



# Fund Menu

April 2018

# Content

- 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™<sup>1</sup>

As at 31-03-2018

China / Greater China equities strategy	Asia equities strategy
<p><b>Greater China</b></p> <ul style="list-style-type: none"> <li>• Classic Fund ★★★★★</li> <li>• China Greenchip Fund ★★★ <span style="border: 1px solid black; padding: 2px;">CIES Eligible*</span></li> </ul>	<ul style="list-style-type: none"> <li>• High-Dividend Stocks Fund ★★★★★</li> </ul>
<p><b>China</b></p> <ul style="list-style-type: none"> <li>• China Convergence Fund ★★★★★</li> <li>• Chinese Mainland Focus Fund ★★★★★</li> </ul>	<p><b>Fixed income strategy</b></p> <ul style="list-style-type: none"> <li>• Greater China High Yield Income Fund</li> </ul>
<p><b>China A-share</b></p> <ul style="list-style-type: none"> <li>• China A-Share Select Fund ★★★★★ <span style="border: 1px solid black; padding: 2px;">RQFII</span></li> </ul>	<p><b>Multi-asset strategy</b></p> <ul style="list-style-type: none"> <li>• Multi-Asset Fund</li> <li>• Asian Income Fund</li> </ul>
<p><b>Taiwan</b></p> <ul style="list-style-type: none"> <li>• Taiwan Fund ★★★★★</li> </ul>	

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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	2018 (YTD)	Since inception
<b>Value Partners Classic Fund (A unit) Index<sup>a</sup></b>	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%	44.9%	1.9%	3,656.5%
<b>Value Partners Classic Fund (B unit) Index<sup>c</sup></b>	15 May 1996	USD 1,528.8 million (Total A, B & C units)	33.8%	13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.0%	2.1%	626.9%
<b>Value Partners Classic Fund (C unit) Index<sup>b</sup></b>	15 Oct 2009		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%	44.1%	1.8%	1,580.5%
			33.8%	13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.0%	2.1%	327.9%
			-	-	-	-	-	-	7.7%	21.2%	-17.6%	13.4%	10.8%	13.3%	-2.0%	-3.7%	43.3%	1.8%	110.8%
			-	-	-	-	-	-	-0.3%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	2.1%	79.8%
<b>Value Partners China Greenchip Fund Limited+ Hong Kong Hang Seng Index*</b>	8 Apr 2002	HKD 2,339.2 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%	38.4%	-2.0%	590.0%
<b>MSCI China Free HKD</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%	41.3%	0.9%	337.5%
			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%	55.3%	2.2%	755.7%
<b>Value Partners Intelligent Funds -- China Convergence Fund</b>	14 Jul 2000	USD 274.9 million	92.1%	0.8%	3.9%	86.9%	56.6%	-45.2%	87.1%	21.3%	-22.8%	9.3%	9.2%	14.6%	-0.5%	-8.7%	41.3%	1.9%	1,820.1%
<b>MSCI China Index<sup>c</sup></b>			87.6%	1.9%	19.8%	82.9%	66.2%	-30.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	54.1%	1.8%	292.3%
<b>Chinese Mainland Focus Fund</b>	27 Nov 2003	USD 162.8 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%	61.2%	-3.0%	479.0%
<b>MSCI China Index<sup>c</sup></b>			20.1%	1.9%	19.8%	82.9%	66.2%	-30.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	54.1%	1.8%	508.0%
<b>Value Partners Fund Series -- Value Partners China A-Share Select Fund</b>	16 Oct 2014	RMB 505.3 million	-	-	-	-	-	-	-	-	-	-	-	18.1%	12.1%	-5.3%	27.1%	-1.1%	57.6%
<b>Value Partners Taiwan Fund</b>	3 Mar 2008	USD 67.0 million	-	-	-	-	-	-35.7%	58.0%	19.2%	-13.0%	26.1%	13.7%	2.1%	-6.5%	16.2%	25.9%	3.2%	117.7%
<b>Taiwan Stock Exchange Index</b>			-	-	-	-	-	-42.4%	81.6%	13.3%	-19.7%	18.2%	12.2%	5.1%	-10.4%	17.8%	29.4%	4.0%	98.0%
<b>MSCI Taiwan Index</b>			-	-	-	-	-	-47.9%	76.4%	21.3%	-19.5%	16.9%	9.1%	9.4%	-11.7%	18.5%	27.5%	4.9%	80.2%
<b>Value Partners High-Dividend Stocks Fund(Class A1)</b>	2 Sep 2002	USD 3,259.4 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%	32.9%	0.6%	868.9%
<b>MSCI AC Asia (ex-Japan) Total Return Index<sup>b</sup></b>			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%	41.7%	0.7%	455.1%
<b>Value Partners High-Dividend Stocks Fund(Class A2)</b>	28 Sep 2012	USD (Total Class A1, A2MDIs & Z)	-	-	-	-	-	-	-	-	-	7.2%	7.5%	9.4%	-3.8%	-0.3%	31.7%	0.6%	60.3%
<b>Value Partners Greater China High Yield Income Fund (P USD ACC)</b>	28 Mar 2012	USD 5,479.1 million	-	-	-	-	-	-	-	-	-	13.0%	1.2%	1.1%	6.1%	15.9%	10.1%	0.9%	57.8%
<b>Value Partners Multi-Asset Fund</b>	13 Oct 2015	USD 60.8 million	-	-	-	-	-	-	-	-	-	-	-	-	-1.8%	-0.5%	16.0%	0.2%	13.5%

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Unless otherwise stated, performance is calculated in USD; NAV to NAV, with dividends reinvested. Performance data is net of all fees.

<sup>a</sup>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.

<sup>b</sup>Performance 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 +95.2%.

<sup>c</sup>Index refers to Hang Seng Price Return Index up to 30 Sep 2017. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Net Total Return Index, which takes into account of dividend reinvestment after deduction of withholding tax. All indices are for reference only.

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

<sup>e</sup>Starting 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.

