



Fund Menu

June 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 31-05-2017

Absolute return long-biased equity strategy	
<p>Asia</p> <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>Greater China</p> <ul style="list-style-type: none"> Classic Fund ★★★★★ China Greenchip Fund ★★★ CIES Eligible* 	<p>China A-share</p> <ul style="list-style-type: none"> China A-Share Select Fund RQFII
	<p>Taiwan</p> <ul style="list-style-type: none"> Taiwan Fund ★★★★★
Multi-asset strategy	Fixed income strategy
<ul style="list-style-type: none"> Multi-Asset Fund 	<ul style="list-style-type: none"> Greater China High Yield Income 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 High-Dividend Stocks Fund(Class A1)	2 Sep 2002	USD 3,520.7 million	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%	16.0%	740.8%
MSCI AC Asia (ex-Japan) Total Return Index ^a		(Total Class A1, A2MDs & Z)	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%	20.8%	370.4%
Value Partners High-Dividend Stocks Fund(Class A2)	28 Sep 2012		-	-	-	-	-	-	-	-	-	7.2%	7.5%	9.4%	-0.3%	-0.3%	15.7%	40.0%
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%	21.5%	2,095.6%
Hong Kong Hang Seng Index ^b			33.8%	12.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.3%	5.3%	-3.9%	4.3%	17.2%	507.9%
Value Partners Classic Fund (B unit)	15 May 1996	USD 1,532.7 million	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%	21.4%	1,290.4%
Hong Kong Hang Seng Index ^b		(Total A, B & C units)	33.8%	12.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.3%	5.3%	-3.9%	4.3%	17.2%	259.4%
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%	21.3%	75.3%
Hong Kong Hang Seng Index ^b			-	-	-	-	-	-	-0.3%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	17.2%	50.4%
Value Partners China Greenchip Fund Limited+	8 Apr 2002	HKD 3,371.7 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%	20.7%	513.8%
Hong Kong Hang Seng Index ^b			34.9%	13.2%	8.4%	39.0%	43.4%	-46.4%	56.6%	8.6%	-17.0%	26.9%	6.6%	5.5%	-3.9%	4.3%	17.8%	261.5%
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%	22.7%	561.0%
Value Partners Intelligent Funds --																		
China Convergence Fund	14 Jul 2000	USD 301.4 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%	16.1%	1,440.7%
MSCI China Index ^c			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%	0.0%	22.1%	210.7%
Chinese Mainland Focus Fund	27 Nov 2003	USD 122.3 million	3.9%	8.4%	11.6%	48.1%	56.0%	-44.8%	86.0%	23.9%	-17.8%	11.6%	8.3%	10.6%	1.7%	-10.3%	20.6%	346.8%
MSCI China Index ^c			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%	22.1%	373.1%
Value Partners China A-Share Select Fund	16 Oct 2014	RMB 676.2 million	-	-	-	-	-	-	-	-	-	-	-	18.1%	12.1%	-5.3%	12.2%	40.7%
Value Partners Taiwan Fund	3 Mar 2008	USD 61.2 million	-	-	-	-	-	-35.7%	58.0%	19.2%	-13.0%	26.1%	13.7%	2.1%	-6.5%	16.2%	14.5%	91.8%
Taiwan Stock Exchange Index			-	-	-	-	-	-42.4%	81.6%	13.3%	-19.7%	18.2%	12.2%	5.1%	-10.4%	17.8%	16.3%	71.0%
MSCI Taiwan Index			-	-	-	-	-	-47.9%	76.4%	21.3%	-19.5%	16.9%	9.1%	9.4%	-11.7%	18.5%	16.8%	57.4%
Value Partners Multi-Asset Fund	13 Oct 2015	USD 58.3 million	-	-	-	-	-	-	-	-	-	-	-	-	-1.8%	-0.5%	6.8%	4.3%
Value Partners Greater China High Yield Income Fund (P USD Acc)	28 Mar 2012	USD 3,093.0 million	-	-	-	-	-	-	-	-	-	13.0%	1.2%	1.1%	6.1%	15.9%	5.9%	50.5%

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

^aIndex 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.

^bPerformance 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 +73.6%.

^cIndices combine the price return indices with the total return indices thereafter. Total return indices include dividend reinvestment whereas price return indices does not take into account reinvestment of dividends.

^dStarting 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.

^eDisclaimer: 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. This report has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Limited.

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Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD83.22 | Class A2 MDis USD - USD11.24

Fund size : USD3,529.7 million



Morningstar Rating™
As at 31-05-2017

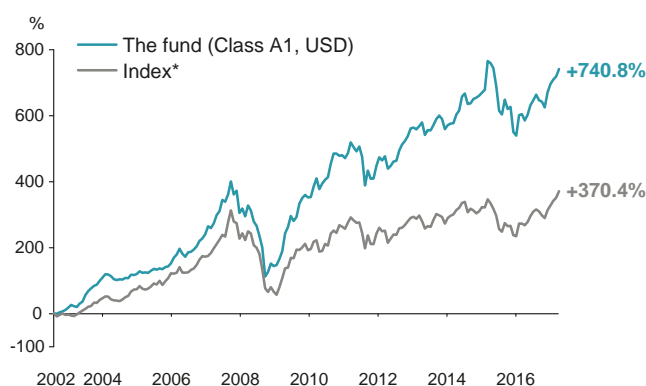
31 May 2017

- 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	+2.8%	+2.7%	+1.2%	+4.3%
Year-to-date	+16.0%	+15.7%	+12.7%	+20.9%
One year	+22.8%	+22.4%	+25.2%	+28.1%
Three years	+19.7%	+19.3%	+28.4%	+13.8%
Five years	+56.0%	N/A	N/A	+49.7%
Since launch	+740.8%	+40.0%	+38.0%	+370.4%
Annualized return [^]	+15.5%	+7.5%	+10.6%	+11.1%
Annualized volatility [^]	18.6%	13.4%	13.1%	20.3%

The fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 May 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%								+16.0%

