



Fund Menu

October 2017

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- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. The value of the funds 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.
- Value Partners High-Dividend Stocks Fund and Value Partners Greater China High Yield Income Fund may invest in higher-yielding debt and equity securities that are below investment grade; additionally, Value Partners Greater China High Yield Income Fund may invest in debt securities issued by special purpose vehicles. Such investments can involve material risks, e.g. counterparty risk, liquidity risk, credit risk and default risk, and may expose the Fund to significant losses.
- Investors should note that there is no guarantee that the underlying securities in Value Partners High-Dividend Stocks Fund and Value Partners Greater China High Yield Income Fund will pay out dividends. Therefore, there is no guarantee that those funds' investment strategies will succeed. There is also no guarantee of dividend or distribution payments during the period an investor holds units in such funds, and a positive dividend yield does not represent/imply positive return.
- Value Partners China A-Share Select Fund intends to invest predominantly in China A Shares directly, via its Manager's RQFII quota. Investors will be subject to certain risks including repatriation risk, custodial risk, regulatory risk and risks associated with the Manager's RQFII status. In addition, the RQFII policy and rules are relatively new and there may be uncertainty in implementation and such policy and rules are subject to change. All these may adversely impact the fund. The fund and its primary investments are denominated in RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
- The funds may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the funds 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.

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Value Partners Fund Offerings

Morningstar Rating™¹

As at 30-09-2017

China / Greater China equities strategy	Asia equities strategy
<p>Greater China</p> <ul style="list-style-type: none"> • Classic Fund ★★★★★ • China Greenchip Fund ★★★ CIES Eligible* 	<ul style="list-style-type: none"> • High-Dividend Stocks Fund ★★★★★
<p>China</p> <ul style="list-style-type: none"> • China Convergence Fund ★★★★★ • Chinese Mainland Focus Fund ★★★★★★ 	<p>Multi-asset strategy</p> <ul style="list-style-type: none"> • Multi-Asset Fund
<p>China A-share</p> <ul style="list-style-type: none"> • China A-Share Select Fund RQFII 	<p>Fixed income strategy</p> <ul style="list-style-type: none"> • Greater China High Yield Income Fund
<p>Taiwan</p> <ul style="list-style-type: none"> • Taiwan Fund ★★★ 	

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*Value Partners China Greenchip Fund Limited is one of the eligible collective investment schemes for the purpose of the Hong Kong Capital Investment Entrant Scheme (CIES). The CIES was suspended by the Hong Kong Government with effect from 15 January 2015 until further notice.

Recent performance

	Inception date	Fund size	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (YTD)	Since inception
Value Partners Classic Fund (A unit)	1 Apr 1993		83.6%	5.8%	15.9%	41.8%	41.1%	-47.9%	82.9%	20.2%	-17.2%	14.0%	11.2%	13.5%	-1.5%	-3.2%	35.9%	3,358.5%
Hong Kong Hang Seng Index*			33.8%	13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.2%	-3.9%	4.3%	28.9%	568.2%
Value Partners Classic Fund (B unit)	15 May 1996	USD 1,505.9 million (Total A, B & C units)	83.1%	5.6%	15.6%	41.2%	40.4%	-48.1%	82.0%	19.6%	-17.6%	13.4%	10.6%	13.0%	-2.0%	-3.7%	35.4%	1,450.8%
Hong Kong Hang Seng Index*			33.8%	13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.2%	-3.9%	4.3%	28.9%	295.0%
Value Partners Classic Fund (C unit)	15 Oct 2009		-	-	-	-	-	-	7.7%	21.2%	-17.6%	13.4%	10.8%	13.3%	-2.0%	-3.7%	34.7%	94.6%
Hong Kong Hang Seng Index*			-	-	-	-	-	-	-0.3%	8.6%	-17.4%	27.7%	6.5%	5.2%	-3.9%	4.3%	28.9%	65.3%
Value Partners China GreenShip Fund Limited+	8 Apr 2002	HKD 3,108.8 million	85.6%	1.5%	16.1%	43.7%	36.3%	-57.4%	116.7%	37.8%	-25.0%	24.8%	16.5%	2.4%	-13.0%	-4.0%	33.7%	580.3%
Hong Kong Hang Seng Index*			34.9%	13.2%	8.4%	39.0%	43.4%	-46.4%	56.6%	8.6%	-17.0%	26.9%	6.6%	5.2%	-3.9%	4.3%	29.8%	298.3%
MSCI China Free HKD			86.7%	2.0%	19.5%	83.4%	66.7%	-51.1%	62.4%	4.9%	-18.2%	22.0%	3.7%	8.0%	-7.9%	0.9%	44.2%	677.0%
Value Partners Intelligent Funds --																		
China Convergence Fund	14 Jul 2000	USD 294.8 million	92.1%	0.8%	3.9%	86.9%	56.6%	-45.2%	87.1%	21.3%	-22.4%	9.3%	9.2%	14.6%	-0.5%	-8.7%	28.5%	1,614.3%
MSCI China Index ¹			87.6%	1.9%	19.8%	82.9%	66.2%	-50.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	43.1%	264.3%
Chinese Mainland Focus Fund	27 Nov 2003	USD 146.6 million	3.9%	8.4%	11.6%	48.1%	56.0%	-44.8%	86.0%	23.9%	-17.8%	11.6%	8.3%	10.8%	1.7%	-10.3%	46.5%	442.6%
MSCI China Index ¹			20.1%	1.9%	19.8%	82.9%	66.2%	-50.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	43.1%	454.8%
Value Partners China A-Share Select Fund	16 Oct 2014	RMB 579.0 million	-	-	-	-	-	-	-	-	-	-	-	18.1%	12.1%	-5.3%	18.7%	48.9%
Value Partners Taiwan Fund	3 Mar 2008	USD 62.1 million	-	-	-	-	-	-35.7%	58.0%	19.2%	-13.0%	26.1%	13.7%	2.1%	-6.5%	16.2%	19.6%	100.4%
Taiwan Stock Exchange Index			-	-	-	-	-	-42.4%	81.6%	13.3%	-19.7%	18.2%	12.2%	5.1%	-10.4%	17.8%	23.3%	81.3%
MSCI Taiwan Index			-	-	-	-	-	-47.9%	76.4%	21.3%	-19.5%	16.9%	9.1%	9.4%	-11.7%	18.5%	22.6%	65.2%
Value Partners High-Dividend Stocks Fund(Class A1)	2 Sep 2002	USD 3,302.0 million (Total Class A1, A2(MDIs & Z))	79.7%	8.9%	12.2%	35.0%	44.2%	-46.8%	82.8%	25.8%	-11.9%	25.2%	8.1%	9.4%	-3.7%	-0.2%	24.2%	798.8%
MSCI AC Asia (ex-Japan) Total Return Index ²			41.5%	19.7%	20.1%	28.2%	34.8%	-54.1%	68.2%	15.2%	-16.6%	18.6%	3.4%	2.8%	-9.4%	6.4%	30.9%	409.5%
Value Partners High-Dividend Stocks Fund(Class A2)	28 Sep 2012		-	-	-	-	-	-	-	-	-	7.2%	7.5%	9.4%	-3.8%	-0.3%	23.3%	49.2%
Value Partners Multi-Asset Fund	13 Oct 2015	USD 58.9 million	-	-	-	-	-	-	-	-	-	-	-	-	-1.8%	-0.5%	10.7%	8.2%
Value Partners Greater China High Yield Income Fund (P USD Acc)	28 Mar 2012	USD 4,048.0 million	-	-	-	-	-	-	-	-	-	13.0%	1.2%	1.1%	6.1%	15.9%	8.0%	53.5%

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg.

*Unless otherwise stated, performance is calculated in USD. NAV to NAV, with dividends reinvested. Performance data is net of all fees.

¹Index refers to MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index.

²Performance is calculated in HKD. NAV to NAV, with dividends reinvested. Performance data is net of all fees. Investors should note that figures for Non-Redeemable Class N shares shown above may differ from those of classes currently available for subscription (namely Class A and Class A2 QDIs), due to differences in launch date of these classes. For Class A, the since launch return is +79.8%.

³Indices combine the price return indices up to 31 December 2004 with the total return indices thereafter. Total return indices include dividend reinvestment whereas price return indices does not take into account reinvestment of dividends.

⁴Starting from July 2009, the MSCI China Index will be used as the reference index for the entire history of the fund. Hang Seng H Shares Index, Shanghai Composite Index and Shenzhen Composite Index were no longer shown for comparison.

⁵Disclosing investors share should be disclosed in the prospectus. 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 the fund's website, which may be updated without notice. This information is for general information only and does not constitute an offer of securities. The fund is not registered in the United States. The fund is not a U.S. person and is not subject to U.S. securities laws. No part of this document, or any information contained herein, may be distributed, reproduced, taken or transmitted into the United States or its territories or possession. Any failure to comply with the restrictions may constitute a violation of the relevant laws.

Value Partners Classic Fund

NAV per unit: **A Units - USD345.85** | **B Units - USD155.08** | **C Units - USD19.46**
Fund size : **USD1,505.9 million**

★★★★★
Morningstar Rating™¹
As at 30-09-2017

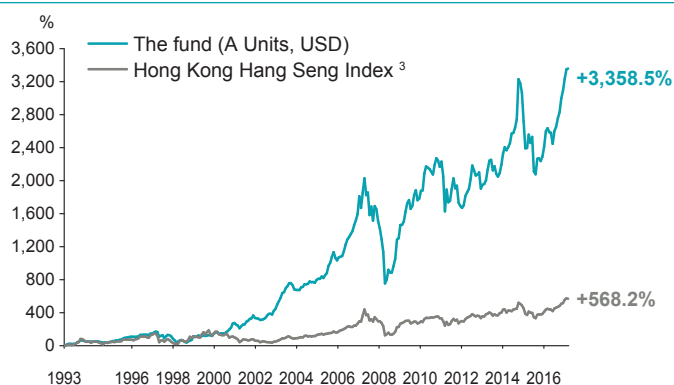
29 September 2017

- Value Partners Classic Fund (The "Fund") primarily invests in markets of the Asia-Pacific region, with a Greater China focus.
- The Fund invests in China-related companies and emerging markets 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 Asia-Pacific region, particularly China-related companies. 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.
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Investment objective

The fund aims to achieve consistent superior return and uses a bottom-up approach to invest in value stocks in the Asia Pacific region, particularly those in Greater China region, which the Manager believes are being traded at deep discounts to their intrinsic value.