<sup>f</sup>Disclaimer: 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 Classic Fund

NAV per unit: A Units - USD375.65 | B Units - USD168.05 | C Units - USD21.08  
Fund size : USD1,528.8 million



★★★★★  
Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

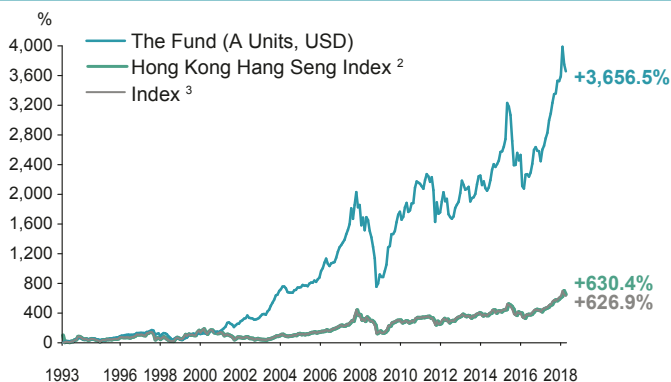
March 2018

- Value Partners Classic Fund (The "Fund") primarily invests in markets of the Asia-Pacific region, with a Greater China focus.
- The Fund invests in China-related companies and emerging markets which involve certain risks not typically associated with investment in more developed markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund is also subject to concentration risk due to its concentration in Asia-Pacific region, particularly China-related companies. The value of the Fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- In respect of the distribution units for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

## 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



## NAVs & codes

Classes <sup>4</sup>	NAV	ISIN	Bloomberg
A Units USD	375.65	HK0000264868	VLPARAI HK
B Units USD	168.05	HK0000264876	VLPARBI HK
C Units USD	21.08	HK0000264884	VLPARCI HK
C Units HKD <sup>5</sup>	165.4432	HK0000264884	VLPARCI HK
C Units RMB	13.80	HK0000264926	VLCHCRM HK
C Units AUD Hedged	17.54	HK0000264892	VLCHAUD HK
C Units CAD Hedged	17.05	HK0000264900	VLCHCAD HK
C Units HKD Hedged	14.40	HK0000264934	VLCHCHH HK
C Units NZD Hedged	18.04	HK0000264918	VLCHNZD HK
C Units RMB Hedged	14.59	HK0000264942	VLCHCRH HK
C Units MDis USD	10.23	HK0000360880	VLCCMDU HK
C Units MDis HKD	10.22	HK0000360898	VLCCMDH HK
C Units MDis RMB	9.54	HK0000362241	VLCCMDR HK
C Units MDis RMB Hedged	10.20	HK0000362258	VLCCMRH HK

## The Fund – A Units USD: Monthly performance from 1 Jan 2009 to 29 Mar 2018

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	+6.1%	+1.9%	+3.7%	+2.6%	+5.7%	+3.0%	+4.5%	+3.5%	+0.3%	+4.9%	-0.1%	+1.8%	+44.9%
2018 (YTD)	+10.8%	-5.7%	-2.5%										+1.9%

<sup>^</sup> 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.

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## Performance update

	A Units USD	B Units USD	C Units USD	Hang Seng Index <sup>2</sup>	Index <sup>3</sup>
One month	-2.5%	-2.5%	-2.5%	-2.6%	-2.2%
Year-to-date	+1.9%	+1.8%	+1.8%	+0.5%	+2.1%
One year	+31.6%	+31.0%	+30.1%	+28.2%	+27.6%
Three years	+32.1%	+30.2%	+29.4%	+33.2%	+32.5%
Five years	+73.8%	+69.6%	+69.5%	+60.8%	+60.0%
Since launch	+3,656.5%	+1,580.5%	+110.8%	+630.4%	+626.9%
Annualized return <sup>^</sup>	+15.6%	+13.7%	+9.2%	+8.3%	+8.3%
Annualized volatility <sup>^</sup>	21.7%	22.4%	19.6%	26.0%	26.0%

## Annual performance from 2009 to 2018

	A Units USD	B Units USD	C Units USD
2009	+82.9%	+82.0%	+7.7% <sup>6</sup>
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	+44.9%	+44.1%	+43.3%
2018 (YTD)	+1.9%	+1.8%	+1.8%

## Dividend information – C Units MDis<sup>7</sup>

Classes <sup>4</sup>	Dividend per unit <sup>8</sup>	Annualized yield <sup>9</sup>	Ex-dividend date
C Units MDis USD	0.0251	2.9%	29-3-2018
C Units MDis HKD	0.0251	2.9%	29-3-2018
C Units MDis RMB	0.0337	4.2%	29-3-2018
C Units MDis RMB Hedged	0.0335	3.9%	29-3-2018

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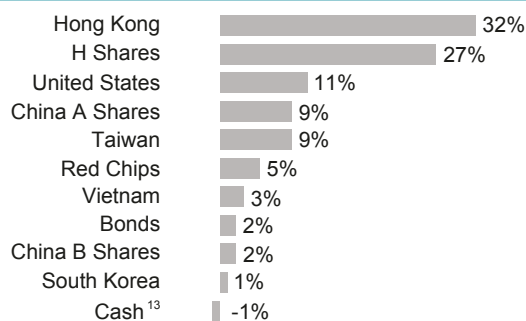
## Top 10 securities holdings

Name	Industry <sup>10</sup>	% <sup>12</sup>
Kweichow Moutai Co Ltd	Food, beverage & tobacco	5.5
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	5.5
Tencent Holdings Ltd	Software & services	5.3
Weibo Corp	Software & services	5.3
SIIC Environment Holdings Ltd	Utilities	5.2
Huaneng Renewables Corp Ltd	Utilities	4.0
Ping An Insurance Group Co of China Ltd	Insurance	3.7
BAIC Motor Corporation Ltd	Automobiles & components	3.6
Industrial and Commercial Bank of China Ltd	Banks	3.1
KWG Property Holding Ltd	Real estate	2.9

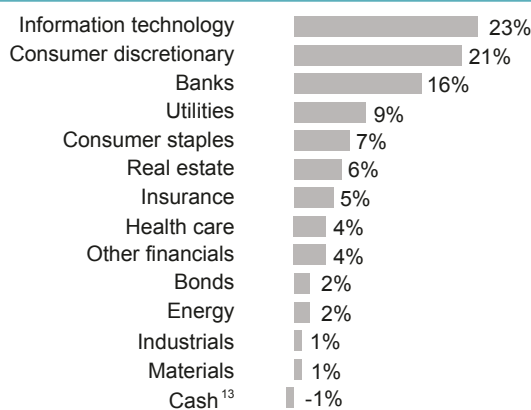
These stocks constitute 44% <sup>12</sup> of the Fund.