* 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

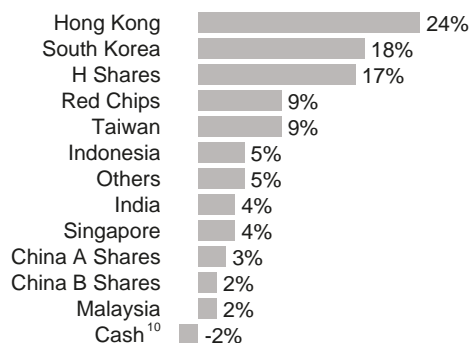
Name	Industry ⁷	%
Samsung Electronics Co Ltd – Preference Share	Technology, hardware & equipment	6.2
China Construction Bank Corporation	Banks	5.1
Longfor Properties Co Ltd	Real estate	4.4
PetroChina Co Ltd	Energy	3.3
Korea Electric Power Corp	Utilities	2.6
Midea Group Co Ltd	Consumer durables & apparel	2.6
Samsung Electronics Co Ltd – Ordinary Share	Technology, hardware & equipment	2.2
Samsung Fire & Marine Insurance Co Ltd	Insurance	2.2
China Resources Power Holdings Co Ltd	Utilities	2.0
Ping An Insurance (Group) Co of China Ltd	Insurance	2.0

These stocks constitute 33% of the fund.

Portfolio characteristics

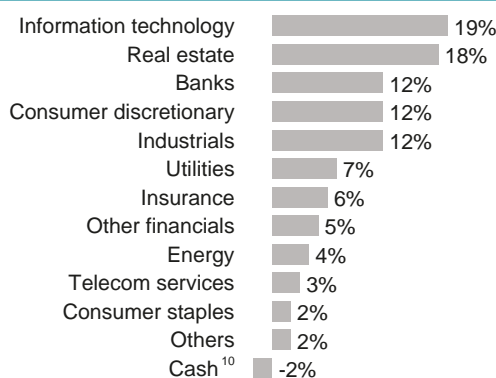
As at 31 May 2017	2017 ⁸
Price/earnings ratio	9.3 times
Price/book ratio	1.1 times
Dividend yield	4.0%
Yield to maturity/put	N/A

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%.

All fund information is as of 31 May 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 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 2015. 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. 200806225G
 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.

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: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

Recent fund awards



Thomson Reuters Lipper Fund Awards 2016 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

Value Partners Classic Fund

NAV per unit: A Units - USD309.56 | B Units - USD139.04 | C Units - USD17.53
Fund size : USD1,532.7 million

★★★★★
Morningstar Rating™¹
As at 31-05-2017

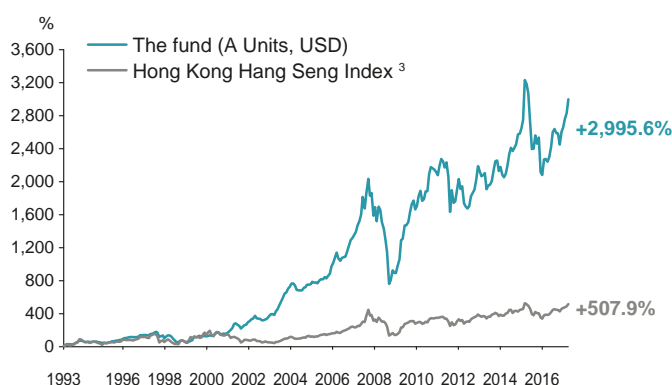
31 May 2017

- 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.
- 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 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	309.56	HK0000264868	VLPARAI HK
B Units USD	139.04	HK0000264876	VLPARBI HK
C Units USD	17.53	HK0000264884	VLPARCI HK
C Units HKD ⁵	136.5052	HK0000264884	VLPARCI HK
C Units RMB	11.70	HK0000264926	VLCHCRM HK
C Units AUD Hedged	14.47	HK0000264892	VLCHAUD HK
C Units CAD Hedged	13.98	HK0000264900	VLCHCAD HK
C Units HKD Hedged	11.89	HK0000264934	VLCHCHH HK
C Units NZD Hedged	14.46	HK0000264918	VLCHNZD HK
C Units RMB Hedged	11.81	HK0000264942	VLCHCRH HK

Performance update ²

	A Units USD	B Units USD	C Units USD	Hang Seng Index ³
One month	+5.7%	+5.7%	+5.5%	+4.6%
Year-to-date	+21.6%	+21.4%	+21.3%	+17.2%
One year	+32.5%	+31.8%	+31.8%	+27.4%
Three years	+41.3%	+39.2%	+39.6%	+23.1%
Five years	+69.0%	+64.9%	+65.5%	+64.2%
Since launch	+2,995.6%	+1,290.4%	+75.3%	+507.9%
Annualized return [^]	+15.3%	+13.3%	+7.6%	+7.8%
Annualized volatility [^]	21.9%	22.6%	20.0%	26.3%

Annual performance from 2009 to 2017 ²

	A Units USD	B Units USD	C Units USD
2009	+82.9%	+82.0%	+7.7% ⁶
2010	+20.2%	+19.6%	+21.2%
2011	-17.2%	-17.6%	-17.6%
2012	+14.0%	+13.4%	+13.4%
2013	+11.2%	+10.6%	+10.8%
2014	+13.5%	+13.0%	+13.3%
2015	-1.5%	-2.0%	-2.0%
2016	-3.2%	-3.7%	-3.7%
2017 (YTD)	+21.6%	+21.4%	+21.3%

The fund – A Units USD: Monthly performance from 1 Jan 2009 to 31 May 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%								+21.6%

[^] 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
SIIC Environment Holdings Ltd	Utilities	5.7
Alibaba Group Holding Ltd	Software & services	5.6
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	5.3
Kweichow Moutai Co Ltd	Food, beverage & tobacco	4.8
Techtronic Industries Co Ltd	Consumer durables & apparel	4.7
Logan Property Holdings Co Ltd	Real estate	4.1
PetroChina Co Ltd	Energy	3.8
Tencent Holdings Ltd	Software & services	3.7
Largan Precision Co Ltd	Technology, hardware & equipment	3.5
Ping An Insurance (Group) Co of China Ltd	Insurance	3.5

These stocks constitute 45%⁹ of the fund.

