

Value Partners Group Limited

Incorporated in the Cayman Island with limited liability

A company listed on the Hong Kong Stock Exchange

Stock code: 806 HK



2017 Interim Results

For the period ended 30 June 2017

Results Presentation, 15 August 2017

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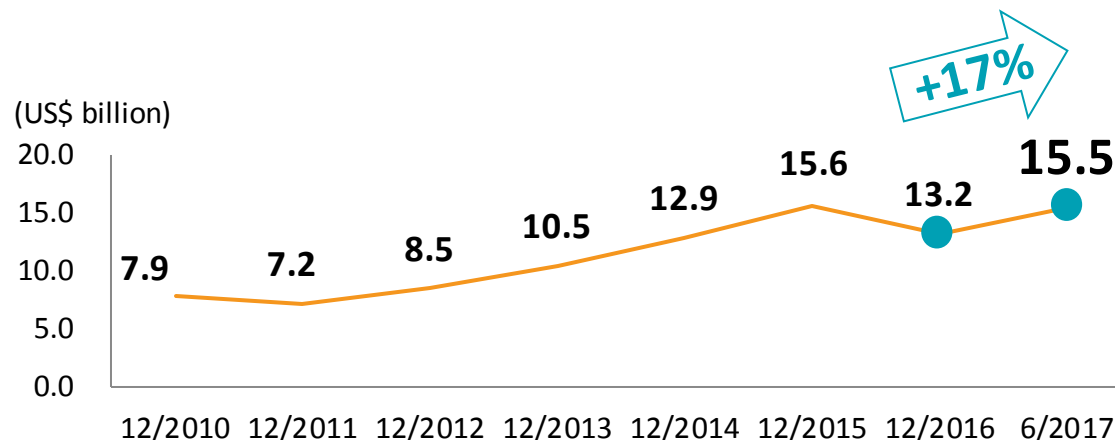
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Financial highlights

*By Icy WONG
Head of Finance*

Assets under management (“AUM”)

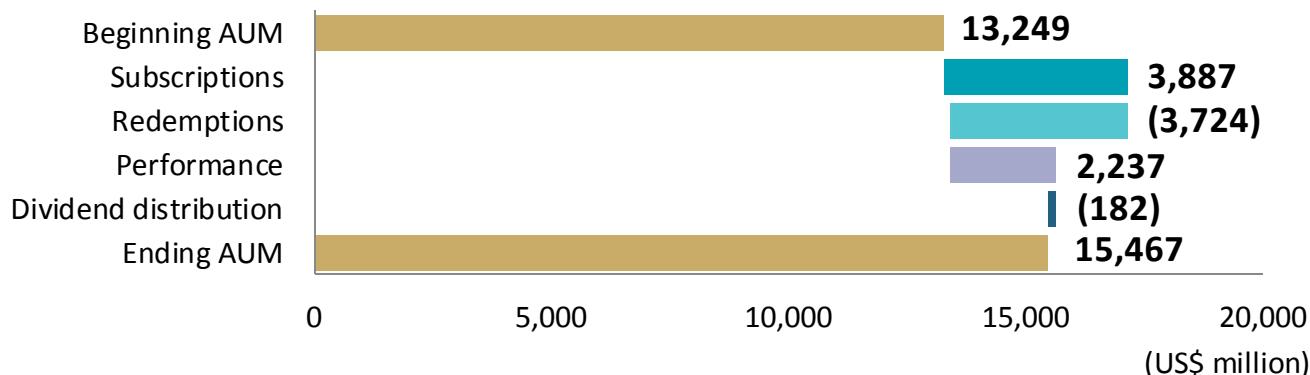
Value Partners’ AUM rose to US\$15.5 billion as of 30 June 2017



AUM increased in 1H 2017 on the back of

- **Positive fund returns** of US\$2,237 million
- **Net inflow** of US\$163 million (1H 2016: net outflow of US\$ 1,279 million; 2H 2016: net outflow of US\$651 million)