## Portfolio characteristics

As at 29 Mar 2018	2018 <sup>11</sup>
Price/earnings ratio	11.1 times
Price/book ratio	1.5 times
Portfolio yield	3.3%

Geographical exposure by listing <sup>12</sup>

Short exposure includes: H Shares, -0.5%.

Sector exposure <sup>10, 12</sup>

Total short exposure is -0.5%.

Short exposure includes: Consumer discretionary, -0.5%.

## 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 C Units MDis USD - 16 Oct 2017 C Units MDis HKD - 16 Oct 2017 C Units MDis RMB - 16 Oct 2017 C Units MDis RMB Hedged - 16 Oct 2017
Dividend Policy <sup>7</sup> :	C Units MDis – aim at monthly distribution, subject to Manager's discretion

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.

## 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 <sup>14</sup>	15% of profit (High-on-high principle)		
Redemption fee	Nil		
Dealing day	Daily redemption	Daily redemption	Daily dealing

## Senior investment staff

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

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

**Deputy Chief Investment Officer:** Renee Hung

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

**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

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

Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent fund awards



**Best Asia ex-Japan Fund <sup>15</sup>**  
~ AsiaHedge Awards 2017

**Fund of the Year 2017 <sup>16</sup>**  
~ HFM Asia Performance Awards 2017

**Best Greater China fund over US\$500 million <sup>16</sup>**  
~ HFM Asia Performance Awards 2017

Scan QR code for fund documents<sup>17</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved (for A Units). 2. Hang Seng Price Return Index was used till 31 Dec 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index takes into account of dividend reinvestment whereas Hang Seng Price Return Index does not. 3. Index refers to Hang Seng Price Return Index till 31 Dec 2004, thereafter it is the Hang Seng Total Return Index up to 30 Sep 2017. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Net Total Return Index, which takes into account of dividend reinvestment after deduction of withholding tax. All indices are 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. The Manager currently intends to make monthly dividend distribution in respect of the C Unit 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. Please refer to the explanatory memorandum for more details. 8. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 9. Annualized yield of MDis Class is calculated as follows: (Latest 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. 10. Classification is based on Global Industry Classification Standard (GICS). 11. 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. 12. 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%). 13. Cash refers to net cash on hand excluding cash for collaterals and margins. 14. 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). 15. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 16. The awards were judged based on performance over the past 12 months, up to 30 Apr 2017. 17. For Hong Kong investors only.

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

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

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

# Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD69.00 | Class A2 QDis - HKD12.29

Fund size : USD298.1 million (HKD2,339.2 million)

★ ★ ★  
Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

CIES Eligible\*

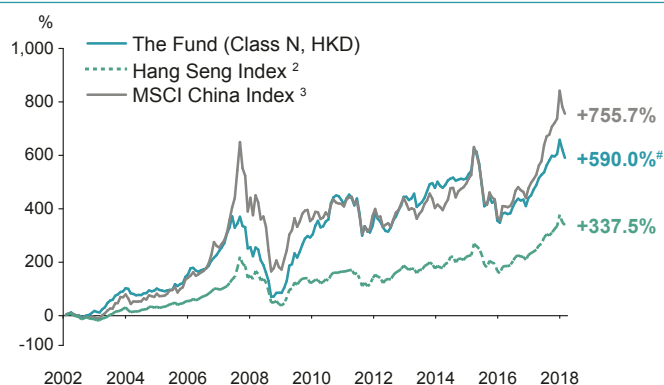
March 2018

- 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.
- The Fund invests in China, China-related companies and medium or small capitalization companies and is therefore subject to emerging market and concentration risks. 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 shares for the Fund, the Manager currently intends to make quarterly 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 shares.
- 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 launch



## Performance update

	Class A HKD	Class A2 QDis HKD	MSCI China Index <sup>3</sup>	Hang Seng Index <sup>2</sup>
One month	-4.3%	-4.3%	-3.0%	-2.3%
Year-to-date	-2.0%	-1.9%	+2.2%	+0.9%
One year	+20.8%	+20.5%	+40.3%	+29.5%
Three years	+7.5%	+7.1%	+36.6%	+34.8%
Five years	+29.9%	N/A	+72.9%	+62.6%
Since launch	+590.0%#	+30.8%	+755.7%	+337.5%
Annualized return <sup>^</sup>	+12.8%#	+5.9%	+14.4%	+9.7%
Annualized volatility <sup>^</sup>	21.3%#	16.8%	24.7%	19.7%

## The Fund – Class A HKD: Monthly performance from 1 Jan 2009 to 29 Mar 2018

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	+6.2%	+1.7%	+4.0%	+2.8%	+4.5%	+2.0%	+1.5%	+4.2%	+2.7%	+2.5%	-0.3%	+1.3%	+38.4%
2018 (YTD)	+7.6%	-4.8%	-4.3%										-2.0%

\* 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 are for Non-Redeemable Class N shares which may differ from those of classes currently available for subscription (namely Class A and Class A2 QDis), due to differences in launch date. For Class A, the since launch return, annualized return and annualized volatility are +95.2%, +6.3% and 23.4% respectively.