Portfolio characteristics

As at 31 May 2017	2017 ⁸
Price/earnings ratio	11.7 times
Price/book ratio	1.5 times
Dividend yield	3.0%

Geographical exposure by listing⁹

H Shares	23%
Hong Kong	23%
Taiwan	15%
China A Shares	14%
Red Chips	7%
United States	7%
Singapore	6%
South Korea	5%
China B Shares	3%
Bonds	2%
Vietnam	2%
Cash ¹⁰	-7%

Short exposure includes: H Shares, -1.5%.

Sector exposure^{7,9}

Information technology	31%
Consumer discretionary	15%
Consumer staples	10%
Banks	9%
Insurance	8%
Utilities	8%
Energy	4%
Health care	4%
Other financials	4%
Real estate	4%
Telecom services	4%
Bonds	2%
Industrials	2%
Materials	2%
Cash ¹⁰	-7%

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: [Gordon Ip](#), CFA; [Kenny Tjan](#), CFA; [Michelle Yu](#), CFA; [Yu Xiao Bo](#)

Senior Fund Managers: [Kelly Chung](#), CFA; [Doris Ho](#); [Glenda Hsia](#);

[Philip Li](#), CFA; [Kai Mak](#)

Recent fund awards



Top Fund Awards 2015 (Hong Kong)¹²
Greater China Equity – Outstanding Performer
~ Bloomberg Businessweek, Chinese edition



Best Greater China fund over US\$500 million¹³
~ HFM Awards 2015

1. © 2017 Morningstar, Inc. All Rights Reserved (for A Units). 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 31 May 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 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. Based on data provided by Morningstar Asia and Bloomberg Professional Services up to 30 Sep 2015. 13. Based on performance data over the past 12 months as of 30 Apr 2015, among peer funds under Best Greater China fund over US\$500 million category.

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 / First 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.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

Confidence returning to China

In the first quarter of 2017, Hong Kong and China stocks delivered one of their best first-quarter performances underpinned by solid macro data, continued government’s stimulus policies, supportive southbound flows, corporate earnings upward revision and a stable Renminbi (“RMB”). The Hang Seng Index rose 9.9% (in USD) in the first three months of 2017 while the MSCI China Index and Shanghai Composite Index gained 12.9% and 4.7% (in USD), respectively.

Signs of confidence are returning to China. Indeed, first-quarter macro data this year continued to show that the world’s second-largest economy is gaining momentum with benign inflation pressure. Activity in China’s manufacturing sector picked up further in March 2017 with the official Purchasing Managers’ Index (“PMI”) rose for the second consecutive month to 51.8, the highest since April 2012, supported by China’s increased efforts in providing fiscal stimulus which started in 2016, as well as improving domestic and export demand.

Positive messages were also delivered at the 2017 National People’s Congress (“NPC”) in March. Presenting the government work report at the NPC, Premier Li Keqiang noted that growth stability and currency stability are the top priorities for the year. Amid the transition from a “pro-growth” stance in 2016 to “growth stability” in 2017, China set its growth target for 2017 at a more reasonable level at 6.5% and we believe this is achievable. With the recent macro improvement, this has also created more room for policymakers to tackle financial excesses and over capacity. Against this backdrop, China is expected to maintain a more prudent monetary policy and will focus on risk control measures, such as financial regulation strengthening and the speed up of supply-side reform. While deleveraging will constrain liquidity in the market, we believe these initiatives are positive to China over the long run.

From a market flow perspective, the southbound flows from mainland China into Hong Kong have been robust in the quarter and supported Chinese equities listed in Hong Kong. In our view, the southbound flows shall remain constructive over the long run, underpinned by attractive valuations of H-share companies, demand for currency diversification and the increasing launch of Stock Connect-related products in mainland China.

While RMB depreciation was a concern for many investors in 2016, People’s Bank of China Governor Zhou Xiaochuan said at the NPC that the RMB will likely be broadly stable this year. Given China’s pledge to sustain the global status of RMB in the international monetary system, drastic RMB movement is unlikely in our view. In February 2017, China’s forex reserves rose the first time in eight months and returned to above US\$3 trillion, signaling China’s first net capital inflow in more than two years. The turnaround, a result of tight capital outflow restrictions, economic recovery and higher domestic interest rates, has moderated investor concerns on China.

Portfolio strategy review

In the first three months of 2017, Value Partners Classic Fund (“the Fund”) rose 12.1% (in USD) on the back of positive earnings of our stock picks. For reference, the Hang Seng Index and MSCI China Index gained 9.9% and 12.9% (in USD), respectively, in the same period.

Throughout the first quarter, our portfolio remained fully invested. We maintained our core exposures in technology and consumer discretionary sectors which paid off with solid earnings announcements. Our key exposure in a Chinese social network company was among the top contributors. Supported by continued ramp in its advertisement revenues, the social network company reported solid fourth quarter 2016 earnings beat and margin expansion. Similar case also applies for our auto parts manufacturer holding which announced solid 2016 sales growth driven by strong sales in its Japan and China local auto brands, as well as persistent growth in overseas business. In addition, our key holding in a Chinese property developer also benefited from strong earnings with revenue and core net profit up 41% and 57%, respectively, in 2016 as its key projects recorded over 60% gross profit margin.

Outlook

The first quarter of 2017 painted a positive picture for Chinese equities driven by one of the best earnings per share (“EPS”) growth upgrade. Currently, the consensus estimates for 2017 EPS for the MSCI China Index is 13%, a big leap from -2.5% in 2016. We believe the Chinese government’s stance on growth stability will provide a sustainable favourable market environment for equity investors and we will continue to uncover attractive value companies that exhibit strong profitability and earnings sustainability within the Greater China region.