Performance since launch ²



NAVs & codes

Classes ⁴	NAV	ISIN	Bloomberg
A Units USD	345.85	HK0000264868	VLPARAI HK
B Units USD	155.08	HK0000264876	VLPARBI HK
C Units USD	19.46	HK0000264884	VLPARCI HK
C Units HKD ⁵	152.0001	HK0000264884	VLPARCI HK
C Units RMB	12.86	HK0000264926	VLCHCRM HK
C Units AUD Hedged	15.93	HK0000264892	VLCHAUD HK
C Units CAD Hedged	15.62	HK0000264900	VLCHCAD HK
C Units HKD Hedged	13.29	HK0000264934	VLCHCHH HK
C Units NZD Hedged	16.48	HK0000264918	VLCHNZD HK
C Units RMB Hedged	13.38	HK0000264942	VLCHCRH HK

The fund – A Units USD: Monthly performance from 1 Jan 2009 to 29 Sep 2017 ²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.2%	-0.2%	+8.2%	+8.2%	+20.1%	+1.3%	+11.5%	+0.1%	+2.5%	+7.5%	+5.9%	+2.2%	+82.9%
2010	-5.8%	+2.2%	+7.1%	+3.1%	-6.1%	+1.1%	+5.0%	+0.2%	+10.5%	+3.8%	-0.7%	-0.7%	+20.2%
2011	-1.5%	-1.6%	+5.4%	+3.5%	-1.3%	-3.2%	+2.8%	-7.5%	-19.8%	+15.3%	-7.8%	+1.0%	-17.2%
2012	+7.8%	+6.3%	-5.7%	+1.6%	-10.2%	-2.1%	-1.3%	+1.7%	+6.4%	+2.3%	+1.9%	+5.9%	+14.0%
2013	+7.9%	-2.5%	-2.9%	+0.6%	+1.2%	-9.0%	+2.3%	+0.5%	+2.2%	+6.2%	+4.8%	+0.4%	+11.2%
2014	-5.5%	+2.3%	-4.0%	-1.6%	+2.0%	+4.6%	+6.2%	+3.0%	-1.5%	+1.6%	+1.9%	+4.6%	+13.5%
2015	+0.3%	+2.4%	+3.7%	+17.1%	-1.5%	-3.5%	-11.0%	-11.6%	+0.2%	+6.5%	-3.8%	+2.9%	-1.5%
2016	-15.9%	-1.5%	+8.7%	+0.2%	-1.4%	+2.4%	+5.0%	+7.4%	+1.4%	-1.8%	-0.2%	-5.0%	-3.2%
2017 (YTD)	+6.1%	+1.9%	+3.7%	+2.6%	+5.7%	+3.0%	+4.5%	+3.5%	+0.3%				+35.9%

[^] Annualized return and volatility are calculated from inception. 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.

Top 10 securities holdings

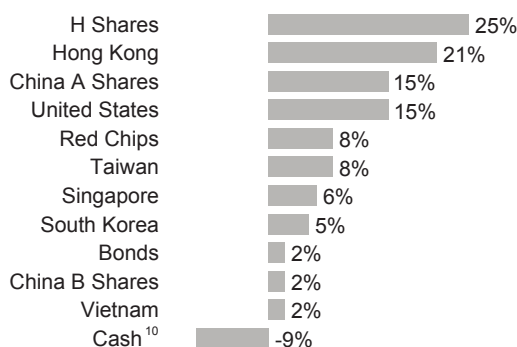
Name	Industry ⁷	% ⁹
Alibaba Group Holding Ltd	Software & services	9.4
SIIC Environment Holdings Ltd	Utilities	5.9
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	4.6
Weibo Corp	Software & services	4.3
Kweichow Moutai Co Ltd	Food, beverage & tobacco	4.0
Huaneng Renewables Corp Ltd	Utilities	3.5
AAC Technologies Holdings Inc	Technology, hardware & equipment	3.2
Ping An Insurance Group Co of China Ltd	Insurance	3.2
KWG Property Holding Ltd	Real estate	3.1
Midea Group Co Ltd	Consumer durables & apparel	2.7

These stocks constitute 44% ⁹ of the fund.

Portfolio characteristics

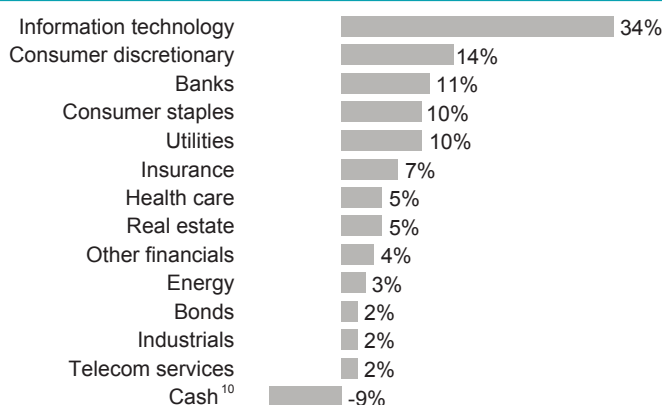
As at 29 Sep 2017	2017 ⁸
Price/earnings ratio	11.4 times
Price/book ratio	1.5 times
Dividend yield	3.0%

Geographical exposure by listing ⁹



Short exposure includes: H Shares, -1.5%.

Sector exposure ^{7, 9}



Total short exposure is -1.5%.

Short exposure includes: Consumer discretionary, -1.5%.

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	A Units USD - 1 Apr 1993 B Units USD - 15 May 1996 C Units USD - 15 Oct 2009 C Units AUD/CAD/NZD Hedged - 17 Mar 2014 C Units RMB Hedged - 28 Oct 2015 C Units HKD Hedged - 30 Nov 2015 C Units RMB - 1 Dec 2015

A, B and C units are invested in the same fund, A and B units were no longer issued from 12 Apr 2002 and 15 Oct 2009 respectively. Only C units are currently available. Unit price is published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.

Fee structure

	A Units	B Units	C Units
Minimum subscription	Closed	Closed	USD10,000 or equivalent
Minimum subsequent subscription	Nil	Nil	USD5,000 or equivalent
Subscription fee	Closed	Closed	up to 5%
Management fee	0.75% p.a.	1.25% p.a.	1.25% p.a.
Performance fee ¹¹	15% of profit (High-on-high principle)		
Redemption fee	Nil		
Dealing day	Daily redemption	Daily redemption	Daily dealing

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: Chung Man Wing; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent fund awards



Fund of the Year 2017 ¹²
 ~ HFM Asia Performance Awards 2017

Best Greater China fund over US\$500 million ¹²
 ~ HFM Asia Performance Awards 2017



Top Fund Awards 2015 (Hong Kong) ¹³
Greater China Equity – Outstanding Performer
 ~ Bloomberg Businessweek, Chinese edition

1. © 2017 Morningstar, Inc. All Rights Reserved (for A Units). 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 29 Sep 2017, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 3. Index refers to Hang Seng Price Return Index up to 31 Dec 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index includes dividend reinvestment whereas Hang Seng Price Return Index does not take into account reinvestment of dividends. The Index is for reference only. 4. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund's base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund's base currency may be higher than that of the equivalent class denominated in the fund's base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/NZD/RMB Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 5. Investors should note that the base currency of "C" Units is in USD. The HKD is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of "C" Units will normally take place at the prevailing rate (as determined by the Fund's Trustee or Custodian) on the corresponding fund dealing day. Investor should be aware of possible risks resulting from fluctuations of exchange rates against USD. 6. Calculated based on the since inception return of C Units. 7. Classification is based on Global Industry Classification Standard (GICS). 8. 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. 9. Exposure refers to net exposure (long exposure minus short exposure). Exposure of equity swaps is measured by the value of the underlying stock holdings. (Due to rounding, percentages shown may not add up to 100%). 10. Cash refers to net cash on hand excluding cash for collateral and margins. 11. 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). 12. The awards were judged based on performance over the past 12 months, up to 30 Apr 2017. 13. Based on data provided by Morningstar Asia and Bloomberg Professional Services up to 30 Sep 2015.

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 SFC. Issuer: Value Partners Hong Kong Limited.

Value Partners Classic Fund Commentary / Third Quarter 2017

- Value Partners Classic Fund (The “Fund”) primarily invests in markets of the Asia-Pacific region, with a Greater China focus.
- The Fund invests in China-related companies and emerging markets 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 Asia-Pacific region, particularly China-related companies. 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.
- In respect of the distribution units for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

Capital flows continued to buoy market performance

The Hong Kong and China stockmarkets continued to rally during the third quarter on favourable capital flows and upbeat first-half corporate earnings. The earnings per share (EPS) of the MSCI China Index increased 22%¹ year-on-year, one of the highest in global emerging markets. Southbound capital flows remained sanguine, partly due to robust offshore investment demand and the A-H premium, which stood at 41% as at 23 September 2017². As a result, in the first half of 2017, an average RMB1.3 billion of southbound capital flowed into Hong Kong daily, while the volume of transactions originating from mainland China accounted for about 13% of the turnover on the Hong Kong stockmarket.

Previously, foreign exchange controls made it difficult for mainland Chinese investors to diversify their investments overseas. That said though, the southbound flow through the Stock Connect program has become a key channel for mainland investors such as insurance companies to invest in offshore assets. We believe the southbound flow will continue and support offshore China equities since mainland investors are more familiar with the companies there, and offshore China markets are trading at a discount to the onshore A-share market.

In terms of capital inflows from overseas, foreign investment allocations to China remain subdued as foreign investors are still wary of the China stockmarket and tend to overplay the risks of a hard landing by the Chinese economy. However, as China’s economy maintains a healthy growth momentum and policy continues to focus on deleveraging the Chinese financial system, we expect foreign investors to attach greater importance to the China market, which is favourable for China stocks in the long run.

Policy push – a market stabilizer

China’s reform efforts continued and significant progress was made in some areas, including the loosening of the one-child policy and the enacting of environmental initiatives and anti-corruption campaigns. Other pro-growth items in the reform agenda, such as the reform of state-owned enterprises, Hukou reforms and tax reforms, are effectively in progress. The positive momentum on the China stockmarket is likely to continue as China is expected to speed up reforms after the 19th Party Congress.

Meanwhile, deleveraging remained a key theme throughout 2017 as risk prevention was highlighted as a priority for policymaking during the fifth Central Financial Work Conference (CFWC) held in mid-July. The CFWC sets the scene for the financial sector’s development in the next five years. Regulators are now required to take a “proactive” approach to managing risks³ – that is, to curb risks before they materialize. We believe that the call for greater risk prevention is a key step to ensuring the health of the China market in the long haul.

Value stocks and small-caps staging a comeback

After the year-to-date rally in growth stocks, the valuation gap between the MSCI China Value and the MSCI China Growth indices is at its widest in 12 years. As of the end of September, the MSCI China Growth Index was trading at a forward price-to-earnings ratio of 29.5 times, 3.3 times that of the MSCI China Value Index⁴. China small caps have also been a big laggard. In the first eight months of 2017, the MSCI China Small Cap Index returned 17.4%, while the MSCI China Large Cap Index returned 42.5%⁵. In view of this, mean reversion will likely drive value and small cap stocks to catch up.

Portfolio strategy review

The Value Partners Classic Fund (the “Fund”) rose 8.5% in the third quarter and has gained 35.9% in the year to date. For reference, the MSCI China Index and the Hang Seng Index edged up 14.6% and 8.6% in the third quarter, and gained 43.1% and 28.9% respectively in the year to date.