## Top 10 securities holdings (as at 28 Feb 2018)

Name	Industry <sup>8</sup>	%
Kweichow Moutai Co Ltd	Food, beverage & tobacco	6.0
Sands China Ltd	Consumer services	4.2
VTech Holdings Ltd	Technology, hardware & equipment	4.2
Chinasoft International Ltd	Software & services	4.1
Ping An Insurance (Group) Co of China Ltd	Insurance	4.1
China YuHua Education Corporation Ltd	Consumer services	3.6
Galaxy Entertainment Group Ltd	Consumer services	3.2
SIIC Environment Holdings Ltd	Utilities	3.2
Chow Tai Fook Jewellery Group Ltd	Retailing	3.1
Techtronic Industries Co Ltd	Consumer durables & apparel	3.0

These stocks constitute 39% of the Fund.

## Portfolio characteristics

As at 29 Mar 2018	2018 <sup>9</sup>
Price/earnings ratio	13.7 times
Price/book ratio	2.0 times
Portfolio yield	3.1%

Geographical exposure by listing<sup>10</sup>

Hong Kong	61%
H Shares	19%
China A Shares	10%
United States	8%
Red Chips	6%
Taiwan	2%
Cash <sup>11</sup>	-6%

Sector exposure<sup>8, 10</sup>

Consumer discretionary	37%
Information technology	26%
Consumer staples	10%
Banks	6%
Other financials	5%
Real estate	5%
Health care	3%
Industrials	3%
Insurance	3%
Utilities	3%
Energy	2%
Materials	2%
Others	1%
Cash <sup>11</sup>	-6%

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved. 2. 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. 3. MSCI China Index (Net Total Return) Index takes into account of dividend reinvestment after deduction of withholding tax. 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 QDis Class is calculated as follows: (Lafest 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.

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.

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

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

## Fund facts

Manager:	Value Partners Limited
Base currency:	HKD
Administrator:	HSBC Trustee (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 <sup>4</sup> :	Class A2 QDis - aim at quarterly distribution, subject to Manager's discretion

Non-Redeemable Class N shares are closed for subscription from 26 Mar 2007; existing and new investors may subscribe for Class A or A2 QDis shares.

## Fee structure (Class A and Class A2 QDis)

Minimum subscription	HKD80,000 or equivalent <sup>12</sup>
Minimum subsequent subscription	HKD40,000 or equivalent <sup>12</sup>
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee <sup>13</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;  
 Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;  
 Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent fund award



**Lipper Fund Awards 2014 (Hong Kong)**  
**Best Greater China Equity Fund (5 Years)<sup>14</sup>**  
 ~ Lipper



# China Convergence Fund

## A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD192.01

Fund size : USD274.9 million



Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

March 2018

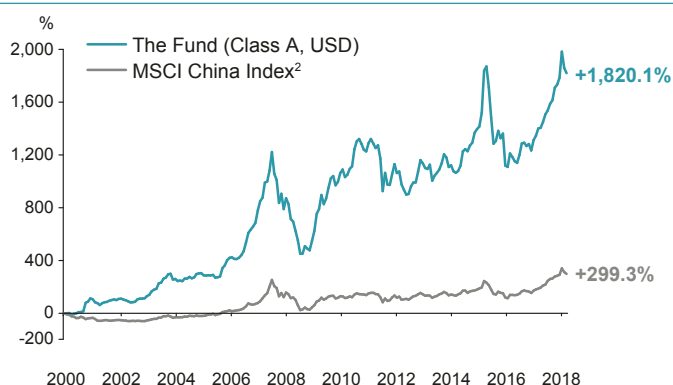
- China Convergence Fund (The "Fund") primarily invests in A and B shares listed on the stock exchanges of Shanghai and Shenzhen as well as in H shares listed in Hong Kong.
- The Fund invests in China and therefore is subject to emerging market risks. Generally, investments in emerging markets are more 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



### Performance update

	Class A USD	MSCI China Index <sup>2</sup>
One month	-2.0%	-3.3%
Year-to-date	+1.9%	+1.8%
One year	+27.9%	+38.9%
Three years	+18.7%	+34.9%
Five years	+59.8%	+71.0%
Since launch	+1,820.1%	+299.3%
Annualized return <sup>^</sup>	+18.1%	+8.1%
Annualized volatility <sup>^</sup>	25.3%	26.3%

### NAVs & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	192.01	KYG9317Q1047	VAPAICB KY
Class A AUD Hedged	12.60	KYG9317Q1385	VAPAAHD KY
Class A CAD Hedged	13.53	KYG9317Q1468	VAPACAH KY
Class A NZD Hedged	14.19	KYG9317Q1534	VAPANZH KY

### The Fund – Class A USD: Monthly performance from 1 Jan 2009 to 29 Mar 2018

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	+5.9%	+2.3%	+3.8%	+0.3%	+2.9%	+3.7%	+1.8%	+3.1%	+1.6%	+5.5%	+1.3%	+2.9%	+41.3%
2018 (YTD)	+10.5%	-6.0%	-2.0%										+1.9%

<sup>^</sup> 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

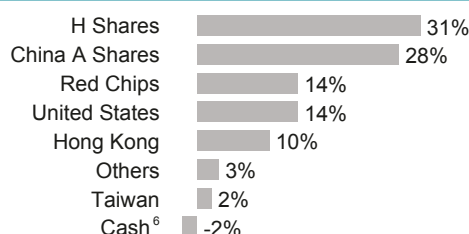
Name	Industry <sup>3</sup>	%
Tencent Holdings Ltd	Software & services	9.4
Alibaba Group Holding Ltd	Software & services	9.0
Kweichow Moutai Co Ltd	Food, beverage & tobacco	5.5
Beijing Tong Ren Tang	Pharmaceuticals,	5.4
Chinese Medicine Co Ltd	biotechnology & life sciences	
China Resources Double	Pharmaceuticals,	4.8
Crane Pharmaceutical Co Ltd	biotechnology & life sciences	
Midea Group Co Ltd	Consumer durables & apparel	4.7
China Merchants Bank Co Ltd	Banks	4.1
China CITIC Bank Corp Ltd	Banks	4.0
China Construction Bank Corp	Banks	4.0
Shenzhen International Holdings Ltd	Transportation	4.0

These stocks constitute 55% of the Fund.