Value investing back in fashion

Value investors like us are delighted to see that a rotation in favour of value style is under way in the equity market after a long winter which has lasted for more than five years. As of 31 March 2017, the growth style continued to outperform the value style in China-related stockmarkets based on annualized return for the past five years¹. Entering 2017, traits of value style are becoming more evident in the market as more companies are reporting cheap price-to-book ratios, as well as high dividend, earnings and cash flow yields. While it is yet to say that the value style has returned, we are closely watching out for opportunities in Asian value stocks, especially high-dividend value stocks in the region.

Corporate update

Value Partners’ robust investment process and research capabilities continued to earn the industry’s recognition. Entering 2017, Value Partners has been named “Best Fund Provider – Greater China Equity”² in the *Asian Private Banker* Asset Management Awards for Excellence 2017, marking the third consecutive year that we received this renowned title.

Fund performance is always the primary focus of Value Partners. We continue to plough back our profits to invest in our infrastructure and enhance our research and investment capabilities. Looking forward, we will embark on new initiatives to unearth values in the Asian markets.

Value Partners Investment Team
19 April 2017

1. According to Bloomberg data as of 31 March 2017, MSCI China Value Index delivered an annualized return of 4.3% for the past five years while MSCI China Growth Index gained 7.4%.
2. Based on performance and achievements for 2016.

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 31 March 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 material has been obtained from sources believed to be reliable, but its 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. 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 31 March 2017

Stock	Industry	Valuation (2017 Estimates)	Remarks
Logan Property (Code: 3380 HK) Market cap: US\$2.9 billion	Real estate	Price: HKD4.10 P/E: 5.1x P/B: 1.0x Yield: 5.9%	Logan Property, founded in 1996, is a medium-sized developer in China with leading position in Shantou, Huizhou and Nanning. It also has a geographical focus in the Pearl River Delta. The company mainly engages in residential property development, with a focus on low-mid mass markets. It has a low-cost and sizeable land bank of over 11 million square meters. Logan has adopted a prudent approach to financial and cost management. It is 76% owned by Ms. Kei Perenna Hoi Ting, the chairman's daughter, and the family trust.
Minth Group (Code: 425 HK) Market cap: US\$4.6 billion	Automobile and components	Price: HKD31.30 P/E: 15.1x P/B: 2.6x Yield: 2.5%	Minth Group is a leading supplier of exterior auto parts in China with growing global relevance. The company primarily engages in the designing, manufacturing and marketing of trims, decorative parts, body structural parts and seat frame systems, which are supplied to the major "6+5" automakers, including Ford, Nissan and Toyota. Having secured more than 80% of global market share, Minth Group seeks to continue to grow its market share both domestically and globally. We expect the company to enhance its role as a key global market player in the future.
PetroChina (Code: 857 HK) Market cap: US\$200.7 billion	Energy	Price: HKD5.69 P/E: 19.6x P/B: 0.8x Yield: 2.2%	PetroChina is the largest oil and gas producer and distributor playing a dominant role in the oil and gas industry in China. It engages in a wide range of activities related to oil and natural gas, including exploration, development, production and marketing. As China is expected to achieve moderate and stable economic growth, oil and gas demand in China is likely to continue its current upward trajectory. With the oil price hovering at a relatively low level, the company will also benefit as oil recovers.
Ping An Insurance (Code: 2318 HK) Market cap: US\$100.0 billion	Insurance	Price: HKD43.50 P/E: 10.6x P/B: 1.6x Yield: 2.1%	Ping An Insurance ("Ping An") 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 (2017 Estimates)	Remarks
<p>Samsung Electronics (Code: 005930 KS) Market cap: US\$259.3 billion</p>	<p>Electronics manufacturer</p>	<p>Price: KRW2,060,000.00 P/E: 8.9x P/B: 1.5x Yield: 1.6%</p>	<p>Samsung Electronics is a global leading producer of semiconductors, display panels, handsets, monitors, and TVs. Company earnings will continue to be driven by the steady growth in semiconductor demand alongside that for big-data servers. Its continuous investment in research and development to maintain its market leadership position will help it compete amid ongoing changes in the industry.</p>
<p>SIIC Environment (Code: SIIC SP) Market cap: US\$0.9 billion</p>	<p>Wastewater treatment</p>	<p>Price: SGD0.56 P/E: 11.2x P/B: 0.9x Yield: 0.7%</p>	<p>SIIC Environment (“SIIC”) 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) Market cap: US\$161.5 billion</p>	<p>Semiconductors and semiconductor equipment</p>	<p>Price: TWD 189.00 P/E: 13.6x P/B: 3.1x Yield: 3.9%</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>Techtronic Industries (Code: 669 HK) Market cap: US\$7.4 billion</p>	<p>Home-improvement products</p>	<p>Price: HKD31.45 P/E: 15.4x P/B: 2.7x Yield: 2.0%</p>	<p>Techtronic Industries (“TTI”) is a global leader in designing, manufacturing and selling home-improvement products, including power tools, outdoor power equipment and floor-care appliances. TTI benefits from strong US housing market and Home Depot sales, its innovative cordless and smart power tool products helped market share gain as well as margins expansion. Floor-care business turning around shall continuously underpin the earnings growth sustainability.</p>

Stock	Industry	Valuation (2017 Estimates)	Remarks
<p>Tencent Holdings (Code: 700 HK)</p> <p>Market cap: US\$271.7 billion</p>	Internet	<p>Price: HKD222.80</p> <p>P/E: 32.8x</p> <p>P/B: 8.7x</p> <p>Yield: 0.3%</p>	<p>Tencent is a leading provider of online games, premium messaging services, internet value added services, and advertising and ecommerce services in China. Its instant messenger "QQ" has the largest online community base with over 800 million accounts. Leveraging its large active user base, it offers good long-term monetization potential.</p>
<p>Weibo (Code: WB US)</p> <p>Market cap: US\$11.1 billion</p>	Internet	<p>Price: USD52.18</p> <p>P/E: 36.0x</p> <p>P/B: 10.8x</p> <p>Yield: 0%</p>	<p>Weibo, second largest social media in China next to Tencent, has 139 million daily active users ("DAU") and 313 million monthly active users by the fourth quarter of 2016. 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 fees, search, videos, etc., to reach users. Besides social based live broadcasting and e-commerce are seeing solid user momentum but under-monetized, which provides upside on top of advertisement. According to our forecast and channel estimates, Weibo will be growing at 49% CAGR from 2017 to 2019, making it one of the fastest-growing names in China's internet industry.</p>

Note: The above investments made up 43% of Value Partners Classic Fund as at 31 March 2017. The stock prices are based on the closing of 31 March 2017.