AUM change in 1H 2017

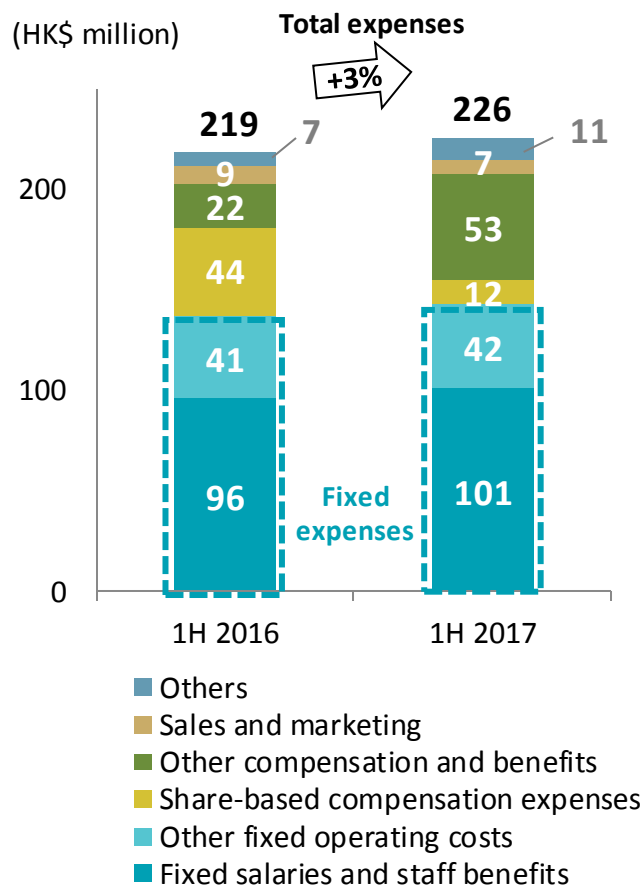


Key highlights

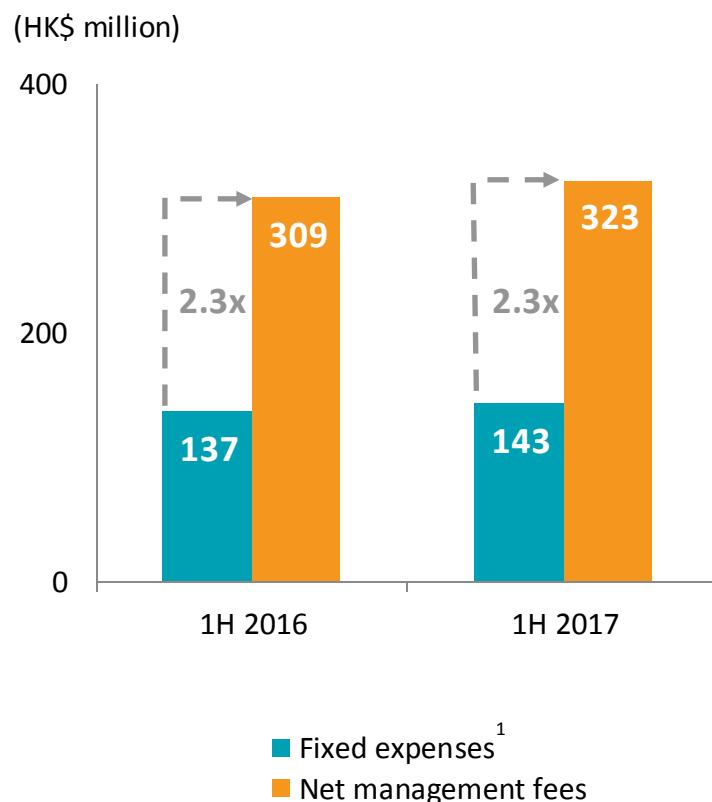
(In HK\$ million)	1H 2017	1H 2016	% Change
Profit attributable to owners of the Company	219.5	5.0	+4,290.0%
Total revenue	752.3	709.1	+6.1%
Gross management fees	546.7	529.2	+3.3%
Gross performance fees	22.3	5.2	+328.8%
Total expenses	(226.0)	(219.2)	+3.1%
Operating profit (before other gains or losses)	140.3	109.5	+28.1%
Net fair value change and realized gains/losses of treasury operations	99.1	(91.9)	+207.8%
Basic earnings per share (HK cents)	11.8	0.3	+3,833.3%
Diluted earnings per share (HK cents)	11.8	0.3	+3,833.3%
Interim dividend per share	Nil	Nil	

Stringent cost control

Breakdown of total expenses



Fixed cost coverage ratio



1. Fixed expenses mainly represent fixed salaries and benefits, rent, investment research, other administrative and office expenses for asset management business.