From a portfolio perspective, we remained positive on Hong Kong and China equities during the quarter, as reflected by our fully-invested positions. Technology remained our key exposure as we expect growth to remain robust, providing support for valuations. Besides leading Chinese technology names, our exposure also includes Taiwanese technology hardware companies given their attractive valuations. Taiwanese technology hardware companies in general trade at around only half the 30 times forward earnings at which their Chinese competitors trade and are also poised to benefit from the technology upcycle. During the quarter, we took profit from consumer sectors and added financials in light of the latter’s attractive valuations and positive earnings outlook.

The Fund’s gain during the quarter was supported by our stock picks in the technology, real estate and financial sectors. Within technology, our core holdings in leading Chinese eCommerce and social network companies were the top performance contributors, mainly thanks to their reported second-quarterly revenues having beaten market consensus estimates for the eighth consecutive quarter.

Despite the tightening measures in the property market, our position in a Shenzhen-based developer rallied on the back of its solid sales and respectable margin expansion. In the financial sector, the key contribution came from our position in one of the leading Chinese brokers, which continued to build and diversify its business, in particular its wealth management platform, which leveraged on the broker’s recent strategic cooperation with a leading China internet company.

Outlook

We expect the consumption upgrade story to remain a core investment theme in the China market. As China’s growth structure continues to shift from acting as the “world’s factory” to being a consumption-driven economy, we believe consumption upgrade will remain a major growth pillar in China. This is supported by continued urbanization and steady wage growth in China. The beneficiaries of this trend are broad from a sector perspective and include home appliance companies, white liquor manufacturers, ecommerce providers, and technology hardware makers that benefit from the upgrade cycle etc. However, to select quality names, strict discipline is required. In this regard, we believe a bottom-up approach to stock selection, as well as our strict adherence to value investing principles will be key to navigating the current investment climate.

Corporate update

As testament to our investment capabilities, Value Partners Classic Fund scooped up the coveted Fund of the Year award⁶ and the title of Winner – Greater China fund over US\$500 million⁷ at the HFM Asia Hedge Fund Performance Awards 2017. We have extended our list of accolades to more than 150 awards since our establishment in 1993. As always, we will plough back resources into our infrastructure to uncover value opportunities for our investors.

Value Partners Investment Team
17 October 2017

1. Citi Research, 8 September 2017.
2. Goldman Sachs, Bloomberg, as of 23 September 2017.
3. BNP Paribas, 20 July 2017.
4. Bloomberg, as at end of September 2017.
5. MSCI, Bloomberg, price return in USD term as of 16 August 2017.
6. The award was based on performance over the past 12 months, up to 30 April 2017.
7. The award recognized funds that have outperformed their peers over the past 12 months, up to 30 April 2017.

Fund performance mentioned referred to Value Partners Classic Fund "A" Unit. All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 29 September 2017. Performance data is net of all fees.

Individual stock performance is not indicative of fund performance.

The views expressed are the views of Value Partners Hong Kong Limited only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investors should note that 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. 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 commentary has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

Value Partners Classic Fund: 10 biggest holdings of securities as at 29 September 2017

Stock	Industry	Valuation (2018 Estimates)	Remarks
<p>AAC Technologies Holdings (Code: 2018 HK)</p> <p>Market cap: US\$20.5 billion</p>	<p>Technology, hardware & equipment</p>	<p>Price: HKD131.20 P/E: 19.2x P/B: 6.0x Yield: 1.9%</p>	<p>AAC Technologies is a total solution-provider for miniaturized-technology components. Already an established supplier of acoustic components such as speaker boxes and receivers, the company has demonstrated its competence in delivering integrated solutions across Haptics Vibrators, RF Mechanical and Optical (Lens) components. AAC Technologies serves a large number of geographically diverse customers in the mobile electronics market with key ones include Apple, Samsung, Huawei, Oppo, Vivo, Xiaomi and Google. Supported by the company's R&D track record and future development plan, we believe that its value will continue to be unlocked through 1) smartphone's acoustics and haptics product upgrade cycle, 2) winning new projects for RF mechanical solution, 3) WLO lens for 3D Sensing application and 4) hybrid (plastic and glass) lens take offs and potentially becomes an alternative solution to the existing plastic lens, a long-term driver.</p>
<p>Alibaba Group (Code: BABA US)</p> <p>Market cap: US\$442.3 billion</p>	<p>Internet</p>	<p>Price: USD172.71 P/E: 27.1x P/B: 6.5x Yield: 0%</p>	<p>Alibaba, founded by Jack Ma in 1999 in China, is one of the world's largest eCommerce companies. Alibaba's online marketplace - "Taobao" and "Tmall" - contribute the vast majority of the company's revenue and is likely to continue delivering solid growth in view of its dominant position, advanced technology and the trend of merchants shifting marketing budgets online from offline. Meanwhile, the company's cloud computing company ("AliCloud") and fintech business ("Ant Financial") are underpinning future growth potential. We are positive about the long term performance of its stock price because: 1) we believe Alibaba would deliver continued high growth of core commerce, as it continues to improve targeting technology and logistic network; 2) Cloud is likely to be another long-term growth driver as an increasing number of enterprises start to embrace cloud services to cut cost and leverage the company's big data technology; 3) we expect it to spin-off high value assets (e.g. Ant Financial, 33% owned by Alibaba) to unlock hidden values.</p>
<p>Huaneng Renewables Corporation (Code: 958 HK)</p> <p>Market cap: US\$3.5 billion</p>	<p>Utilities</p>	<p>Price: HKD2.58 P/E: 6.5x P/B: 0.8x Yield: 2.4%</p>	<p>Huaneng Renewables principally engaged in wind power generation businesses. The businesses of the company include the development and operation of wind power plants and solar power plants, electricity generation and the sales of electricity, as well as the provision of related services, among others. We expect the government to provide more clarity on clean energy subsidies soon, which will likely help renewable companies regain their growth momentum.</p>

Stock	Industry	Valuation (2018 Estimates)	Remarks
Kweichow Moutai (Code: 600519 CH) Market cap: US\$98.0 billion	White spirit manufacturer	Price: CNY517.64 P/E: 24.9x P/B: 6.4x Yield: 2.0%	Kweichow Moutai is China's largest liquor manufacturer in terms of market value. With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in the past two years after huge decline in official consumption. Moutai has a distinguished brand among other players in China and is expected to benefit from the consumption upgrade cycle.
KWG Property (Code: 1813 HK) Market cap: US\$3.4 billion	Real estate	Price: HKD8.35 P/E: 4.8x P/B: 0.7x Yield: 8.3%	KWG Property is one of the largest privately owned property developers in China. Contracted sales of the company is expected to speed up with a more aggressive land bank replenishment scheme as well as a faster project-launching schedule, along with a higher contribution from profitable en bloc office sales.
Midea Group (Code: 000333 CH) Market cap: US\$43.4 billion	Consumer durables	Price: CNY44.19 P/E: 14.1x P/B: 3.3x Yield: 3.2%	Midea Group is a leading home appliance manufacturer in China with extensive products including air conditioners, washing machines, refrigerators and diversified small home appliances. It also engages in logistics business for better channel efficiency. Under the backdrop of consumption upgrading in the white goods industry, Midea offers a good way to capture the structural growth opportunity through its attractive product offering, enhanced brand portfolio, efficient channel, and exposure to high-potential small appliance sector.
Ping An Insurance (Code: 2318 HK) Market cap: US\$145.6 billion	Insurance	Price: HKD59.95 P/E: 11.2x P/EV*: 1.2x Yield: 2.2%	Ping An Insurance is a leading provider of insurance service in China. It is one of the first Chinese non-state-owned financial conglomerates that provide insurance (both life and non-life), banking, securities, trust and asset management services to customers in the country. In the current tough operating environment, Ping An is well-positioned amongst peers given its superior agency force and multi-product platform.

Stock	Industry	Valuation (2018 Estimates)	Remarks
<p>SIIC Environment (Code: SIIC SP)</p> <p>Market cap: US\$1.0 billion</p>	Wastewater treatment	<p>Price: SGD0.54 P/E: 10.5x P/B: 0.8x Yield: 1.3%</p>	<p>SIIC Environment is a Singapore-listed company, which conducts operations in wastewater treatment, water purification treatment and system automation in China. Being a state-owned enterprise, SIIC enjoys strong support from banks and local governments, signifying it has the potential to become one of the leading water companies in China. In 2015, it completed an acquisition of a group of water treatment companies, which helped enhance its water treatment capacity and extend its geographical presence in China. The company's financial leverage is lower than most of its local peers, enabling it to do more mergers and acquisitions as well as greenfield projects in the future. As the Chinese government is increasingly paying attention to water quality and environment protection, the company is set to benefit from further environmental protection policies.</p>
<p>Taiwan Semiconductor Manufacturing (Code: 2330 TT)</p> <p>Market cap: US\$184.9 billion</p>	Semiconductors and semiconductor equipment	<p>Price: TWD216.50 P/E: 14.7x P/B: 3.2x Yield: 3.8%</p>	<p>Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit ("IC") design houses with integrated services for process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the company has consistently outperformed competitors in terms of technology and profitability. We think the company is well-positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand for the internet of things trend, AI chips and new application areas.</p>
<p>Weibo (Code: WB US)</p> <p>Market cap: US\$21.6 billion</p>	Internet	<p>Price: USD98.94 P/E: 38.9x P/B: 13.0x Yield: 0%</p>	<p>Weibo, the second largest social media in China next to Tencent, has 159 million daily active users and 361 million monthly active users in June 2017. Weibo is on the right track for a "Facebook trajectory" in China. Leveraging on strong user engagement, Weibo offers advertisers enriching media format like promoted feeds, search, videos, etc., to reach users. Besides, social based live broadcasting and eCommerce are seeing solid user momentum but under-monetized, which provides upside on top of advertisement. According to our estimates, Weibo revenues will be growing at 55% CAGR from 2017 to 2019, making it one of the fastest-growing names in China's internet industry.</p>

*EV = Embedded value

Note: The above investments made up 44.0% of Value Partners Classic Fund as at 29 September 2017. The stock prices are based on the closing of 29 September 2017.

Individual stock performance/yield is not necessarily indicative of overall fund performance.

NAV per share : Class A - HKD68.03 | Class A2 QDis - HKD12.21
Fund size : USD398.0 million (HKD3,108.8 million)

★★★★
Morningstar Rating™¹
As at 30-09-2017

CIES Eligible*

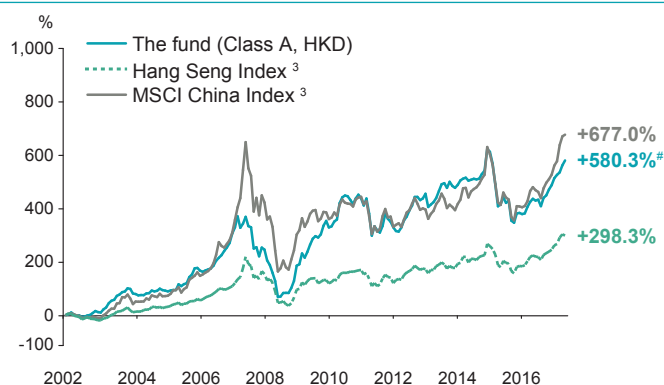
29 September 2017

- Value Partners China Greenchip Fund Limited (The "Fund") invests primarily in companies established in Greater China or which derive a majority of their revenue from business related to Greater China.
- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. 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 medium-term capital growth by means of investing in companies established in Greater China or which derive a majority of their revenue from business related to Greater China, whether in the form of direct investment in, or trade with, Greater China. This includes companies incorporated and/or listed outside Greater China.