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

NAV per share : Class A - HKD61.38 | Class A2 QDis - HKD11.11
Fund size : USD433.0 million (HKD3,371.7 million)

★★★★
Morningstar Rating™¹
As at 31-05-2017

CIES Eligible*

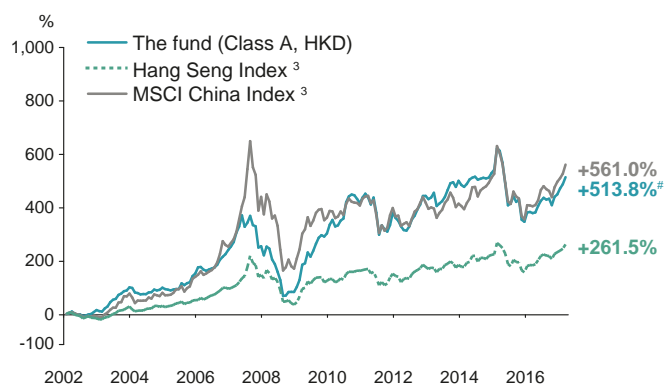
31 May 2017

- 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	+4.5%	+4.2%	+5.5%	+4.8%
Year-to-date	+20.7%	+20.4%	+22.7%	+17.8%
One year	+28.2%	+27.8%	+31.0%	+27.8%
Three years	+4.3%	+4.1%	+27.9%	+23.7%
Five years	+43.0%	N/A	+53.3%	+64.5%
Since launch	+513.8% [#]	+16.4%	+561.0%	+261.5%
Annualized return [^]	+12.7% [#]	+4.0%	+13.3%	+8.8%
Annualized volatility [^]	21.7% [#]	17.6%	25.0%	20.0%

The fund – Class A HKD: Monthly performance from 1 Jan 2009 to 31 May 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%								+20.7%

* 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 +73.6%, +5.6% and 24.1% respectively.

Top 10 securities holdings (as at 28 Apr 2017)

Name	Industry ⁸	%
Tencent Holdings Ltd	Software & services	8.2
Alibaba Group Holding Ltd	Software & services	5.0
VTech Holdings Ltd	Technology, hardware & equipment	4.3
PetroChina Co Ltd	Energy	4.0
LARGAN Precision Co Ltd	Technology, hardware & equipment	3.6
SIIC Environment Holdings Ltd	Utilities	3.2
Fairwood Holdings Ltd	Consumer services	2.8
Samsonite International SA	Consumer durables & apparel	2.6
Galaxy Entertainment Group Ltd	Consumer services	2.5
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	2.2

These stocks constitute 38% of the fund.

Portfolio characteristics

As at 31 May 2017	2017 ⁹
Price/earnings ratio	15.1 times
Price/book ratio	1.9 times
Dividend yield	2.9%

Geographical exposure by listing¹⁰

Hong Kong	48%
Red Chips	14%
H Shares	13%
Taiwan	9%
China A Shares	7%
United States	7%
Singapore	3%
Others	2%
Cash ¹¹	-3%

Sector exposure^{8, 10}

Information technology	30%
Consumer discretionary	24%
Industrials	9%
Consumer staples	6%
Telecom services	6%
Utilities	6%
Insurance	5%
Energy	4%
Real estate	4%
Health care	3%
Materials	3%
Other financials	2%
Others	1%
Cash ¹¹	-3%

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 31 May 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: Gordon Ip, CFA; Kenny Tian, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, 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 - USD154.97

Fund size : USD301.4 million



Morningstar Rating™¹
As at 31-05-2017

31 May 2017

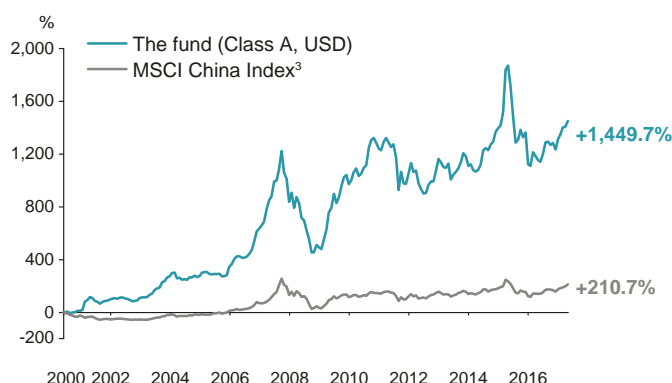
- China Convergence Fund (The "Fund") primarily invests in A and B shares listed on the stock exchanges of Shanghai and Shenzhen as well as in H shares listed in Hong Kong.
- The Fund invests in China and therefore is subject to emerging market risks. Generally, investments in emerging markets are more 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	+2.9%	+5.3%
Year-to-date	+16.1%	+22.1%
One year	+23.7%	+30.6%
Three years	+31.5%	+27.3%
Five years	+43.9%	+53.1%
Since launch	+1,449.7%	+210.7%
Annualized return [^]	+17.6%	+6.9%
Annualized volatility [^]	25.7%	26.6%

NAVs & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	154.97	KYG9317Q1047	VAPAICB KY
Class A AUD Hedged	10.40	KYG9317Q1385	VAPAAHD KY
Class A CAD Hedged	11.30	KYG9317Q1468	VAPACAH KY
Class A NZD Hedged	11.64	KYG9317Q1534	VAPANZH KY

The fund – Class A USD: Monthly performance from 1 Jan 2009 to 31 May 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%								+16.1%

[^] 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	6.9
Tencent Holdings Ltd.	Software & services	5.8
Taiwan Semiconductor Manufacturing Co., Ltd.	Semiconductors & semiconductor equipment	5.6
Ping An Insurance (Group) Co. of China, Ltd.	Insurance	4.8
Shenzhen International Holdings Ltd.	Transportation	4.3
China South Publishing and Media Group Co., Ltd.	Media	3.5
China Taiping Insurance Holdings Co. Ltd.	Insurance	3.2
Huaneng Renewables Corporation Ltd.	Utilities	3.2
Techtronic Industries Co. Ltd.	Consumer durables & apparel	3.1
China Petroleum & Chemical Corporation	Energy	2.8

These stocks constitute 43% of the fund.