Business review

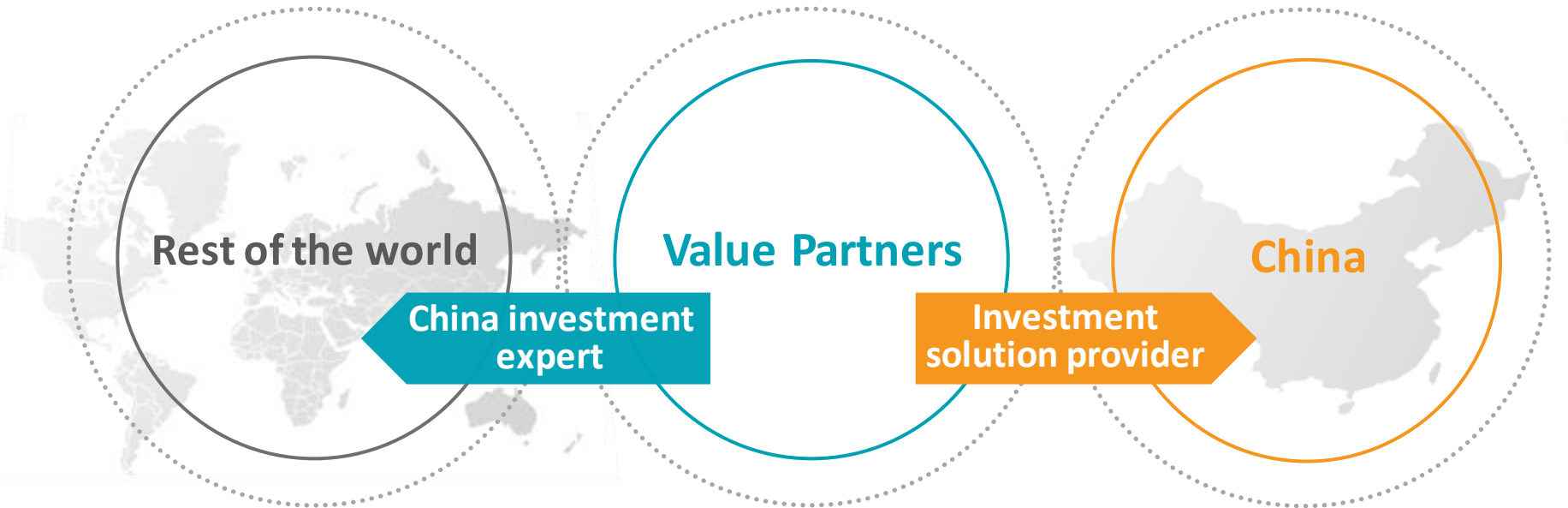
By Dr. AU King Lun MH, Ph.D
Chief Executive Officer