Performance since launch²



Performance update²

	Class A HKD	Class A2 QDis HKD	MSCI China Index ³	Hang Seng Index ³
One month	+2.7%	+2.7%	+0.8%	-1.2%
Year-to-date	+33.7%	+33.4%	+44.2%	+29.8%
One year	+26.8%	+26.5%	+34.0%	+23.0%
Three years	+12.6%	+12.2%	+43.5%	+34.3%
Five years	+49.4%	N/A	+69.4%	+59.4%
Since launch	+580.3%#	+29.0%	+677.0%	+298.3%
Annualized return [^]	+13.2%#	+6.3%	+14.1%	+9.3%
Annualized volatility [^]	21.5%#	17.1%	24.8%	19.8%

The fund – Class A HKD: Monthly performance from 1 Jan 2009 to 29 Sep 2017²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	+0.2%	-0.2%	+10.2%	+13.1%	+25.0%	+1.9%	+14.0%	-4.8%	+6.9%	+7.9%	+6.2%	+2.5%	+116.7%
2010	-1.3%	+3.0%	+8.1%	+4.2%	-5.4%	+0.9%	+4.2%	+1.7%	+13.4%	+4.2%	+1.3%	-0.5%	+37.8%
2011	-2.6%	-2.9%	+4.0%	+2.7%	-2.5%	-5.0%	+5.1%	-10.5%	-17.2%	+8.8%	-3.4%	-2.1%	-25.0%
2012	+6.0%	+10.5%	-3.9%	-2.4%	-4.6%	-3.2%	-0.5%	+3.7%	+6.3%	+3.1%	+4.9%	+3.7%	+24.8%
2013	+6.4%	+0.0%	-2.2%	+1.2%	+3.3%	-8.9%	+1.8%	+1.7%	+3.0%	+4.8%	+4.5%	+0.7%	+16.5%
2014	-3.0%	+4.0%	-2.6%	-1.2%	+1.9%	+2.9%	+1.1%	+0.6%	-1.8%	+0.6%	+0.6%	-0.4%	+2.4%
2015	+0.4%	+2.9%	+2.0%	+12.6%	-1.4%	-6.2%	-11.7%	-13.9%	+1.5%	+5.0%	-3.8%	+1.7%	-13.0%
2016	-14.3%	-1.7%	+7.8%	+0.4%	-0.9%	+0.6%	+5.1%	+3.8%	+2.2%	-1.2%	+0.6%	-4.5%	-4.0%
2017 (YTD)	+6.2%	+1.7%	+4.0%	+2.8%	+4.5%	+2.0%	+1.5%	+4.2%	+2.7%				+33.7%

* Value Partners China Greenchip Fund Limited is one of the eligible collective investment schemes for the purpose of the Hong Kong Capital Investment Entrant Scheme (CIES). The CIES was suspended by the Hong Kong Government with effect from 15 Jan 2015 until further notice.

[^] Annualized return and volatility are calculated from inception on 8 Apr 2002. 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.

[#] Investors should note that figures for Non-Redeemable Class N shares shown above may differ from those of classes currently available for subscription (namely Class A and Class A2 QDis), due to differences in launch date of these classes. For Class A, the since launch return, annualized return and annualized volatility are +79.8%, +5.8% and 23.9% respectively.

Top 10 securities holdings (as at 31 Aug 2017)

Name	Industry ⁸	%
Alibaba Group Holding Ltd	Software & services	9.9
VTech Holdings Ltd	Technology, hardware & equipment	5.6
Largan Precision Co Ltd	Technology, hardware & equipment	3.8
Tencent Holdings Ltd	Software & services	3.8
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	3.6
SIIC Environment Holdings Ltd	Utilities	3.5
Sands China Ltd	Consumer services	2.8
Techtronic Industries Co Ltd	Consumer durables & apparel	2.7
Ping An Insurance (Group) Co of China Ltd	Insurance	2.5
China Overseas Land & Investment Ltd	Real estate	2.4

These stocks constitute 41% of the fund.

Portfolio characteristics

As at 29 Sep 2017	2017 ⁹
Price/earnings ratio	15.8 times
Price/book ratio	2.2 times
Dividend yield	3.0%

Geographical exposure by listing¹⁰

Hong Kong	50%
H Shares	12%
United States	11%
Red Chips	10%
China A Shares	8%
Taiwan	5%
Singapore	4%
Others	1%
Cash ¹¹	-1%

Sector exposure^{8, 10}

Information technology	31%
Consumer discretionary	26%
Consumer staples	13%
Other financials	6%
Industrials	5%
Insurance	4%
Utilities	4%
Telecom services	3%
Energy	2%
Health care	2%
Materials	2%
Real estate	2%
Others	1%
Cash ¹¹	-1%

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Unless otherwise specified, fund performance shown in this document refers to the returns on Non-Redeemable Class N shares, which was launched on 8 Apr 2002. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 29 Sep 2017, in HKD, NAV to NAV, with dividends reinvested. Non-Redeemable Class N shares of the fund are closed for subscription from 26 Mar 2007; existing and new investors may subscribe for/redeem Class A or A2 QDis shares. 3. Index refers to Hang Seng Price Return Index up to 31 Dec 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index includes dividend reinvestment whereas Hang Seng Price Return Index does not take into account reinvestment of dividends. The indices are for reference only. 4. The Manager currently intends to make quarterly dividend distribution in respect of the A2 QDis Class; actual dividend payout will be subject to the Manager's discretion. 5. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 6. Annualized yield of Class A2 QDis is calculated as follows: (dividend amount/NAV as of ex-dividend date) x 4. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 7. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund's base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund's base currency may be higher than that of the equivalent class denominated in the fund's base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/NZD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 8. Classification is based on Global Industry Classification Standard (GICS). 9. 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. 10. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 11. Cash refers to net cash on hand excluding cash for collaterals and margins. 12. Investors should note that the base currency of the fund is in HKD. Conversion to the base currency of the fund will normally take place at the prevailing rate (as determined by the fund's Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD/AUD/CAD/NZD. 13. 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). 14. Based on data as of year-end 2013.

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 shares 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 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 SFC. Issuer: Value Partners Limited.

Fund facts

Manager:	Value Partners Limited
Base currency:	HKD
Administrator:	Bank of Bermuda (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class N - 8 Apr 2002 (Closed) Class A - 27 Mar 2007 Class A2 QDis - 22 Jul 2013 Class A AUD / CAD / NZD / USD - 26 May 2014
Dividend policy ⁴ :	Class A2 QDis - aim at quarterly distribution, subject to Manager's discretion Other Classes - N/A

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

Fee structure (Class A and Class A2 QDis)

Minimum subscription	HKD80,000 or equivalent ¹²
Minimum subsequent subscription	HKD40,000 or equivalent ¹²
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee ¹³	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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;

Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent fund award



Lipper Fund Awards 2014 (Hong Kong)
Best Greater China Equity Fund (5 Years)¹⁴
~ Lipper

China Convergence Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD171.43

Fund size : USD294.8 million



Morningstar Rating™¹
As at 30-09-2017

29 September 2017

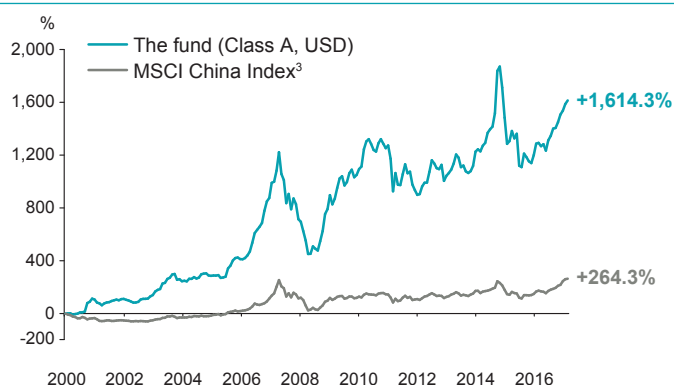
- China Convergence Fund (The "Fund") primarily invests in A and B shares listed on the stock exchanges of Shanghai and Shenzhen as well as in H shares listed in Hong Kong.
- The Fund invests in China and therefore is subject to emerging market risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty.
- 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.
- The Fund may directly invest in A Shares and other eligible securities through the qualified foreign institutional investors ("QFII") quota. Investors will be subject to certain risks including repatriation risk, custodial risk, regulatory risk. In addition, the QFII policy and rules are subject to change. All these may adversely impact the Fund.
- 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 provide unitholders with long-term capital appreciation by investing primarily in A and B shares listed on the stock exchanges of Shanghai and Shenzhen, as well as H shares listed in Hong Kong.

Note: On inception, in Jul 2000, the fund's objective was to invest primarily in B shares. In Jul 2001, the mandate was extended to include H shares. In Mar 2005, the mandate was further extended to include China A shares.

Performance since launch ²



Performance update ²

	Class A USD	MSCI China Index ³
One month	+1.6%	+1.0%
Year-to-date	+28.5%	+43.1%
One year	+23.1%	+33.0%
Three years	+29.0%	+42.7%
Five years	+61.3%	+68.1%
Since launch	+1,614.3%	+264.3%
Annualized return [^]	+17.9%	+7.8%
Annualized volatility [^]	25.5%	26.5%

NAVs & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	171.43	KYG9317Q1047	VAPAICB KY
Class A AUD Hedged	11.34	KYG9317Q1385	VAPAAHD KY
Class A CAD Hedged	12.26	KYG9317Q1468	VAPACAH KY
Class A NZD Hedged	12.67	KYG9317Q1534	VAPANZH KY

The fund – Class A USD: Monthly performance from 1 Jan 2009 to 29 Sep 2017 ²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.0%	-2.3%	+12.4%	+11.6%	+17.9%	+4.3%	+11.9%	-7.0%	+4.6%	+8.4%	+6.8%	+1.5%	+87.1%
2010	-6.1%	+2.4%	+6.2%	+2.3%	-4.8%	+1.6%	+3.9%	+1.6%	+10.8%	+4.5%	+1.2%	-2.6%	+21.3%
2011	-3.2%	-0.9%	+4.8%	+2.2%	-2.5%	-2.4%	+1.5%	-7.3%	-19.4%	+13.5%	-7.6%	-0.3%	-22.4%
2012	+7.6%	+6.6%	-5.5%	+1.0%	-8.4%	-3.8%	-3.5%	+0.6%	+5.8%	+2.7%	+0.1%	+7.4%	+9.3%
2013	+7.5%	-2.0%	-2.9%	-0.6%	+2.7%	-9.9%	+3.5%	+1.8%	+2.2%	+3.9%	+5.6%	-1.8%	+9.2%
2014	-5.6%	+1.0%	-3.6%	-1.0%	+1.2%	+3.4%	+8.8%	+1.3%	-1.2%	+3.2%	+1.6%	+5.4%	+14.6%
2015	+1.8%	+1.3%	+6.7%	+19.8%	+1.7%	-8.1%	-12.6%	-12.5%	+1.5%	+5.5%	-3.8%	+2.4%	-0.5%
2016	-16.6%	-0.9%	+8.5%	-2.1%	-2.5%	-1.1%	+4.8%	+6.7%	+0.4%	-1.8%	+1.1%	-3.5%	-8.7%
2017 (YTD)	+5.9%	+2.3%	+3.8%	+0.3%	+2.9%	+3.7%	+1.8%	+3.1%	+1.6%				+28.5%

[^] Annualized return and volatility are calculated from inception on 14 Jul 2000. 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.