## Portfolio characteristics

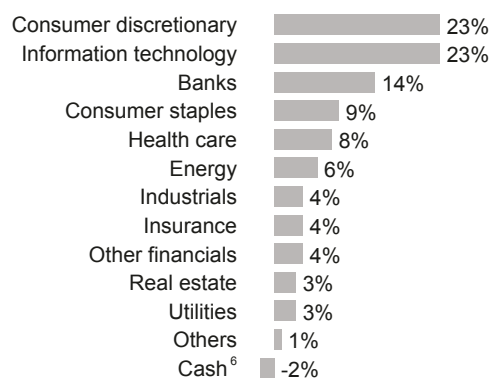
As at 29 Mar 2018	2018 <sup>4</sup>
Price/earnings ratio	13.2 times
Price/book ratio	1.8 times
Portfolio yield	2.7%

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



Short exposure includes: Hong Kong, -7.5%.

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



Total short exposure is -7.5%.

Short exposure includes: Health care, -3.5%; Banks, -2.7% and Consumer staples, -1.3%.

## 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

## 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 <sup>7</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

## Senior investment staff

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

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

**Deputy Chief Investment Officer:** Renee Hung

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

**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

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

Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent fund award



Fund of the Year Awards 2015 <sup>8</sup>  
**China Equity (Outstanding Achiever)**  
 ~ Benchmark Magazine

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved. 2. 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. 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. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV. If in any one year, the Fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 8. Reflecting performance as at Sep 2015.

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

# Chinese Mainland Focus Fund

## A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: USD57.90

Fund size : USD162.8 million



Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

March 2018

- 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 and the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connects"). Investors will be subject to certain risks including repatriation, custodial, settlement and regulatory risk. In addition, the policy and rules of QFII and Stock Connects 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



### Performance update

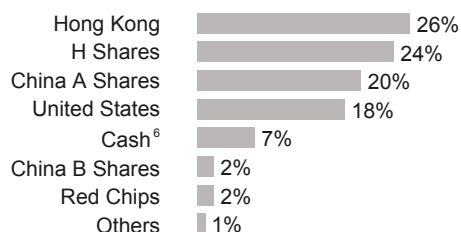
	The Fund	MSCI China Index 2
One month	-4.8%	-3.3%
Year-to-date	-3.0%	+1.8%
One year	+35.5%	+38.9%
Three years	+32.5%	+34.9%
Five years	+68.7%	+71.0%
Since launch	+479.0%	+508.0%
Annualized return <sup>^</sup>	+13.0%	+13.4%
Annualized volatility <sup>^</sup>	22.3%	25.9%

### The Fund – Monthly performance from 1 Jan 2009 to 29 Mar 2018

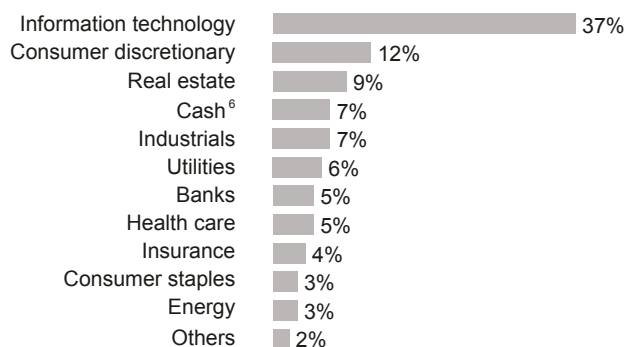
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.2%	-2.1%	+11.8%	+11.4%	+17.7%	+3.4%	+12.3%	-7.1%	+5.2%	+8.8%	+6.7%	+1.8%	+86.0%
2010	-5.7%	+1.9%	+6.5%	+2.8%	-4.7%	+1.5%	+4.9%	+1.7%	+10.6%	+6.4%	-1.1%	-2.0%	+23.9%
2011	-2.5%	-0.9%	+4.8%	+3.4%	-1.2%	-2.2%	+1.8%	-7.6%	-19.5%	+15.6%	-7.8%	+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	+7.9%	+3.2%	+3.5%	+1.8%	+2.8%	+4.9%	+9.8%	+3.2%	+2.2%	+4.9%	+3.0%	+1.9%	+61.2%
2018 (YTD)	+9.4%	-7.0%	-4.8%										-3.0%

<sup>^</sup> 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 <sup>5</sup>



### Sector exposure <sup>4, 5</sup>



### 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

### Fee structure

Minimum subscription	USD10,000
Minimum subsequent subscription	USD5,000
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee <sup>7</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

### Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

### Recent fund awards



2017 HKCAMA-Bloomberg Offshore China Fund Awards  
**Best Total Return - Greater China Equity (1 Year) - 2nd Runner-Up <sup>8</sup>**  
 ~ The Chinese Asset Managers Association of Hong Kong & Bloomberg



**Lipper Fund Awards 2013 (Hong Kong)**  
**Best China Equity Fund (5 Years) <sup>9</sup>**  
 ~ Lipper

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved. 2. 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. 3. 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. 4. Classification is based on Global Industry Classification Standard (GICS). 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. 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 awards recognize the Greater China equity funds issued by CAMAHK members with at least 1 year of historical performance as of 30 Sep 2017. 9. Based on data as of year-end 2012.

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.