Portfolio characteristics

As at 31 May 2017	2017 ⁵
Price/earnings ratio	15.4 times
Price/book ratio	1.8 times
Dividend yield	2.5%

Geographical exposure by listing ⁶

China A Shares	25%
H Shares	24%
Red Chips	13%
Cash ⁷	9%
Hong Kong	8%
Taiwan	8%
United States	7%
China B Shares	5%
Others	1%

Short exposure includes: Hong Kong, -3.8%.

Sector exposure ^{4, 6}

Information technology	21%
Consumer discretionary	13%
Insurance	12%
Industrials	11%
Cash ⁷	9%
Health care	9%
Consumer staples	8%
Other financials	7%
Energy	6%
Utilities	4%
Others	1%
Banks	-1%

Total short exposure is -3.8%.

Short exposure includes: Health care, -1.8%; Consumer staples, -1.0%; Banks, -0.7% and Information technology, -0.3%.

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

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

Philip Li, CFA; Kai Mak

Recent fund award



Fund of the Year Awards 2015 ⁹
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 31 May 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. 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. 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: USD44.68

Fund size : USD122.3 million



Morningstar Rating™¹
As at 31-05-2017

31 May 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

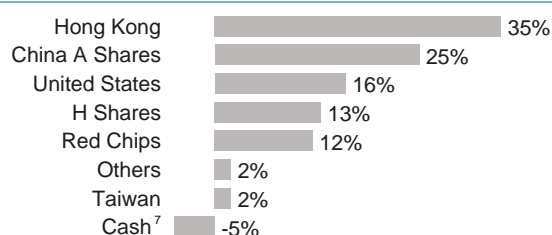
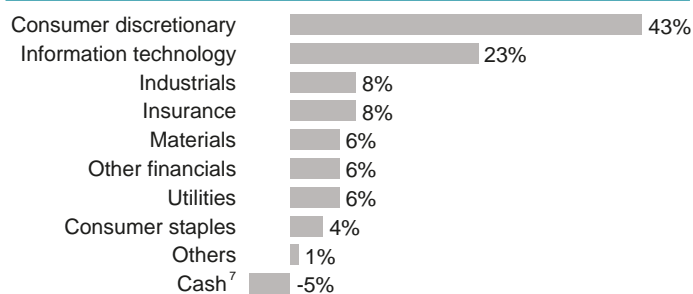
	The fund	MSCI China Index ³
One month	+2.8%	+5.3%
Year-to-date	+20.6%	+22.1%
One year	+30.0%	+30.6%
Three years	+35.1%	+27.3%
Five years	+47.6%	+53.1%
Since launch	+346.8%	+373.1%
Annualized return [^]	+11.7%	+12.2%
Annualized volatility [^]	22.5%	26.2%

The fund – Monthly performance from 1 Jan 2009 to 31 May 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%								+20.6%

[^] 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 ⁶Sector exposure ^{5, 6}

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: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

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 31 May 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.

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.

NAV per unit: Class A RMB (CNH) – RMB14.07

Fund size : USD99.7 million (RMB676.2 million)

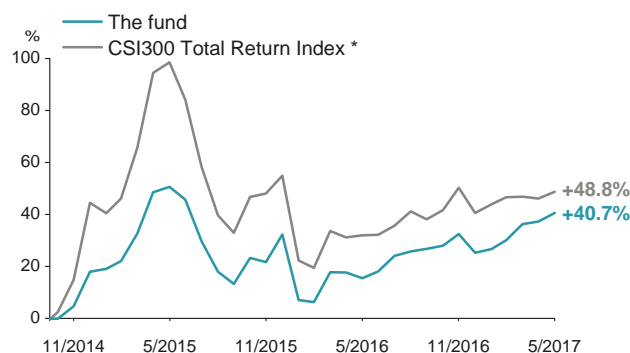
31 May 2017

- 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	+2.4%	+1.8%	-1.2%
Three months	+8.1%	+1.4%	-3.8%
Year-to-date	+12.2%	+5.8%	+0.4%
Since launch	+40.7%	+48.8%	+32.3%

Top 5 securities holdings

Name	Industry ¹	%
Huatai Securities Co Ltd	Diversified financials	5.7
China South Publishing and Media Group Co Ltd	Media	5.1
Ping An Insurance Group Company of China Ltd	Insurance	5.1
China Petroleum and Chemical Corporation	Energy	3.6
Midea Group Co Ltd	Consumer durables & apparel	3.6

These stocks constitute 23% of the fund.