Top 10 securities holdings

Name	Industry ⁴	%
Alibaba Group Holding Ltd	Software & services	7.8
Tencent Holdings Ltd	Software & services	7.0
China International Capital Corporation Ltd	Diversified financials	6.1
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	4.4
Midea Group Co Ltd	Consumer durables & apparel	4.3
PetroChina Co Ltd	Energy	4.3
Ping An Insurance (Group) Co of China Ltd	Insurance	4.2
Industrial and Commercial Bank of China Ltd	Banks	4.1
China South Publishing and Media Group Co Ltd	Media	4.0
Hisense Electric Co Ltd	Consumer durables & apparel	4.0

These stocks constitute 50% of the fund.

Portfolio characteristics

As at 29 Sep 2017	2017 ⁵
Price/earnings ratio	13.4 times
Price/book ratio	1.7 times
Dividend yield	2.7%

Geographical exposure by listing ⁶

H Shares	36%
China A Shares	27%
Hong Kong	9%
Red Chips	9%
United States	8%
Taiwan	7%
China B Shares	3%
Others	1%

Short exposure includes: Hong Kong, -4.7%.

Sector exposure ^{4, 6}

Consumer discretionary	23%
Information technology	22%
Health care	10%
Other financials	9%
Banks	7%
Consumer staples	7%
Utilities	7%
Energy	6%
Industrials	4%
Insurance	4%
Others	1%

Total short exposure is -4.7%.

Short exposure includes: Health care, -2.6%; Information technology, -1.3% and Banks, -0.8%.

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	Bank of Bermuda (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class A USD - 14 Jul 2000 Class A AUD Hedged - 27 Oct 2015 Class A CAD Hedged - 7 Jan 2016 Class A NZD Hedged - 7 Jan 2016

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	USD10,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee ⁷	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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;

Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent fund award



Fund of the Year Awards 2015 ⁸
China Equity (Outstanding Achiever)
~ Benchmark Magazine

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 29 Sep 2017, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 3. Starting from Jul 2009, the MSCI China Index will be used as the reference index for the entire history of the fund. Hang Seng H Shares Index, Shanghai Composite Index and Shenzhen Composite Index were no longer shown for comparison. The Index is for reference only. 4. Classification is based on Global Industry Classification Standard (GICS). 5. 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. 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. 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). 8. Reflecting performance as at September 2015.

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 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 Limited.

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: **USD54.26**

Fund size : **USD146.6 million**



Morningstar Rating™¹
As at 30-09-2017

29 September 2017

- Chinese Mainland Focus Fund (The "Fund") invests primarily in investments which are related to the Mainland of the People's Republic of China ("PRC") and investments whose value the Manager believes would be boosted by a Renminbi ("RMB") appreciation.
- 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.
- The Fund may directly invest in A Shares and other eligible securities through the qualified foreign institutional investors ("QFII") quota. Investors will be subject to certain risks including repatriation risk, custodial risk, regulatory risk. In addition, the QFII policy and rules are subject to change. All these may adversely impact the Fund.
- Investments 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 medium to long-term capital appreciation by investing primarily in investments which are related to the Mainland of the People's Republic of China ("PRC") and investments whose value the Manager believes would be boosted by a Renminbi ("RMB") appreciation. The Manager will also invest in investments whose value the Manager believes would increase even if the RMB exchange rate remains unchanged.

Performance since launch ²



Performance update ²

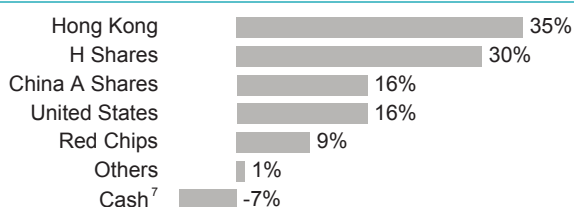
	The fund	MSCI China Index ³
One month	+2.2%	+1.0%
Year-to-date	+46.5%	+43.1%
One year	+41.2%	+33.0%
Three years	+48.9%	+42.7%
Five years	+79.5%	+68.1%
Since launch	+442.6%	+454.8%
Annualized return [^]	+13.0%	+13.2%
Annualized volatility [^]	22.4%	26.0%

The fund – Monthly performance from 1 Jan 2009 to 29 Sep 2017 ²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.2%	-2.1%	+11.8%	+11.4%	+17.7%	+3.4%	+12.3%	-7.1%	+5.2%	+8.8%	+6.7%	+1.8%	+86.0%
2010	-5.7%	+1.9%	+6.5%	+2.8%	-4.7%	+1.5%	+4.9%	+1.7%	+10.6%	+6.4%	-1.1%	-2.0%	+23.9%
2011	-2.5%	-0.9%	+4.8%	+3.4%	-1.2%	-2.2%	+1.8%	-7.6%	-19.5%	+15.6%	-7.8%	+0.6%	-17.8%
2012	+6.7%	+6.8%	-5.7%	+1.4%	-8.6%	-3.5%	-2.7%	+0.7%	+5.5%	+4.5%	+1.4%	+6.0%	+11.6%
2013	+8.1%	-3.2%	-3.3%	-0.1%	+0.4%	-8.8%	+2.4%	+4.5%	+2.9%	+4.1%	+4.5%	-2.3%	+8.3%
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 (YTD)	+7.9%	+3.2%	+3.5%	+1.8%	+2.8%	+4.9%	+9.8%	+3.2%	+2.2%				+46.5%

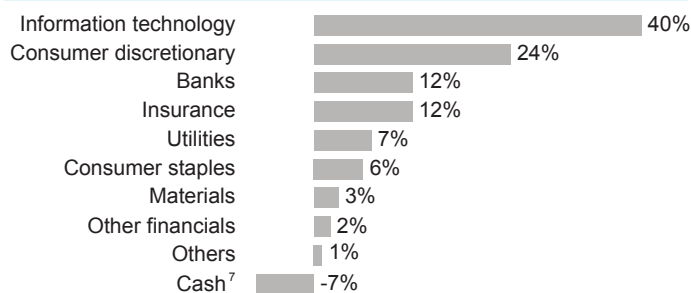
[^] Annualized return and volatility are calculated from inception on 27 Nov 2003. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

Geographical exposure by listing ⁶



Short exposure includes: H Shares, -1.4%.

Sector exposure ^{5, 6}



Total short exposure is -1.4%.

Short exposure includes: Consumer discretionary, -1.4%.

Fund facts

Manager: Value Partners Limited
 Base currency: USD
 Trustee: Bank of Bermuda (Cayman) Limited
 Custodian: HSBC Institutional Trust Services (Asia) Limited
 Launch date: 27 Nov 2003
 Bloomberg and ISIN codes: VAPAICM KY / KYG9317Q1120

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	USD10,000
Minimum subsequent subscription	USD5,000
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

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: Chung Man Wing; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent fund award



Lipper Fund Awards 2013 (Hong Kong)
Best China Equity Fund (5 Years) ⁹
 ~ Lipper

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 29 Sep 2017, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 3. Starting from Jul 2009, the MSCI China Index will be used as the reference index for the entire history of the fund. Hang Seng H Shares Index, Shanghai Composite Index and Shenzhen Composite Index were no longer shown for comparison. The Index is for reference only. 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. Classification is based on Global Industry Classification Standard (GICS). 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding 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. Based on data as of year-end 2012.

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

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NAV per unit: Class A RMB (CNH) – RMB14.89
 Fund size : USD87.1 million (RMB579.0 million)

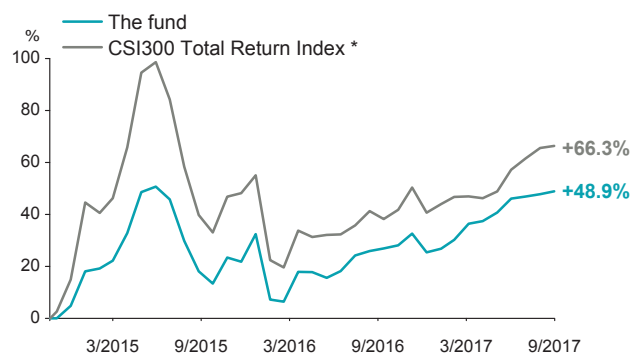
29 September 2017

- Value Partners China A-Share Select Fund (The “Fund”) invests primarily in RMB-denominated equities in China.
- The Fund is also subject to concentration risk as a result of investing only in China. Adverse developments 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 intends to invest predominantly in China A Shares directly, via its Manager’s RQFII quota. Investors will be subject to certain risks including repatriation risk, custodial risk, regulatory risk and risks associated with the Manager’s RQFII status. In addition, the RQFII policy and rules are relatively new and there may be uncertainty in implementation and such policy and rules are subject to change. All these may adversely impact the Fund.
- The Fund and its primary investments are denominated in RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
- The Fund may invest in debt securities including those that are below investment grade/unrated, and may involve greater risks, including credit risk, issuer-specific risk, counterparty risk and sovereign debt risk. The fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk. All these 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

To achieve long-term capital growth and income appreciation by predominately investing in RMB-denominated equities in the PRC utilizing the Manager’s RQFII quota.

Performance since launch



Performance update

	Class A RMB (CNH)	CSI300 Total Return Index*	Shanghai Composite Index*
One month	+0.7%	+0.5%	-0.4%
Three months	+1.9%	+5.8%	+4.9%
Year-to-date	+18.7%	+18.2%	+7.9%
Since launch	+48.9%	+66.3%	+42.1%

Top 5 securities holdings

Name	Industry ¹	%
China CITIC Bank Corporation Limited	Banks	5.7
China Everbright Bank Company Limited	Banks	5.7
Huayu Automotive Systems Company Limited	Automobiles & components	4.5
Ping An Insurance (Group) Company of China Ltd	Insurance	4.5
Agricultural Bank of China Limited	Banks	4.1

These stocks constitute 25% of the fund.