Vision and positioning

Value Partners' vision – a global asset manager

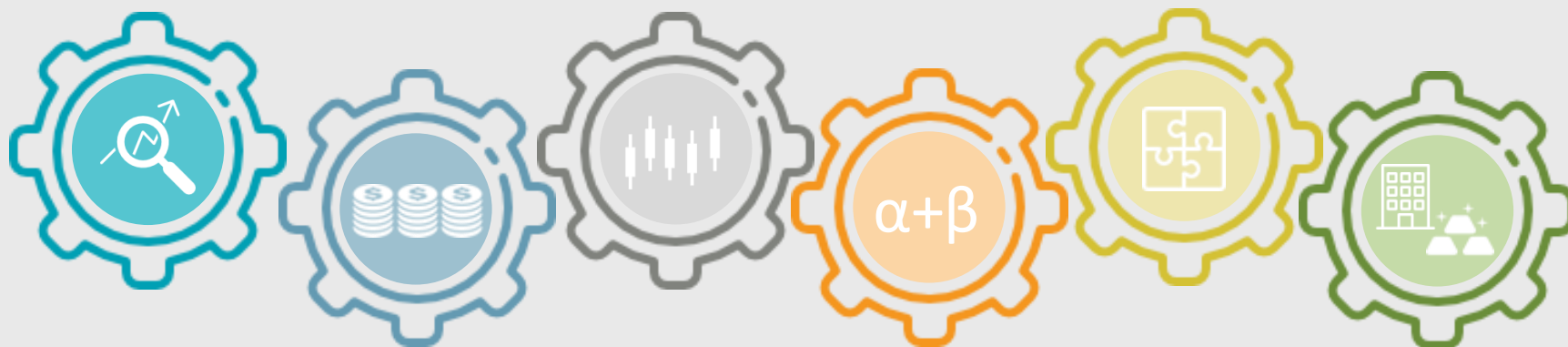
- Temple of value investing
- Asia's No. 1 asset manager by product and distribution
- Capitalize on opportunities arising from China's capital account liberalization

Value Partners' positioning



Investment capability expansion

We have been broadening our product offerings over the years. In the first half of 2017, progress was made in the six areas below.



01

Equities

02

**Fixed
income**

03

**Quantitative
investment
and ETFs**

04

**SMART
Investment
Strategy**

05

Multi-asset

06

Alternatives

Investment capability expansion (cont'd)



Equities

- **Value Partners Classic Fund**, our flagship fund, achieved **1st quartile ranking¹** in terms of performance for 1-, 3-, 5-, 10-year, as well as since-launch periods.



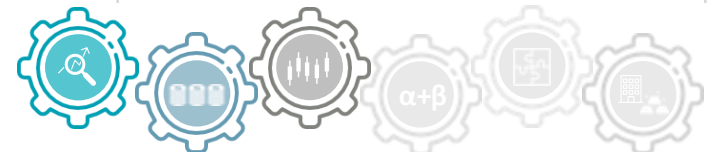
Fixed Income

- **Value Partners Greater China High Yield Income Fund** secured **net inflows** of over US\$1 billion in the first half of 2017
- Extended coverage to include **Asia** and **global emerging markets ("GEM")**



Quantitative investment and ETFs

- Repositioned **Value ETFs** as **institutional products** with **appropriate fee reduction**



1. Based on performance data as of 30 June 2017, among peer funds under Greater China Equity Morningstar Category.

Investment capability expansion (cont'd)



SMART Investment Strategy

- A newly created **SMART Investment Strategy** for institutional investors
- This strategy **combines SMART alpha** and **SMART beta** capabilities
- Launched a **GEM equity fund**¹ in early August 2017 with the application of this new strategy



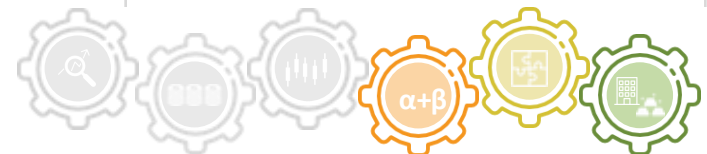
Multi-asset

- Leveraging our multi-asset strategy, we are pleased to announce a **collaboration with AIA Pension and Trustee Co. Ltd. ("AIA MPF")**
- In July 2017, AIA MPF worked with Value Partners to **launch a new fund option under its AIA MPF - Prime Value Choice Scheme**



Alternatives

- Established our **first real estate private equity fund**¹ targeting institutional investors in July 2017
- The new fund focuses on quality real estate assets in **Asia Pacific** with **stable income stream**