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

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

# Value Partners Fund Series

## Value Partners China A-Share Select Fund



NAV per unit: Class A RMB (CNH) – RMB15.76

Fund size : USD80.3 million (RMB505.3 million)



Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

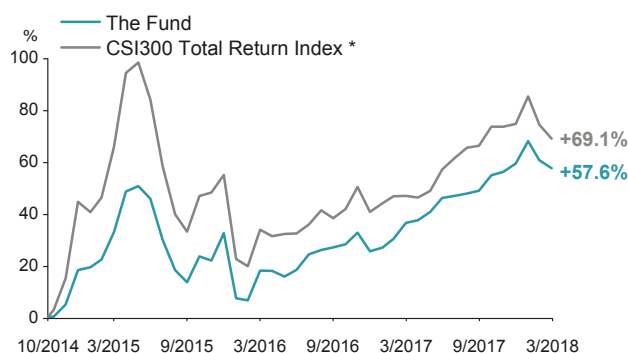
March 2018

- 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	-1.9%	-3.1%	-2.8%
Three months	-1.1%	-3.3%	-4.2%
Year-to-date	-1.1%	-3.3%	-4.2%
Since launch	+57.6%	+69.1%	+34.5%

### Top 5 securities holdings

Name	Industry <sup>2</sup>	%
SAIC Motor Corporation Limited	Automobiles & components	6.0
Beijing New Building Materials Public Limited Company	Capital goods	5.9
China Resources Double-crane Pharmaceutical Co Ltd	Pharmaceuticals, biotechnology & life sciences	5.9
China Merchants Shekou Industrial Zone Holdings Co Ltd	Real estate	5.7
Jiangsu Yanghe Brewery Joint-stock Co Ltd	Food, beverage & tobacco	5.5

These stocks constitute 29% of the Fund.

### Portfolio characteristics

As at 29 Mar 2018	2018 <sup>3</sup>
Price/earnings ratio	13.2 times
Price/book ratio	2.1 times
Portfolio yield	2.3%

### Geographical exposure by listing<sup>4</sup>

Shanghai A Shares	55%
Shenzhen A Shares	36%
Cash <sup>5</sup>	9%

### Sector exposure<sup>2,4</sup>

Consumer discretionary	20%
Banks	19%
Industrials	14%
Health care	13%
Cash <sup>5</sup>	9%
Consumer staples	7%
Real estate	6%
Information technology	5%
Energy	3%
Insurance	3%
Others	1%

### The Fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 29 Mar 2018

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% <sup>6</sup>
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	+1.1%	+2.7%	+4.8%	+0.7%	+2.4%	+3.8%	+0.5%	+0.6%	+0.7%	+4.0%	+0.8%	+2.0%	+27.1%
2018 (YTD)	+5.5%	-4.4%	-1.9%										-1.1%

\* 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 &amp; codes

Classes <sup>7</sup>	NAV	ISIN	Bloomberg
Class A RMB (CNH)	15.76	HK0000220001	VPCAARM HK
Class A USD Unhedged	15.44	HK0000220019	VPCAAUU HK
Class A USD Hedged	14.08	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	15.56	HK0000220035	VPCAAHU HK
Class A HKD Hedged	14.01	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	16.34	HK0000220076	VPCAAGU HK
Class A GBP Hedged	13.72	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	14.40	HK0000220092	VPCAAAU HK
Class A AUD Hedged	14.37	HK0000220100	VPCAAAH HK
Class A CAD Hedged	13.19	HK0000220126	VPCAACH HK
Class A EUR Unhedged	13.78	HK0000220050	VPCAAEU HK
Class A EUR Hedged	13.58	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	13.11	HK0000220134	VPCAANU HK
Class A NZD Hedged	14.15	HK0000220142	VPCAANH HK

## Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Base currency:	Renminbi
Trustee:	HSBC Institutional Trust Services (Asia) Limited
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%
Redemption fee	Nil
Management fee	1.5% p.a.
Performance fee <sup>8</sup>	15% of profit (High-on-High)
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;  
Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;  
Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent corporate awards



**Manager of the Year - Greater China Equity (Outstanding Award)**  
**Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs) <sup>9</sup>**  
~ Benchmark Fund of the Year Awards 2017, Hong Kong

**Management Firm of the Year <sup>10</sup>**  
~ AsiaHedge Awards 2017

**Best Fund Provider - Greater China Equity <sup>11</sup>**  
~ Asset Management Awards for Excellence 2017

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved. 2. Classification is based on Global Industry Classification Standard (GICS). 3. 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. 4. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 5. Cash refers to net cash on hand excluding cash for collaterals and margins. 6. Performance shown is calculated based on the Fund's since launch return. The Fund was launched on 29 Oct 2014. 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/EUR/GBP/HKD/NZD/USD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 8. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV. If in any one year, the Fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 9. The award recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 10. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 11. Based on performance and achievements for 2016.

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 herein has been obtained from sources believed to be reliable but Value Partners Hong Kong Limited does not guarantee the accuracy or completeness of the information provided by third parties. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.

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

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



Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

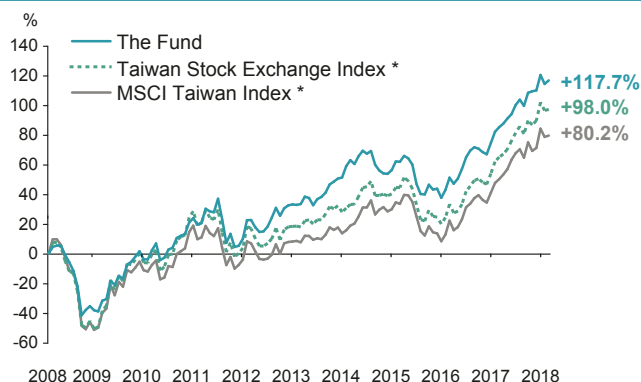
March 2018

- 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



## Performance update

	The Fund	Taiwan Stock Exchange Index *	MSCI Taiwan Index *
One month	+1.1%	+0.4%	+0.5%
Year-to-date	+3.2%	+4.0%	+4.9%
One year	+17.1%	+19.5%	+19.7%
Three years	+34.1%	+36.6%	+34.7%
Since launch	+117.7%	+98.0%	+80.2%
Annualized return <sup>^</sup>	+8.0%	+7.0%	+6.0%
Annualized volatility <sup>^</sup>	18.1%	23.4%	23.6%

## The Fund – Monthly performance from 1 Jan 2009 to 29 Mar 2018

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	+4.6%	+4.3%	+1.7%	+1.3%	+1.9%	+1.6%	+3.2%	+1.8%	-2.1%	+4.4%	+0.5%	+0.3%	+25.9%
2018 (YTD)	+5.0%	-2.8%	+1.1%										+3.2%

\* The indices are for reference only.