Portfolio characteristics

As at 29 Sep 2017	2017 ²
Price/earnings ratio	11.9 times
Price/book ratio	1.6 times
Dividend yield	3.0%

Geographical exposure by listing³

Shanghai A Shares	63%
Shenzhen A Shares	31%
Cash ⁴	6%

Sector exposure^{1,3}

Consumer discretionary	26%
Banks	16%
Materials	12%
Consumer staples	10%
Health care	8%
Industrials	7%
Cash ⁴	6%
Energy	4%
Information technology	4%
Insurance	4%
Real estate	3%

The fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 29 Sep 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+0.0%	+4.8%	+12.7%	+18.1% ⁵
2015	+0.9%	+2.5%	+8.7%	+11.9%	+1.4%	-3.3%	-11.0%	-9.0%	-4.0%	+8.8%	-1.3%	+8.7%	+12.1%
2016	-19.0%	-0.7%	+10.8%	-0.1%	-1.9%	+2.2%	+5.1%	+1.4%	+0.8%	+0.9%	+3.5%	-5.4%	-5.3%
2017 (YTD)	+1.1%	+2.7%	+4.8%	+0.7%	+2.4%	+3.8%	+0.5%	+0.6%	+0.7%				+18.7%

* CSI300 Total Return Index includes dividend reinvestment whereas Shanghai Composite Index does not take into account reinvestment of dividends. The indices are for reference only.

NAVs & codes

Classes ⁶	NAV	ISIN	Bloomberg
Class A RMB (CNH)	14.89	HK0000220001	VPCAARM HK
Class A USD Unhedged	13.88	HK0000220019	VPCAAUU HK
Class A USD Hedged	13.47	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	13.99	HK0000220035	VPCAAHU HK
Class A HKD Hedged	13.46	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	15.35	HK0000220076	VPCAAGU HK
Class A GBP Hedged	13.22	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	12.67	HK0000220092	VPCAAAU HK
Class A AUD Hedged	13.75	HK0000220100	VPCAAAH HK
Class A CAD Hedged	12.63	HK0000220126	VPCAACH HK
Class A EUR Unhedged	12.84	HK0000220050	VPCAAEU HK
Class A EUR Hedged	13.19	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	12.02	HK0000220134	VPCAANU HK
Class A NZD Hedged	13.54	HK0000220142	VPCAANH HK

Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Base currency:	Renminbi
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
PRC custodian:	HSBC Bank (China) Company Limited
Launch date:	Class A RMB (CNH) Hedged - 16 Oct 2014 Class A USD Unhedged - 29 Oct 2014 Class A AUD/CAD/EUR/HKD/NZD/USD Hedged - 12 Nov 2014 Class A HKD Unhedged - 13 Nov 2014 Class A GBP Hedged - 14 Nov 2014 Class A GBP Unhedged - 26 Nov 2014 Class A AUD Unhedged - 28 Nov 2014 Class A NZD Unhedged - 16 Jan 2015 Class A EUR Unhedged - 29 Feb 2016

Fee structure

	Class A
Minimum subscription	RMB60,000 or equivalent
Minimum subsequent subscription	RMB30,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee ⁷	15% of profit (High-on-High)
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: Chung Man Wing; Kenny Tjan, CFA;
 Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;
 Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent corporate awards



Asset Management Awards 2016 ⁸
Fund House of the Year – Hong Kong
 ~ AsianInvestor



Thomson Reuters Lipper Fund Awards 2016 ⁸
Best Equity Group (Hong Kong)
 ~ Thomson Reuters

All fund information is as of 29 Sep 2017 unless otherwise stated. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Performance in RMB, NAV to NAV, with dividend reinvested and net of all fees. 1. Classification is based on Global Industry Classification Standard (GICS). 2. 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. 3. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 4. Cash refers to net cash on hand excluding cash for collaterals and margins. 5. Performance shown is calculated based on the fund's since launch return. The fund was launched on 29 Oct 2014. 6. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund's base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund's base currency may be higher than that of the equivalent class denominated in the fund's base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/EUR/GBP/HKD/NZD/USD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 7. 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). 8. The award reflecting performance as at December 2015.

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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 read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information herein 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 document has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

NAV per unit: USD20.04
 Fund size : USD62.1 million



Morningstar Rating™¹
 As at 30-09-2017

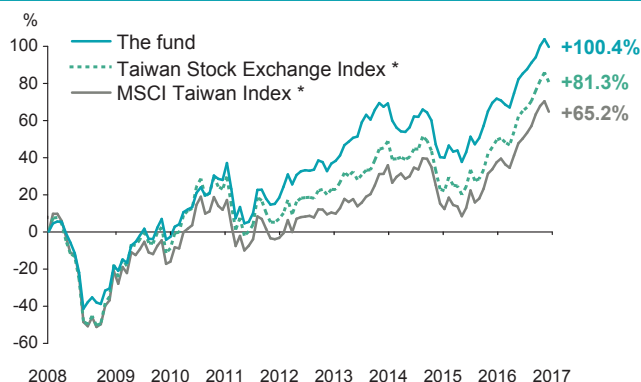
29 September 2017

- 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 ²



Performance update ²

	The fund	Taiwan Stock Exchange Index *	MSCI Taiwan Index *
One month	-2.1%	-2.8%	-3.4%
Year-to-date	+19.6%	+23.3%	+22.6%
One year	+16.3%	+21.1%	+19.9%
Three years	+24.9%	+30.0%	+30.5%
Since launch	+100.4%	+81.3%	+65.2%
Annualized return [^]	+7.5%	+6.4%	+5.4%
Annualized volatility [^]	18.5%	23.9%	24.0%

Top 5 securities holdings ⁵

Name	Industry ³	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.9
Hon Hai Precision Ind. Co Ltd	Technology, hardware & equipment	5.7
MediaTek Inc	Semiconductors & semiconductor equipment	3.7
Chunghwa Telecom Co Ltd	Telecom services	3.5
Nanya Technology Corporation	Semiconductors & semiconductor equipment	3.4

These stocks constitute 26% of the fund.

Portfolio characteristics

As at 29 Sep 2017	2017 ⁴
Price/earnings ratio	12.9 times
Price/book ratio	1.9 times
Dividend yield	4.8%

Geographical exposure by listing ⁶

Taiwan	94%
Cash ⁷	3%
United States	2%
Others ⁸	1%

Short exposure includes: Taiwan, -0.9%.

Sector exposure ^{3, 6}

Information technology	64%
Industrials	8%
Telecom services	7%
Banks	5%
Materials	4%
Cash ⁷	3%
Consumer staples	3%
Insurance	3%
Other financials	2%
Others ⁸	1%

Total short exposure is -0.9%.

Short exposure includes: Information technology, -0.9%.

The fund – Monthly performance from 1 Jan 2009 to 29 Sep 2017 ²

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%	+3.2%	+1.8%	-2.1%				+19.6%

* The indices are for reference only.

[^] 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 ⁹	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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;

Philip Li, CFA; Luo Jing, CFA; Kai Mak

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 29 Sep 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. Month-end portfolio holdings in English with one month lag can be obtained from the Investment Manager upon request to email fis@vp.com.hk, subject to a prevailing handling fee chargeable at the Investment Manager's discretion. 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding cash for collaterals and margins. 8. Others include 0.7% cash for collaterals and margins. 9. 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.

Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD89.06 | Class A2 MDis USD - USD11.79
Fund size : USD3,302.0 million



Morningstar Rating™
As at 30-09-2017

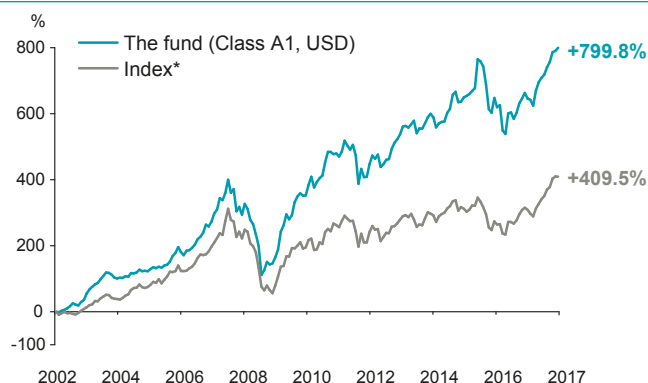
29 September 2017

- Value Partners High-Dividend Stocks Fund (The "Fund") primarily invests in higher yielding debt and equity securities in the Asian region.
- The Fund may invest in higher-yielding debt and equity securities that are below investment grade. Such investments can involve greater risks due to the speculative nature.
- The Fund may invest in China and other markets of the Asian region, 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. 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.
- In respect of the distribution units for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
- 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 provide capital appreciation to unitholders by investing primarily in a portfolio of relatively higher yielding debt and equity securities in Asian region.

Performance since launch



Performance update

	Class A1 USD	Class A2 MDis USD	Class A Acc RMB	Index*
One month	+1.0%	+0.9%	+1.5%	-0.1%
Year-to-date	+24.2%	+23.3%	+18.4%	+30.9%
One year	+17.9%	+17.0%	+17.5%	+22.7%
Three years	+22.4%	+21.7%	+29.8%	+25.4%
Five years	+51.6%	+49.2%	N/A	+42.3%
Since launch	+799.8%	+49.2%	+45.1%	+409.5%
Annualized return ^	+15.7%	+8.3%	+11.1%	+11.4%
Annualized volatility ^	18.4%	13.0%	12.7%	20.1%

Dividend information – Class A2 MDis ²

Classes ³	Dividend per unit ⁴	Annualized yield ⁵	Ex-dividend date
Class A2 MDis USD	0.0476	4.8%	29-9-2017
Class A2 MDis HKD	0.0439	4.8%	29-9-2017
Class A2 MDis AUD Hedged	0.0501	5.9%	29-9-2017
Class A2 MDis CAD Hedged	0.0409	4.7%	29-9-2017
Class A2 MDis GBP Hedged	0.0350	4.2%	29-9-2017
Class A2 MDis NZD Hedged	0.0496	5.6%	29-9-2017
Class A2 MDis RMB Hedged	0.0491	5.6%	29-9-2017
Class A2 MDis RMB Unhedged	0.0502	5.8%	29-9-2017
Class A2 MDis SGD Hedged	0.0415	4.4%	29-9-2017

NAVs & codes

Classes ³	NAV	ISIN	Bloomberg
Class A1 USD	89.06	HK0000288735	VALASHY HK
Class A1 HKD ⁶	695.6388	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	12.63	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.51	HK0000288727	VALHAUR HK
Class A2 MDis USD	11.79	HK0000288743	VALHYA2 HK
Class A2 MDis HKD	10.88	HK0000288784	VALHA2H HK
Class A2 MDis AUD Hedged	10.25	HK0000288750	VALHA2A HK
Class A2 MDis CAD Hedged	10.41	HK0000288768	VALHA2C HK
Class A2 MDis GBP Hedged	9.91	HK0000288776	VALHDSF HK
Class A2 MDis NZD Hedged	10.54	HK0000288792	VALHA2N HK
Class A2 MDis RMB Hedged	10.43	HK0000288800	VALHRMB HK
Class A2 MDis RMB Unhedged	10.45	HK0000288818	VAHYRMB HK
Class A2 MDis SGD Hedged	11.40	HK0000288867	VALHA2S HK

The fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 29 Sep 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.0%	+1.2%	+7.5%	+8.9%	+18.9%	+5.4%	+9.2%	-3.8%	+3.3%	+10.2%	+3.9%	+2.1%	+82.8%
2010	-1.6%	+0.2%	+7.0%	+5.1%	-6.4%	+3.5%	+2.4%	+1.5%	+8.0%	+5.6%	+0.0%	-1.2%	+25.8%
2011	+0.4%	-1.6%	+2.6%	+5.7%	-2.3%	-2.1%	+2.5%	-5.2%	-15.1%	+9.2%	-4.7%	+0.2%	-11.9%
2012	+7.5%	+4.7%	-1.7%	+2.2%	-6.5%	+1.5%	+2.4%	+0.4%	+5.5%	+3.1%	+1.7%	+2.4%	+25.2%
2013	+3.7%	+0.4%	-0.8%	+1.5%	+1.7%	-5.6%	+2.3%	-0.1%	+2.5%	+2.7%	+1.6%	-1.5%	+8.1%
2014	-4.4%	+1.8%	+0.7%	+0.2%	+3.8%	+1.8%	+5.9%	+1.2%	-4.1%	+0.3%	+1.8%	+0.6%	+9.4%
2015	+0.8%	+1.2%	+1.1%	+11.2%	-0.7%	-1.8%	-6.4%	-9.5%	-1.6%	+6.4%	-3.8%	+0.9%	-3.7%
2016	-10.5%	-1.7%	+9.7%	+0.4%	-2.7%	+2.6%	+4.1%	+2.0%	+2.3%	-2.2%	-0.6%	-2.3%	-0.2%
2017 (YTD)	+6.3%	+3.2%	+1.7%	+1.1%	+2.8%	+1.9%	+3.5%	+0.4%	+1.0%				+24.2%

* Index refers to MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index. The Index is for reference only.

^ Annualized return and volatility are calculated from inception on 2 Sep 2002. 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.

Top 10 securities holdings

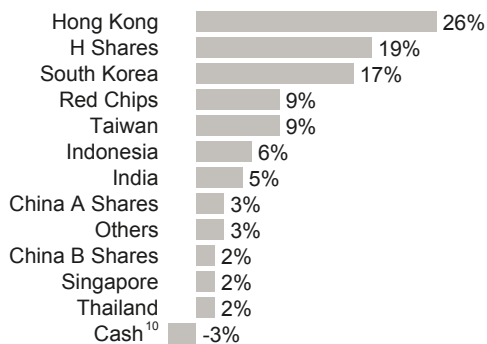
Name	Industry ⁷	%
Samsung Electronics Co Ltd – Preference Share	Technology, hardware & equipment	9.5
China Construction Bank Corp	Banks	5.4
Longfor Properties Co Ltd	Real estate	4.7
KB Financial Group Inc	Banks	2.7
PetroChina Co Ltd	Energy	2.7
China Resources Power Holdings Co Ltd	Utilities	2.4
Midea Group Co Ltd	Consumer durables & apparel	2.2
Ping An Insurance (Group) Co of China Ltd	Insurance	2.2
Far East Horizon Ltd	Diversified financials	2.1
Yangtze Optical Fibre and Cable Joint Stock Ltd Co	Technology, hardware & equipment	2.1

These stocks constitute 36% of the fund.

Portfolio characteristics

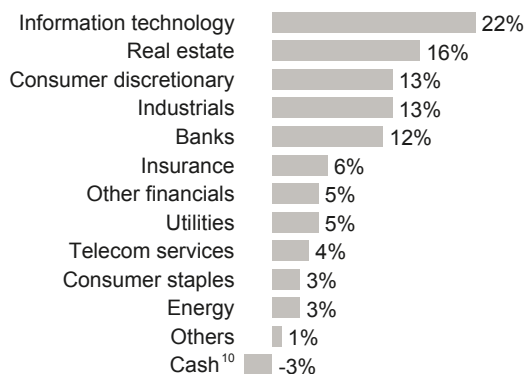
As at 29 Sep 2017	2017 ⁸
Price/earnings ratio	8.4 times
Price/book ratio	1.1 times
Dividend yield	4.3%
Yield to maturity/put	N/A

Geographical exposure by listing ⁹



Short exposure includes: H Shares, -0.1%.

Sector exposure ^{7, 9}



Total short exposure is -0.1%.

Short exposure includes: Derivatives, -0.1%.

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class A1 USD - 2 Sep 2002 Class A2 MDis USD - 28 Sep 2012 Class A2 MDis HKD - 23 Sep 2013 Class A2 MDis AUD/CAD/NZD Hedged - 23 Sep 2013 Class A Acc RMB Unhedged - 20 Mar 2014 Class A2 MDis RMB Unhedged - 1 Sep 2014 Class A2 MDis RMB Hedged - 10 Sep 2014 Class A Acc RMB Hedged - 11 Sep 2014 Class A2 MDis GBP Hedged - 12 Mar 2015 Class A2 MDis SGD Hedged - 23 Jan 2017
Dividend policy ² :	Class A2 MDis – aim at monthly distribution, subject to Manager’s discretion

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

Fee structure

	Class A1	Class A2 MDis	Class A Acc
Minimum subscription	USD10,000 or HKD equivalent ⁶	USD10,000 / HKD80,000 / AUD10,000 / CAD10,000 / GBP10,000 / RMB60,000 / NZD10,000 / SGD10,000	RMB60,000
Minimum subsequent subscription	USD5,000 or HKD equivalent ⁶	USD5,000 / HKD40,000 / AUD5,000 / CAD5,000 / GBP5,000 / RMB30,000 / NZD5,000 / SGD5,000	RMB30,000
Subscription fee		Up to 5%	
Management fee		1.25% p.a.	
Performance fee ¹¹		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: Chung Man Wing; Kenny Tjan, CFA;
 Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;
 Philip Li, CFA; Luo Jing, CFA; Kai Mak

Recent fund awards



Thomson Reuters Lipper Fund Awards 2016 & 2017 ¹²
Best Asia Pacific ex-Japan Equity (10 Years)
 ~ Thomson Reuters



Fund Selector Asia Singapore Awards 2016 ¹³
Asia Pacific Equity (Platinum Winner)
 ~ Fund Selector Asia

All fund information is as of 29 Sep 2017 unless otherwise stated. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Performance in USD, NAV to NAV, with dividend reinvested and net of all fees. 1. © 2017 Morningstar, Inc. All Rights Reserved (for Class A1). 2. The Manager currently intends to make monthly dividend distribution in respect of the A2 MDis Classes; actual dividend payout will be subject to the Manager’s discretion. Distribution may be paid from capital of the fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. For A1 Class units, Manager will review dividend distribution at its discretion once a year (last dividend payout date: 21 Nov 2005). Please refer to the explanatory memorandum for more details. 3. The fund may invest in financial derivative instruments (“FDI”) for hedging purposes. In adverse situations, the fund’s use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund’s base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund’s base currency may be higher than that of the equivalent class denominated in the fund’s base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/GBP/NZD/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 5. Annualized yield of Class A2 MDis is calculated as follows: (dividend amount/NAV as of ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 6. Investors should note that the base currency of the fund is in USD. The HKD equivalent NAV per unit is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of the fund will normally take place at the prevailing rate (as determined by the fund’s Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD. 7. Classification is based on Global Industry Classification Standard (GICS). 8. 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. Investors should note that all yield figures are for reference only and do not represent the actual performance of the fund or the dividend yield received by investors, nor does a positive yield imply a positive return. “Dividend yield” is calculated based on the equity portion of the fund, whereas “Yield to maturity/put” is calculated based on the debt portion of the fund by taking the average of yields of individual holdings (being the higher of the yield to maturity and yield to put of each bond/convertible bond) after excluding event-driven investment with extremely high yield. 9. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 10. Cash refers to net cash including cash equivalents, investment in money market funds but excluding cash for collaterals and margins. 11. 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). 12. The award reflecting performance as at Dec 2016 and Dec 2015 respectively. 13. The award winners were selected among funds with “Accredited Investor” status in Singapore, based on performance data from 30 Jun 2012 to 30 Jun 2015 and voting from a panel of industry fund selectors.

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.

NAV per unit: Class A (USD): USD10.82

Fund size : USD58.9 million

29 September 2017

- Value Partners Multi-Asset Fund (The "Fund") aims to invest through an actively managed portfolio of collective investment schemes including unit trusts, mutual funds, unlisted index funds and exchange traded funds ("Underlying Schemes") in global markets which are primarily linked to the global trend of economies.
- Since the investment decisions of the Underlying Schemes are made at the level of such schemes, there can be no assurance that the selection of the managers of the Underlying Schemes will result in an effective diversification of investment styles. The Fund may also be adversely affected by suspension of redemption or calculation of net asset value or termination of the Underlying Schemes.
- The Fund may invest in Underlying Schemes which invest in emerging markets and will be subject to greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund may also invest in unlisted index funds and commodity-related investment schemes and will be subject to liquidity risk and commodity market risk.
- The Fund may also invest in unrated or below investment grade debt securities and other 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 invest through an actively managed portfolio of collective investment schemes managed by the Manager or its connected persons and/or its third parties in global markets which are primarily linked to the global trend of economies.

Performance update

	The fund
One month	+0.2%
Year-to-date	+10.7%
Since launch	+8.2%

Top 5 holdings

Holdings	%
Value Partners Classic Fund	20.7
Value Partners Greater China High Yield Income Fund	14.6
Value Partners Chinese Mainland Focus Fund	5.3
Prudent Investment Fund	5.2
Henderson Horizon - Japanese Smaller Companies Fund	5.1

By asset class ¹

Equity	57%
Fixed income	19%
Alternatives	14%
Cash	10%

Equity – by region ¹

Asia ex-Japan	44%
Japan	5%
Emerging Markets	3%
Europe	3%
United States	2%

Fixed income – by category ¹

Asia High Yield	15%
Europe High Yield	3%
Emerging Markets	1%

¹ Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%.

All fund information as of 30 Sep 2017. Source: The Hongkong and Shanghai Banking Corporation Limited and Bloomberg, in USD. NAV to NAV, with dividends reinvested. Performance data is net of all fees. 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. The information provided does not constitute investment advice and it should not be relied on as such. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This document has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

NAV & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	10.82	HK0000269149	VPMAAUS HK
Class A HKD	10.73	HK0000269156	VPMAHKD HK

Fund facts

Manager:	Value Partners Hong Kong Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Base currency:	US dollars
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
Launch date:	Class A USD - 13 Oct 2015 Class A HKD - 18 Aug 2016

Fee structure

	Class A
Minimum subscription	USD10,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.75% p.a.
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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;

Philip Li, CFA; Luo Jing, CFA; Kai Mak

Value Partners Greater China High Yield Income Fund

NAV per unit: USD15.35 (P Acc USD) / USD9.21 (P MDIs USD)

Fund size : USD4,048.0 million

29 September 2017

- Value Partners Greater China High Yield Income Fund (the "Fund") primarily invests in a portfolio of fixed and floating rate bonds and other debt securities, including convertible bonds, in the Greater China region.
- The Fund may invest in high yielding securities which may be unrated or below investment grade and debt securities issued by special purpose vehicles. The Fund is therefore exposed to higher credit/insolvency risk and default risk.
- The Fund primarily invests in the Greater China region and therefore is subject to emerging market and concentration 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. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
- In respect of the distribution shares for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease of the net asset value per share of the Fund.
- 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 marketing material alone. Please read the explanatory memorandum for details and risk factors.