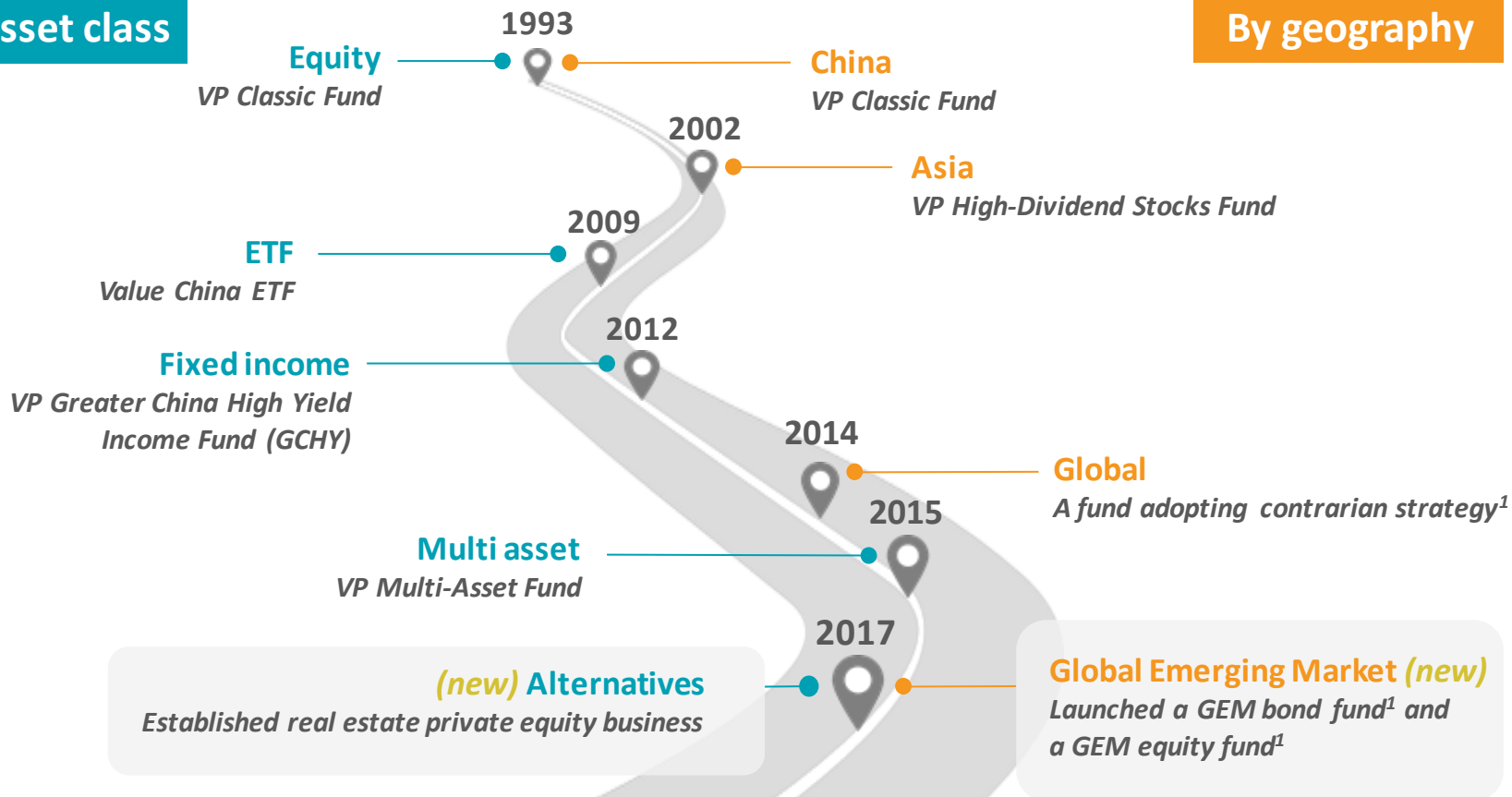


1. The fund is not authorized by the SFC and is not available to the general public in Hong Kong.

Product roadmap

By asset class

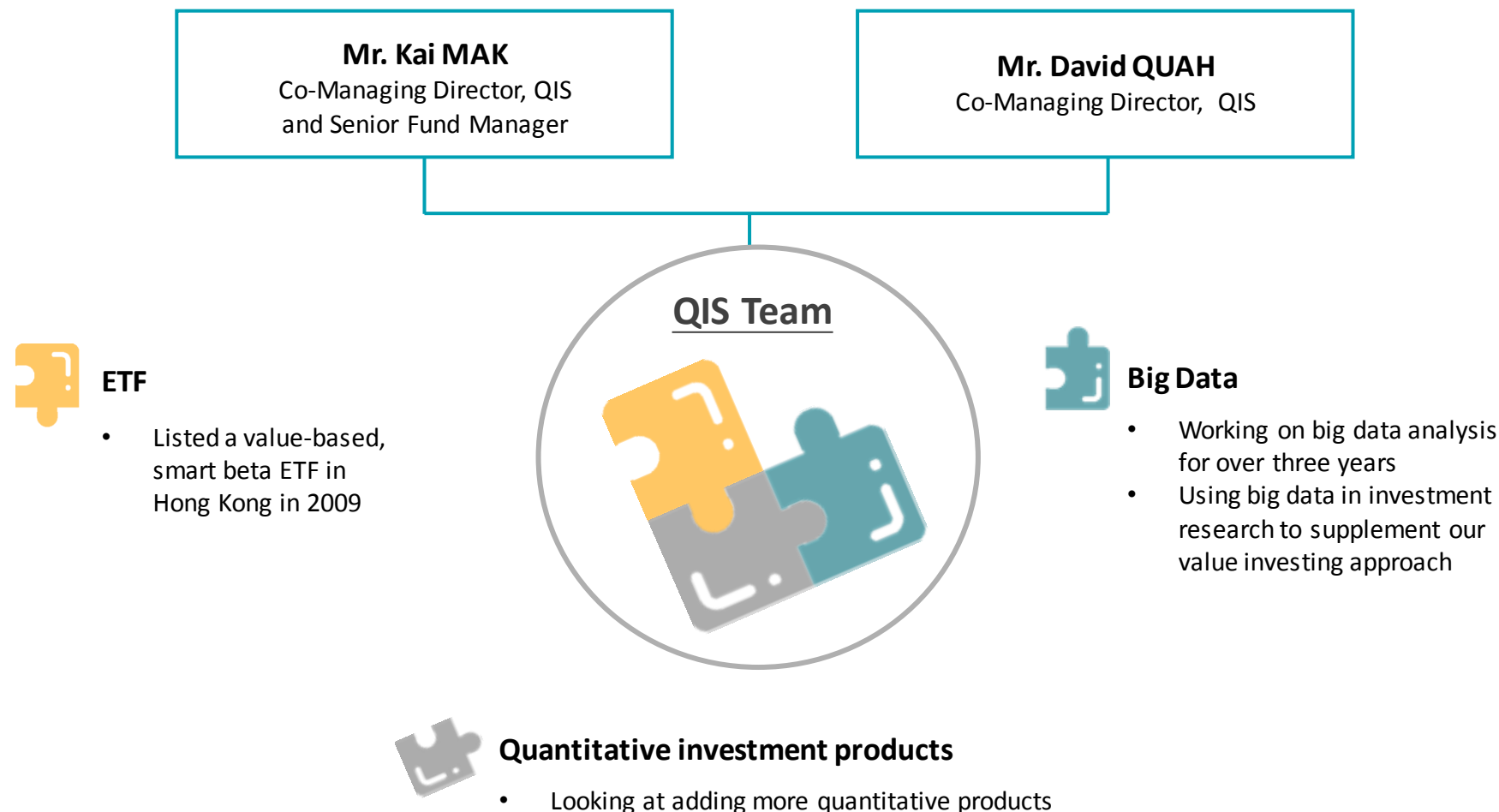
By geography



1. The fund is not authorized by the SFC and is not available to the general public in Hong Kong.

Quantitative Investment Solutions Team ("QIS Team")

Drives the Group's ETF business, big data application, and the development of quantitative products with newly established QIS Team.



Strengthens China Business Team with local team support covering investment management, business development and operations staff.