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

## Top 5 securities holdings <sup>2</sup>

Name	Industry <sup>3</sup>	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.8
MediaTek Inc	Semiconductors & semiconductor equipment	6.1
Cathay Financial Holding Co Ltd	Insurance	4.2
Taiwan Union Technology Corp	Technology, hardware & equipment	4.1
Sporton International Inc	Commercial services & supplies	3.4

These stocks constitute 28% of the Fund.

## Portfolio characteristics

As at 29 Mar 2018	2018 <sup>4</sup>
Price/earnings ratio	14.0 times
Price/book ratio	2.0 times
Portfolio yield	4.6%

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

Taiwan	96%
Cash <sup>6</sup>	3%
Others <sup>7</sup>	1%

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

Information technology	59%
Industrials	10%
Telecom services	6%
Banks	5%
Insurance	4%
Materials	4%
Cash <sup>6</sup>	3%
Consumer staples	3%
Other financials	3%
Consumer discretionary	2%
Others <sup>7</sup>	1%

## 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

## Fee structure

Minimum subscription	US\$10,000
Minimum subsequent subscription	US\$5,000
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee <sup>8</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

## Senior investment staff

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

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

**Deputy Chief Investment Officer:** Renee Hung

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

**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

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

Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent corporate awards



**Manager of the Year - Greater China Equity (Outstanding Award)**

**Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs)<sup>9</sup>**  
~ Benchmark Fund of the Year Awards 2017, Hong Kong

**Management Firm of the Year<sup>10</sup>**  
~ AsiaHedge Awards 2017

**Best Fund Provider - Greater China Equity<sup>11</sup>**  
~ Asset Management Awards for Excellence 2017

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved. 2. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk). 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). 9. The award recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 10. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 11. Based on performance and achievements for 2016.

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

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

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



# Value Partners High-Dividend Stocks Fund

NAV per unit: Class A1 USD - USD95.89 | Class A2 MDIs USD - USD12.38

Fund size : USD3,259.4 million

★★★★★  
Morningstar Rating™<sup>1</sup>  
As at 31-03-2018

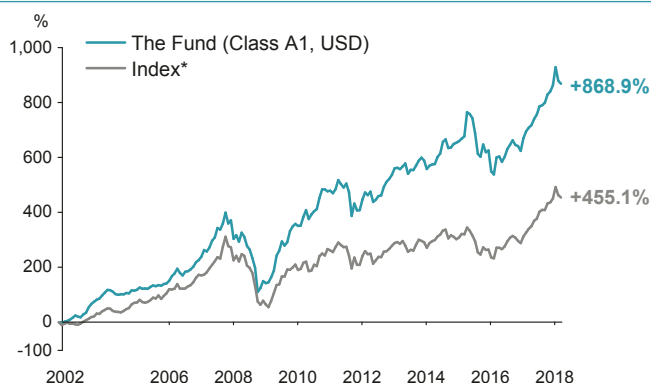
March 2018

- Value Partners High-Dividend Stocks Fund (The "Fund") primarily invests in higher yielding debt and equity securities in the Asian region.
- The Fund may invest in higher-yielding debt and equity securities that are below investment grade. Such investments can involve greater risks due to the speculative nature.
- The Fund may invest in China and other markets of the Asian region, therefore is subject to emerging market risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty. The value of the Fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
- In respect of the distribution units for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

## Investment objective

The Fund aims to provide capital appreciation to unitholders by investing primarily in a portfolio of relatively higher yielding debt and equity securities in Asian region.

## Performance since launch



## Performance update

	Class A1 USD	Class A2 MDIs USD	Class A Acc RMB	Index*
One month	-1.1%	-1.1%	-2.0%	-1.5%
Year-to-date	+0.6%	+0.6%	-3.0%	+0.7%
One year	+19.8%	+18.9%	+10.2%	+25.8%
Three years	+24.6%	+23.3%	+25.5%	+31.8%
Five years	+47.2%	+45.2%	N/A	+43.5%
Since launch	+868.9%	+60.3%	+48.2%	+455.1%
Annualized return <sup>^</sup>	+15.7%	+9.0%	+10.2%	+11.6%
Annualized volatility <sup>^</sup>	18.3%	12.9%	12.8%	19.9%

## Dividend information – Class A2 MDIs <sup>2</sup>

Classes <sup>3</sup>	Dividend per unit <sup>4</sup>	Annualized yield <sup>5</sup>	Ex-dividend date
Class A2 MDIs USD	0.0476	4.6%	29-3-2018
Class A2 MDIs HKD	0.0439	4.6%	29-3-2018
Class A2 MDIs AUD Hedged	0.0473	5.3%	29-3-2018
Class A2 MDIs CAD Hedged	0.0409	4.5%	29-3-2018
Class A2 MDIs GBP Hedged	0.0350	4.1%	29-3-2018
Class A2 MDIs NZD Hedged	0.0496	5.4%	29-3-2018
Class A2 MDIs RMB Hedged	0.0581	6.3%	29-3-2018
Class A2 MDIs RMB Unhedged	0.0417	4.8%	29-3-2018
Class A2 MDIs SGD Hedged	0.0415	4.2%	29-3-2018