Investment objective

To provide capital appreciation to investors through primarily investing in Greater China debt securities including but not limited to high yield, convertible, and mainland Chinese offshore bonds.

Commentary

Portfolio review:

Asian credit markets were stable in September despite the continuous war of words between US President Donald Trump and the North Korean leader Kim Jong-un. The broader market stayed roughly flat for the month, with high-yield issues outperforming investment-grade papers. Investors' desire for yield and idle money being put to work provided continuous support for the market. During the month, we continued to be active in Chinese industrial names, our equity-linked strategy and the new issues market across the entire credit spectrum.

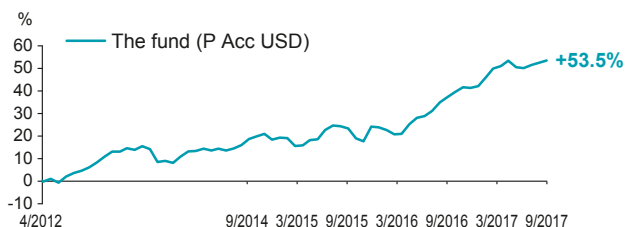
Outlook:

Investors' demand for yield appears to be intact. Geopolitical risks and high equities valuations may further direct fund flows into fixed income and credits, especially emerging market bonds. U.S. politics, as well as the Fed's plan for future rate hikes and balance sheet reduction will continue to dominate the landscape. We will follow the market closely and continue to trade the trend and deploy our capital accordingly.

Corporate update:

Last but not the least, we are pleased to announce that Value Partners ranked first in the Hedge Fund category of The Asset Benchmark Research Awards 2017 – Asian G3 Bonds in 2017. Our Greater China High Yield Income Fund was also awarded Best Fixed Income Fund at the prestigious HFM Asia Hedge Fund Performance Awards 2017. Throughout the past 5 years, our fixed income investment team, as well as the Fund, has received a number of industry accolades for its excellent investment performance.

Performance since launch ¹



Performance update ¹

	The fund (P Acc USD)
One month	+0.7%
Year-to-date	+8.0%
One year	+10.0%
Three years	+29.8%
Five years	+44.8%
Since launch	+53.5%
Annualized return	+8.1%
Annualized volatility	6.0%

Top 10 securities holdings

Name	Sector ⁵	Country	%
Energy Resources LLC 0% 09/30/2022	Materials	Mongolia	1.7
Gajah Tunggal Tbk PT 8.375% 08/10/2022	Automobiles & components	Indonesia	1.7
Tungshu Venus Holdings Ltd 7% 06/12/2020	Technology, hardware & equipment	China/Hong Kong	1.6
Kaisa Group Holdings Ltd 8.5% 06/30/2022	Real estate	China/Hong Kong	1.6
Golden Wheel Tiandi Holdings Co Ltd 8.25% 11/03/2019	Real estate	China/Hong Kong	1.5
AMTD Group Co Ltd 7.625% PERP	Diversified financials	China/Hong Kong	1.4
Yida China Holdings Ltd 6.95% 04/19/2020	Real estate	China/Hong Kong	1.4
Rock International Investment Inc 6.625% 03/27/2020	Materials	China/Hong Kong	1.4
Prime Bloom Holdings Ltd 7.5% 12/19/2019	Textiles	China/Hong Kong	1.4
Geo Coal International Pte Ltd 8% 10/04/2022	Energy	Singapore	1.3

The fund – P Acc USD: Monthly performance from 27 Mar 2012 to 29 Sep 2017 ¹

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	N/A	N/A	-0.3%	+1.2%	-1.7%	+2.7%	+1.6%	+1.0%	+1.4%	+2.1%	+2.3%	+2.1%	+13.0%
2013	+0.0%	+1.3%	-0.6%	+1.4%	-1.1%	-5.0%	+0.5%	-0.8%	+2.6%	+2.1%	+0.2%	+0.9%	+1.2%
2014	-0.7%	+0.7%	-0.7%	+0.8%	+1.3%	+2.3%	+1.0%	+0.9%	-2.2%	+0.8%	-0.2%	-2.9%	+1.1%
2015	+0.3%	+2.0%	+0.3%	+3.5%	+1.6%	-0.2%	-0.8%	-3.6%	-1.1%	+5.5%	-0.2%	-1.0%	+6.1%
2016	-1.5%	+0.2%	+3.6%	+2.2%	+0.6%	+1.8%	+2.9%	+1.8%	+1.6%	+1.5%	-0.2%	+0.6%	+15.9%
2017 (YTD)	+2.8%	+2.6%	+0.7%	+1.6%	-1.9%	-0.3%	+0.9%	+0.7%	+0.7%				+8.0%

Dividend information – Class MDIs ²

Classes ³	Dividend amount / unit	Annualized yield ⁴	Ex-dividend date
P MDIs USD	0.0632	8.2%	29-9-2017
P MDIs HKD	0.0632	8.2%	29-9-2017
P MDIs SGD Hedged	0.0649	7.7%	29-9-2017
A MDIs AUD Hedged	0.0705	9.3%	29-9-2017
A MDIs CAD Hedged	0.0622	8.1%	29-9-2017
A MDIs EUR Hedged	0.0575	6.9%	29-9-2017
A MDIs GBP Hedged	0.0606	7.6%	29-9-2017
A MDIs NZD Hedged	0.0720	9.1%	29-9-2017

Sector exposure ^{5,6}

Real estate	39.5%
Others	13.3%
Energy	8.9%
Materials	7.4%
Banks	4.3%
Diversified financials	4.3%
Transportation	4.2%
Telecommunication services	4.0%
Cash ⁷	3.5%
Retailing	3.3%
Technology, hardware & equipment	3.0%
Consumer durables & apparel	2.4%
Automobiles & components	1.9%
Average duration	2.8 years
Yield to Maturity ⁸	8.3%
Number of bond issuers	159

Geographical exposure ⁶

China/Hong Kong	64.4%
Others	25.5%
Indonesia	6.6%
Cash ⁷	3.5%

Credit ratings

AAA	0.2%
BBB	0.1%
BB	4.6%
B & Below	59.9%
Non-Rated ⁹	31.7%
Cash ⁷	3.5%
Investment grade	0.3%
High yield	64.5%
Average credit rating	B-

Currency breakdown

USD	97.0%
HKD	2.1%
SGD	0.5%
EUR	0.4%

NAVs & Codes

Classes ³	NAV	ISIN	Bloomberg
P Acc USD	15.35	KYG9319N1097	VPGCPUA KY
P Acc HKD	15.33	KYG9319N1253	VPGCPHA KY
P MDIs USD	9.21	KYG9319N1170	VPGPUMD KY
P MDIs HKD	9.21	KYG9319N1337	VPGPUMD KY
P MDIs SGD Hedged	10.06	KYG9319N1824	VPPSHMA KY
A MDIs AUD Hedged	9.14	KYG9319N2327	VPGCAUD KY
A MDIs CAD Hedged	9.23	KYG9319N2400	VPGCCAD KY
A MDIs GBP Hedged	9.56	KYG9319N3317	VPGCAGH KY
A MDIs EUR Hedged	10.00	KYG9319N3499	VCHAMEH KY
A MDIs NZD Hedged	9.51	KYG9319N2574	VPGCHNZ KY

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Administrator:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	P Acc & MDIs USD/HKD – 27 Mar 2012 A MDIs AUD/CAD/NZD – 23 Sep 2013 P MDIs SGD – 26 Sep 2014 A MDIs EUR – 5 Feb 2015 A MDIs GBP – 14 Apr 2015
Dividend policy ² :	MDIs – Aim at Monthly distribution, subject to Manager's discretion

Fee structure (Class A and Class P)

Minimum subscription	HK\$80,000/USD10,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance 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
Fixed income investment team:
Chief Investment Officer, Fixed Income: Gordon Ip, CFA
Senior Fund Managers: Elaine Hu, Jason Yan, CFA, ACCA
Fund Managers: Edwin Kam, CFA; Yee Choon Lim

Recent fund awards



2017 Asian G3 Bonds Top Investment House ¹⁰
Value Partners - Ranked Number 1
in Hedge Fund category
 ~ The Asset Benchmark Research Awards 2017

Best Fixed Income Fund ¹¹
 ~ HFM Asia Performance Awards 2017

Fund Manager of the Year –
Long-only Fixed Income (Highly Commended) ¹²
Value Partners' Chief Investment Officer,
Fixed Income – Gordon Ip
 ~ The Asset, Triple A, Asset Servicing, Investor and Fund Management Awards 2017

1. Source: HSBC Institutional Trust Services (Asia) Limited, data as of 29 Sep 2017 in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 2. The manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. No dividends will be paid with respect to the Accumulation Classes. Distribution may be paid from capital of the fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. Please refer to the Explanatory Memorandum for further details including the distribution policy. 3. The fund may invest in financial derivative instruments ("FDI") for hedging purposes. In adverse situations, the fund's use of FDI may become ineffective in hedging and the fund may suffer significant losses. Each hedged share class will hedge the fund's base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the fund's base currency may be higher than that of the equivalent class denominated in the fund's base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/EUR/GBP/NZD/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. Annualized yield of Class MDIs is calculated as follows: (dividend amount/NAV as of ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 5. Classification is based on Global Industry Classification Standard (GICS). 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding cash for collateral and margins. 8. Investors should note that Yield to Maturity is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors, nor does a positive yield imply a positive return. 9. Including bonds whose issuers do not seek credit ratings (Greater China Paper 15.8%; Equity-linked Investments 8.6%; Corporate Paper 3.8%; Others 1.3%; Macro Hedge 1.2%; Dim Sum Bonds 1.0%). 10. Announced in Oct 2017 by The Asset Benchmark Research in the Asian G3 Bond Benchmark Review, which ranks the Top Investment Houses (Hedge Funds category) based on the number of votes won by their astute investors. All votes are subject to a weighting methodology. 11. The awards were judged based on performance over the past 12 months, up to 30 April 2017. 12. The period covered by the awards is from 1 Jan 2016 to 31 Dec 2016.

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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 and past performance is not indicative of future results. Investors should refer to the explanatory memorandum for details and risk factors in particular those associated with investment in China and other markets in the Asian region, non-investment grade debt securities, and in companies with medium or small capitalization. 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 document has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.