Portfolio characteristics

As at 31 May 2017	2017 ²
Price/earnings ratio	15.6 times
Price/book ratio	1.9 times
Dividend yield	2.9%

Geographical exposure by listing³

Shanghai A Shares	54%
Cash ⁴	29%
Shenzhen A Shares	17%

Sector exposure^{1,3}

Cash ⁴	29%
Consumer discretionary	15%
Consumer staples	12%
Other financials	11%
Industrials	9%
Banks	7%
Insurance	7%
Health care	6%
Energy	4%

The fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 31 May 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%								+12.2%

* 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)	14.07	HK0000220001	VPCAARM HK
Class A USD Unhedged	12.90	HK0000220019	VPCAAUU HK
Class A USD Hedged	12.87	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	12.97	HK0000220035	VPCAAHU HK
Class A HKD Hedged	12.91	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	14.75	HK0000220076	VPCAAGU HK
Class A GBP Hedged	12.68	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	12.31	HK0000220092	VPCAAAU HK
Class A AUD Hedged	13.10	HK0000220100	VPCAAAH HK
Class A CAD Hedged	12.10	HK0000220126	VPCAACH HK
Class A EUR Unhedged	12.49	HK0000220050	VPCAAEU HK
Class A EUR Hedged	12.69	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	11.39	HK0000220134	VPCAANU HK
Class A NZD Hedged	12.91	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: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

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 31 May 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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NAV per unit: USD19.18
Fund size : USD61.2 million



Morningstar Rating™¹
As at 31-05-2017

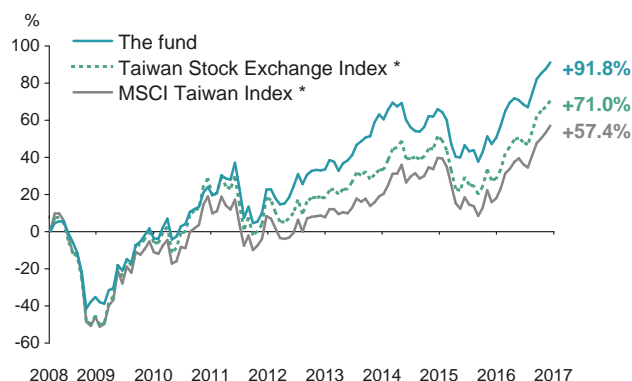
31 May 2017

- 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	+1.9%	+2.0%	+2.4%
Year-to-date	+14.5%	+16.3%	+16.8%
One year	+27.1%	+32.8%	+33.4%
Three years	+15.4%	+23.1%	+25.8%
Since launch	+91.8%	+71.0%	+57.4%
Annualized return [^]	+7.3%	+6.0%	+5.0%
Annualized volatility [^]	18.8%	24.3%	24.4%

Top 5 securities holdings

Name	Industry ³	%
Taiwan Semiconductor Manufacturing Co., Ltd.	Semiconductors & semiconductor equipment	9.8
Hon Hai Precision Ind. Co., Ltd.	Technology, hardware & equipment	7.3
Cathay Financial Holding Co., Ltd.	Insurance	5.2
Sporton International Inc	Commercial services & supplies	4.2
Largan Precision Co.,Ltd	Technology, hardware & equipment	4.1

These stocks constitute 31% of the fund.

Portfolio characteristics

As at 31 May 2017	2017 ⁴
Price/earnings ratio	13.9 times
Price/book ratio	2.0 times
Dividend yield	4.4%

Geographical exposure by listing ⁵

Taiwan	90%
Cash ⁶	5%
United States	2%
Others ⁷	1%

Short exposure includes: Taiwan, -2.2%.

Sector exposure ^{3, 5}

Information technology	61%
Industrials	10%
Telecom services	7%
Cash ⁶	5%
Insurance	5%
Materials	4%
Consumer staples	3%
Banks	2%
Others ⁷	1%

Total short exposure is -2.2%.

Short exposure includes: Information technology, -2.2%.

The fund – Monthly performance from 1 Jan 2009 to 31 May 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%								+14.5%

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

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

1. © 2017 Morningstar, Inc. All Rights Reserved. 2. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as of 31 May 2017, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. 3. Classification is based on Global Industry Classification Standard (GICS). 4. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 5. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 6. Cash refers to net cash on hand excluding cash for collaterals and margins. 7. Others include 0.7% 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).

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NAV per unit: Class A (USD): USD10.43

Fund size : USD58.3 million

31 May 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	+0.9%
Year-to-date	+6.8%
Since launch	+4.3%

Top 5 holdings

Holdings	%
Value Partners Greater China High Yield Income Fund	19.4
Value Partners Classic Fund	15.2
Henderson Horizon - Japanese Smaller Companies Fund	7.3
Value Partners High-Dividend Stocks Fund	5.1
Prudent Investment Fund	5.0

By asset class ¹

Equity	54%
Fixed income	25%
Alternatives	18%
Cash	3%

Equity – by region ¹

Asia ex-Japan	39%
Europe	7%
Japan	7%
US	1%

Fixed income – by category ¹

Asia High Yield	19%
Emerging Markets	3%
Europe High Yield	3%

NAV & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	10.43	HK0000269149	VPMAAUS HK
Class A HKD	10.31	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: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

¹ 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 31 May 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.

Value Partners Greater China High Yield Income Fund

NAV per unit: USD15.05 (P Acc USD) / USD9.28 (P MDis USD)

Fund size : USD3,093.0 million

31 May 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

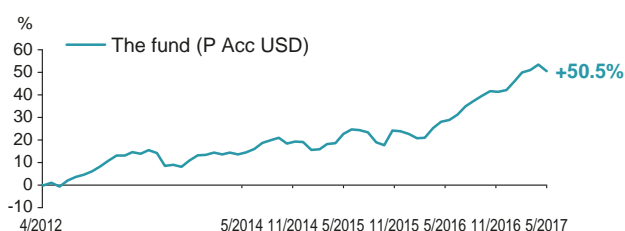
Portfolio review:

Spooked by noises in US politics and a standalone credit event of an Asian issuer, investors turned more cautious in May and were largely on risk-off mode. During the month, sovereign issues outperformed corporate credits and high-grade credits outperformed high-yield names. In this regard, lower-rated credits gave up some year-to-date gains. In May, we remained active in the primary market and took profit on some positions that have mostly run its course. The softening of the market enabled us to deploy certain capital into credits that are less followed and under-researched, or names that are victims of temporary market dislocation because of headline risks.

Outlook:

The Trump trade may fade eventually. Global conflicts and geopolitical risks may cause disruption to the markets. The US Federal Reserve's stance on interest rate moves could also govern market sentiment going forward. We will follow the market closely and continue to trade the trend and deploy our capital accordingly.