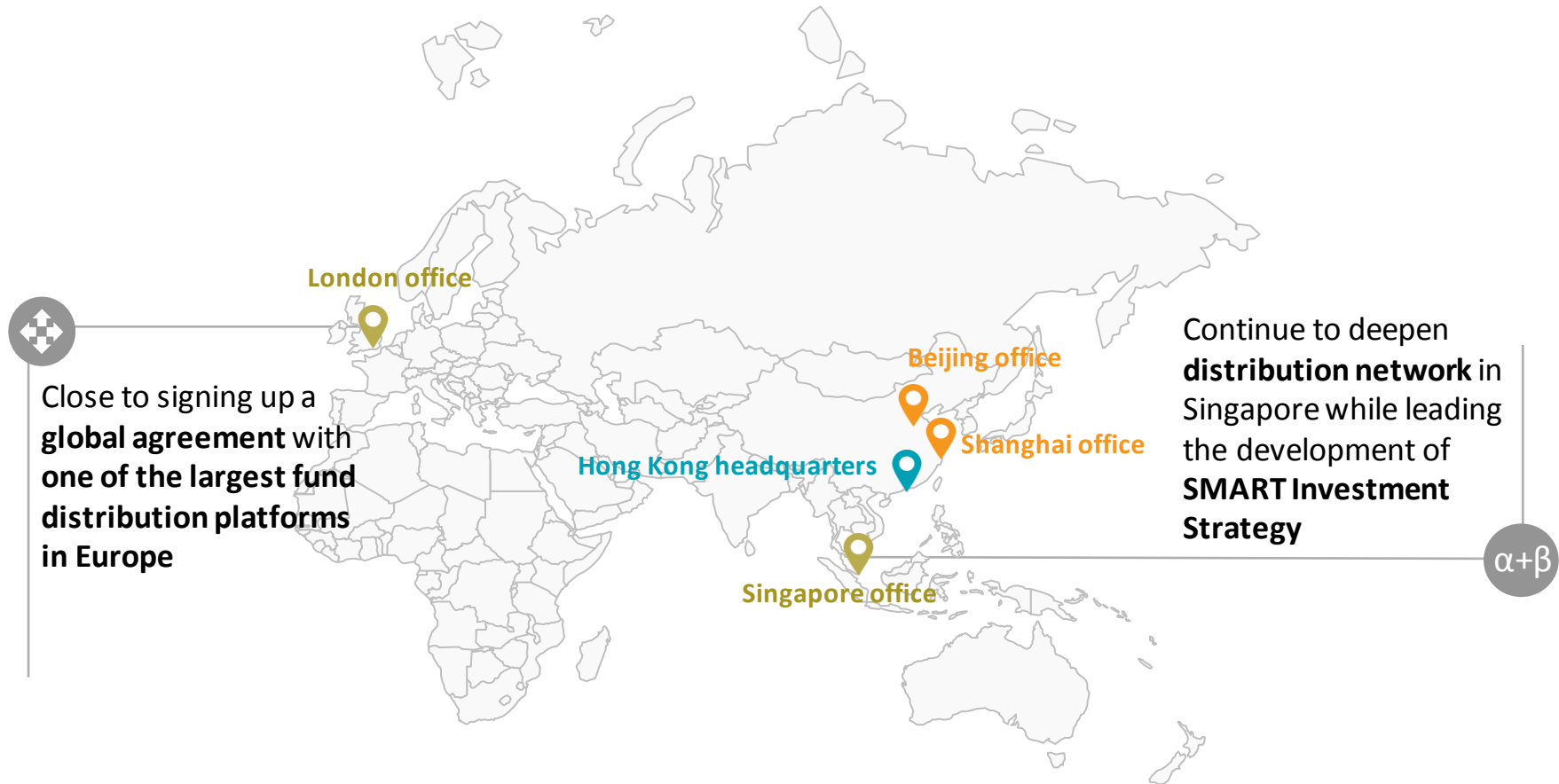
Value Partners has **2 WFOEs** in Shanghai supporting its China business



1. PFM WFOE refers to private fund management wholly foreign-owned enterprise. Value Partners is currently applying for the PFM qualification. Meanwhile, QDLP WFOE refers to Qualified Domestic Limited Partner wholly foreign-owned enterprise.

2. MRF refers to the Mainland-Hong Kong Mutual Recognition of Funds.

Overseas business development



Investor relations contact

Value Partners Group Limited

9th Floor, Nexxus Building

41 Connaught Road Central, Hong Kong

www.valuepartners-group.com

Ms. Icy Wong

Chief Financial Officer

Email: icywong@vp.com.hk

Tel: (852) 2143 0464



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