

Value Partners Taiwan Fund

NAV per unit: Class A – USD25.54

Fund size : USD83.8 million



Morningstar Rating™
As at 31-08-2020

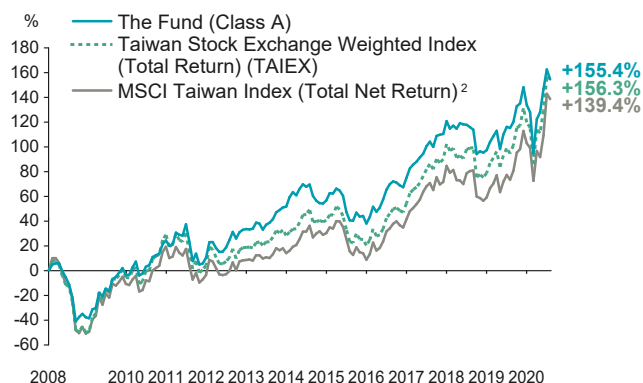
August 2020

- Value Partners Taiwan Fund (The "Fund") invests primarily 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.
- Investing in Taiwan-related companies involves 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.
- 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.
- 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 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



Top holdings

Name	Industry ³	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	10.4
Chunghwa Telecom Co Ltd	Telecom services	5.1
ITEQ Corp	Technology, hardware & equipment	4.4
Chicony Electronics Co Ltd	Technology, hardware & equipment	3.8
Longwell Co	Capital goods	3.8

These securities constitute 28% of the Fund.

Portfolio characteristics

As at 31 Aug 2020⁴

Price/earnings ratio	14.3 times		
Price/book ratio	2.1 times		
Portfolio yield	4.0%		
	The Fund (Class A)	Taiwan Stock Exchange Weighted Index (Total Return) (TAIEX)	MSCI Taiwan Index (Total Net Return) ²
Annualized volatility (3 years) ⁵	17.5%	19.5%	21.4%

Performance update

	The Fund (Class A)	Taiwan Stock Exchange Weighted Index (Total Return) (TAIEX)	MSCI Taiwan Index (Total Net Return) ²
Year-to-date	+2.6%	+10.5%	+12.2%
One month	-3.1%	-0.2%	-1.8%
One year	+18.4%	+31.4%	+37.9%
Three years	+24.8%	+37.4%	+40.1%
Five years	+81.8%	+108.2%	+107.6%
Total return since launch	+155.4%	+156.3%	+139.4%
Annualized return since launch [^]	+7.8%	+7.8%	+7.2%

The Fund – Class A: Monthly performance from 1 Jan 2011 to 31 Aug 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+4.6%	+4.3%	+1.7%	+1.3%	+1.9%	+1.6%	+3.2%	+1.8%	-2.1%	+4.4%	+0.5%	+0.3%	+25.9%
2018	+5.0%	-2.8%	+1.1%	-1.1%	+2.1%	-0.5%	-0.1%	-0.9%	-1.0%	-9.3%	+1.2%	-0.6%	-7.2%
2019	+1.0%	+3.4%	+2.3%	+2.1%	-7.0%	+6.0%	+2.9%	-0.4%	+2.3%	+5.8%	+1.0%	+5.6%	+27.2%
2020 (YTD)	-5.8%	-2.5%	-14.4%	+14.0%	+2.6%	+8.2%	+6.5%	-3.1%					+2.6%

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

Geographical exposure by listing ⁶

Taiwan	91%
United States	2%
Cash ⁷	7%

Sector exposure ^{3, 6}

Information technology	61%
Industrials	13%
Communication services	8%
Banks	3%
Health care	3%
Consumer staples	2%
Insurance	2%
Others	1%
Cash ⁷	7%

Fund facts

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

Fee structure

	Class A
Minimum subscription	US\$10,000
Minimum subsequent subscription	US\$5,000
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: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

Key corporate awards



Asia ex-Japan Equity House: Best-in-Class⁹
Greater China Equity House: Outstanding Achiever⁹
 ~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year)¹⁰
 ~ Insight & Mandate, Professional Investment 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.

1. © 2020 Morningstar, Inc. All Rights Reserved. 2. MSCI Taiwan Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. 3. Classification is based on Global Industry Classification Standard (GICS). 4. The profile is based on market consensus forecast as derived from FactSet and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 5. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 6. Exposure refers to net exposure (long exposure minus short exposure). With immediate effect, derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 7. Cash includes receivables and payables (except 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). 9. The award reflects performance up to 30 Sep 2018. 10. The award reflects performance up to 31 Dec 2017. 11. For Hong Kong investors only.

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.

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. This advertisement has not been reviewed by the Monetary Authority of Singapore.

This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.