Performance since launch ¹



Performance update ¹

	The fund (P Acc USD)
One month	-1.9%
Year-to-date	+5.9%
One year	+16.8%
Three years	+29.9%
Five years	+51.7%
Since launch	+50.5%
Annualized return	+8.2%
Annualized volatility	6.2%

The fund – P Acc USD: Monthly performance from 27 Mar 2012 to 31 May 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%								+5.9%

Dividend information – Class MDis ²

Classes ³	Dividend amount / unit	Annualized yield ⁴	Ex-dividend date
P MDis USD	0.0625	8.1%	31-5-2017
P MDis HKD	0.0625	8.1%	31-5-2017
P MDis SGD Hedged	0.0625	7.4%	31-5-2017
A MDis AUD Hedged	0.0784	10.2%	31-5-2017
A MDis CAD Hedged	0.0684	8.8%	31-5-2017
A MDis EUR Hedged	0.0696	8.3%	31-5-2017
A MDis GBP Hedged	0.0718	8.9%	31-5-2017
A MDis NZD Hedged	0.0789	9.9%	31-5-2017

Top 10 securities holdings

Name	Sector ⁵	Country	%
Indo Energy Finance II BV (REG S) 6.375% 01/24/2023	Energy	Indonesia	1.8
Prime Bloom Holdings Ltd (REG) 7.5% 12/19/2019	Textiles	China/Hong Kong	1.7
China Evergrande Group 12% 02/17/2020	Real estate	China/Hong Kong	1.7
Gajah Tunggal Tbk PT 7.75% 02/06/2018	Automobiles & components	Indonesia	1.6
Golden Wheel Tiandi (REG) 8.25% 11/03/2019	Real estate	China/Hong Kong	1.6
Energy Resources LLC 09/30/2022	Materials	Mongolia	1.5
Yida China Holdings Ltd 6.95% 04/19/2020	Real estate	China/Hong Kong	1.4
AMTD Group Co Ltd (REG) 5% 03/21/2019	Diversified financials	China/Hong Kong	1.4
Kaisa Group Holdings Ltd (Ser C) (REG) 5.61% 12/31/2020	Real estate	China/Hong Kong	1.4
China South City Holdings Ltd 5.75% 03/09/2020	Real estate	China/Hong Kong	1.3

Sector exposure ^{5,6}

Real estate	39.8%
Others	11.3%
Energy	10.2%
Materials	6.7%
Banks	5.4%
Capital goods	4.8%
Retailing	4.5%
Telecommunication services	3.8%
Transportation	3.5%
Diversified financials	2.6%
Automobiles & components	2.3%
Consumer durables & apparel	2.3%
Textiles	1.7%
Cash ⁷	1.1%

Average duration 2.4 years

Yield to Maturity ⁸ 9.0%

Number of bond issuers 143

Geographical exposure ⁶

China/Hong Kong	64.5%
Others	20.3%
Indonesia	8.4%
Australia	5.7%
Cash ⁷	1.1%

Credit ratings

BBB	0.8%
BB	7.2%
B & Below	58.8%
Others ⁹	32.1%
Cash ⁷	1.1%

Investment grade 0.8%

High yield 66.0%

Average credit rating B-

Currency breakdown

USD	97.2%
HKD	1.0%
EUR	0.8%
GBP	0.8%
SGD	0.2%

NAVs & Codes

Classes ³	NAV	ISIN	Bloomberg
P Acc USD	15.05	KYG9319N1097	VPGCPUA KY
P Acc HKD	14.99	KYG9319N1253	VPGCPHA KY
P MDis USD	9.28	KYG9319N1170	VPGPUMD KY
P MDis HKD	9.26	KYG9319N1337	VPGPMD KY
P MDis SGD Hedged	10.15	KYG9319N1824	VPPSHMA KY
A MDis AUD Hedged	9.25	KYG9319N2327	VPGCAUD KY
A MDis CAD Hedged	9.32	KYG9319N2400	VPGCCAD KY
A MDis GBP Hedged	9.68	KYG9319N3317	VPGCAGH KY
A MDis EUR Hedged	10.12	KYG9319N3499	VCHAMEH KY
A MDis NZD Hedged	9.60	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 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 HyeDeputy Chairman & Co-Chief Investment Officer: Louis SoDeputy Chief Investment Officer: Renee HungSenior Investment Director: Norman Ho, CFA

Fixed income investment team:

Head of Fixed Income: Gordon Ip, CFAFund Managers: Elaine Hu; Yee Choon Lim; Jason Yan, CFA, ACCA

Recent fund award



Fund Manager of the Year – Long-only Fixed Income ¹⁰
Value Partners' Investment Director – Gordon Ip
 ~ The Asset, Triple A, Asset Servicing, Investor and Fund Management Awards 2016

2016 HKCAMA – Bloomberg Offshore China Fund Awards ¹¹
 • **Best Total Return – Greater China Fixed Income (1 Year)**
 • **Best Total Return – Greater China Fixed Income (3 Years)**
 ~ The Chinese Asset Managers Association of Hong Kong & Bloomberg

Top Investment House in Asian G3 Bonds for 2016 ¹²
Value Partners – Ranked 2nd in Hedge Fund category
 ~ The Asset Benchmark Survey

1. Source: HSBC Institutional Trust Services (Asia) Limited, data as of 31 May 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 collaterals 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 Bonds 15.1%, Convertible Bonds 6.3%, Dim Sum Bonds 1.9%, Japan Bonds 1.9%, Macro Hedge 1.6%, Others 1.6%, Mongolia Bonds 1.5%, Australia Bonds 1.2%, Bank Paper Bonds 1.0%). 10. The award reflecting achievements as at Dec 2015. 11. The awards recognize the Greater China focused fixed income funds issued by CAMAHK members with at least 1 year of historical performance as of 30 Sept 2016. 12. Announced in October 2016 by The Asset Benchmark Research, the Most Astute Investors and Top Investment Houses (Hedge Funds) were selected by a poll covering global institutional investors that are active in the Asian G3 bond markets.

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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.

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