sup>2</sup>



## Performance update <sup>2</sup>

	The fund	Taiwan Stock Exchange Index *	MSCI Taiwan Index *
One month	+1.6%	+3.3%	+4.1%
Year-to-date	+16.3%	+20.1%	+21.6%
One year	+23.7%	+32.3%	+32.9%
Three years	+14.7%	+22.0%	+24.8%
Since launch	+94.8%	+76.7%	+63.8%
Annualized return <sup>^</sup>	+7.4%	+6.3%	+5.4%
Annualized volatility <sup>^</sup>	18.7%	24.2%	24.3%

## Top 5 securities holdings

Name	Industry <sup>3</sup>	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.8
Hon Hai Precision Industry Co Ltd	Technology, hardware & equipment	5.6
Cathay Financial Holding Co Ltd	Insurance	5.4
Largan Precision Co Ltd	Technology, hardware & equipment	4.9
Pegatron Corp	Technology, hardware & equipment	4.6

These stocks constitute 30% of the fund.

## Portfolio characteristics

As at 30 Jun 2017	2017 <sup>4</sup>
Price/earnings ratio	14.5 times
Price/book ratio	2.1 times
Dividend yield	4.3%

## Geographical exposure by listing <sup>5</sup>

Taiwan	93%
Cash <sup>6</sup>	4%
United States	2%
Others <sup>7</sup>	1%

## Sector exposure <sup>3, 5</sup>

Information technology	64%
Industrials	9%
Telecom services	7%
Insurance	5%
Cash <sup>6</sup>	4%
Consumer staples	4%
Materials	4%
Banks	2%
Others <sup>7</sup>	1%

## The fund – Monthly performance from 1 Jan 2009 to 30 Jun 2017 <sup>2</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-4.4%	-1.3%	+12.0%	+1.6%	+17.9%	-3.4%	+7.9%	-2.2%	+11.4%	+2.1%	+3.8%	+3.7%	+58.0%
2010	-5.4%	-0.1%	+6.5%	+4.6%	-10.6%	+1.7%	+5.7%	+1.3%	+6.3%	+1.4%	+1.1%	+6.9%	+19.2%
2011	+2.5%	-3.5%	+0.9%	+8.0%	-1.4%	-0.5%	+7.2%	-10.3%	-12.9%	+5.7%	-7.8%	+0.8%	-13.0%
2012	+4.5%	+11.5%	+0.1%	-4.0%	-2.7%	+0.3%	+2.9%	+5.1%	+5.4%	-4.1%	+4.1%	+1.5%	+26.1%
2013	+0.5%	-0.2%	+0.5%	+3.7%	-0.6%	-3.6%	+3.1%	+1.1%	+2.1%	+4.0%	+1.3%	+1.4%	+13.7%
2014	+0.5%	+5.1%	+2.6%	-1.6%	+3.3%	+2.2%	-1.2%	+1.1%	-5.5%	-2.4%	-1.3%	-0.2%	+2.1%
2015	+1.6%	+3.8%	-0.1%	+2.5%	-1.0%	-2.6%	-8.2%	-4.7%	-0.2%	+4.7%	-2.2%	+0.4%	-6.5%
2016	-4.3%	+3.8%	+5.9%	-2.7%	+2.3%	+4.4%	+5.0%	+2.8%	+1.4%	-0.6%	-1.3%	-0.9%	+16.2%
2017 (YTD)	+4.6%	+4.3%	+1.7%	+1.3%	+1.9%	+1.6%							+16.3%

\* The indices are for reference only.

<sup>^</sup> Annualized return and volatility are calculated from inception on 3 Mar 2008. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.



## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	Bank of Bermuda (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	3 Mar 2008
Bloomberg and ISIN codes:	VTAIWAN KY / KYG9318Y1061

Unit price is published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.

## Fee structure

Minimum subscription	US\$10,000
Minimum subsequent subscription	US\$5,000
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
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye

**Deputy Chairman & Co-Chief Investment Officer:** Louis So

**Deputy Chief Investment Officer:** Renee Hung

**Senior Investment Director:** Norman Ho, CFA

**Investment Directors:** Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo

**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 30 Jun 2017, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 3. Classification is based on Global Industry Classification Standard (GICS). 4. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 5. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 6. Cash refers to net cash on hand excluding cash for collaterals and margins. 7. Others include 0.5% cash for collaterals and margins. 8. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the fund's NAV. If in any one year, the fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle).

For Singapore investors: The Fund is registered as a restricted foreign scheme in Singapore and will only be distributed to (i) institutional investors and (ii) accredited investors and certain other persons in Singapore in accordance with section 304 and 305 of the Securities and Futures Act. Value Partners Asset Management Singapore Pte Ltd, Singapore Company Registration No. 200808225G

For Swiss Qualified Investors: The sales prospectus, the Articles of Association, the Key Investor Information Document as well as the annual and semi-annual reports of the Fund are available free of charge from the Representative. Both the place of performance and the place of jurisdiction for units/shares in the Fund offered or distributed in or from Switzerland shall be the seat of the Swiss representative.

Swiss Representative and Paying Agent: BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.

Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Hong Kong Limited does not guarantee the accuracy or completeness of the information provided by third parties. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. This report has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.