## NAVs & codes

Classes <sup>3</sup>	NAV	ISIN	Bloomberg
Class A1 USD	95.89	HK0000288735	VALASHY HK
Class A1 HKD <sup>6</sup>	752.5783	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	13.74	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.82	HK0000288727	VALHAUR HK
Class A2 MDIs USD	12.38	HK0000288743	VALHYA2 HK
Class A2 MDIs HKD	11.44	HK0000288784	VALHA2H HK
Class A2 MDIs AUD Hedged	10.72	HK0000288750	VALHA2A HK
Class A2 MDIs CAD Hedged	10.89	HK0000288768	VALHA2C HK
Class A2 MDIs GBP Hedged	10.32	HK0000288776	VALHDSF HK
Class A2 MDIs NZD Hedged	11.08	HK0000288792	VALHA2N HK
Class A2 MDIs RMB Hedged	11.02	HK0000288800	VALHRMB HK
Class A2 MDIs RMB Unhedged	10.46	HK0000288818	VAHYRMB HK
Class A2 MDIs SGD Hedged	11.90	HK0000288867	VALHA2S HK

## The Fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 29 Mar 2018

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	+6.3%	+3.2%	+1.7%	+1.1%	+2.8%	+1.9%	+3.5%	+0.4%	+1.0%	+3.3%	+1.2%	+2.4%	+32.9%
2018 (YTD)	+6.8%	-4.8%	-1.1%										+0.6%

\* 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.

<sup>^</sup> 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 <sup>7</sup>**

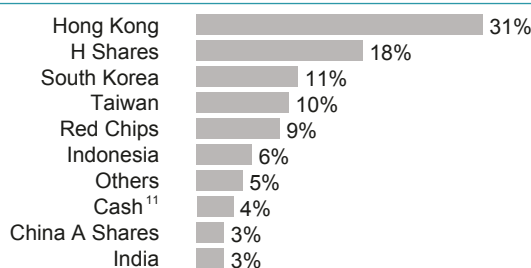
Name	Industry <sup>8</sup>	%
China Construction Bank Corp	Banks	5.0
Longfor Properties Co Ltd	Real estate	5.0
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	3.2
Ping An Insurance (Group) Co of China Ltd	Insurance	3.1
China Resources Power Holdings Co Ltd	Utilities	2.5
Far East Horizon Ltd	Diversified financials	2.5
SITC International Holdings Co Ltd	Transportation	2.3
China Lilang Ltd	Consumer durables & apparel	2.2
Qingdao Port International Co Ltd	Transportation	2.2
Times China Holdings Ltd	Real estate	2.1

These stocks constitute 30% of the Fund.

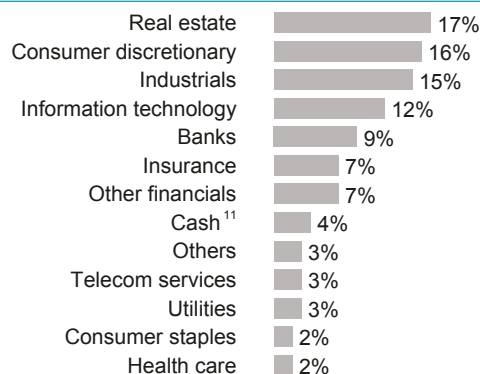
**Portfolio characteristics**

As at 29 Mar 2018	2018 <sup>9</sup>
Price/earnings ratio	8.8 times
Price/book ratio	1.2 times
Portfolio yield	4.3%
Yield to maturity/put	N/A

**Geographical exposure by listing <sup>10</sup>**



**Sector exposure <sup>8, 10</sup>**



**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 <sup>2</sup>: Class A2 MDis – aim at monthly distribution, subject to Manager’s discretion

**Fee structure**

	Class A1	Class A2 MDis	Class A Acc
Minimum subscription	USD10,000 or HKD equivalent <sup>6</sup>	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 <sup>6</sup>	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 <sup>12</sup>		15% of profit (High-on-high principle)	
Redemption fee		Nil	
Dealing day		Daily	

**Senior investment staff**

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tian, CFA; Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

**Recent fund awards**



**Thomson Reuters Lipper Fund Awards 2016 & 2017 <sup>13</sup>**  
**Best Asia Pacific ex-Japan Equity (10 Years)**  
 ~ Thomson Reuters



**Fund Selector Asia Singapore Awards 2016 <sup>14</sup>**  
**Asia Pacific Equity (Platinum Winner)**  
 ~ Fund Selector Asia

Scan QR code for fund documents<sup>15</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. © 2018 Morningstar, Inc. All Rights Reserved (for Class A1). 2. The Manager currently intends to make monthly dividend distribution in respect of the A2 MDis Classes; actual dividend payout will be subject to the Manager’s discretion. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. For A1 Class units, Manager will review dividend distribution at its discretion once a year (last dividend payout date: 21 Nov 2005). Please refer to the explanatory memorandum for more details. 3. The Fund may invest in financial derivative instruments (“FDI”) for hedging purposes. In adverse situations, the Fund’s use of FDI may become ineffective in hedging and the Fund may suffer significant losses. Each hedged share class will hedge the Fund’s base currency back to its currency of denomination on a best efforts basis. However, the volatility of the hedged classes measured in the Fund’s base currency may be higher than that of the equivalent class denominated in the Fund’s base currency. Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss. The AUD/CAD/GBP/NZD/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 5. Annualized yield of MDis Class is calculated as follows: (Latest 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. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email: [its@vp.com.hk](mailto:its@vp.com.hk). 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. 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. 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 including cash equivalents, investment in money market funds but excluding cash for collateral and margins. 12. 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). 13. The award reflecting performance as at Dec 2016 and Dec 2015 respectively. 14. 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. 15. For Hong Kong investors only. Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Hong Kong Limited does not guarantee the accuracy or completeness of the information provided by third parties. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. For Singapore investors: The Fund is registered as a restricted foreign scheme in Singapore and will only be distributed to (i) institutional investors and (ii) accredited investors and certain other persons in Singapore in accordance with section 304 and 305 of the Securities and Futures Act. Value Partners Asset Management Singapore Pte Ltd, Singapore Company Registration No. 200808225G This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.

# Value Partners Greater China High Yield Income Fund

NAV per unit: USD15.78 (P Acc USD) / USD9.09 (P MDis USD)

Fund size : USD5,479.1 million

March 2018

- 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

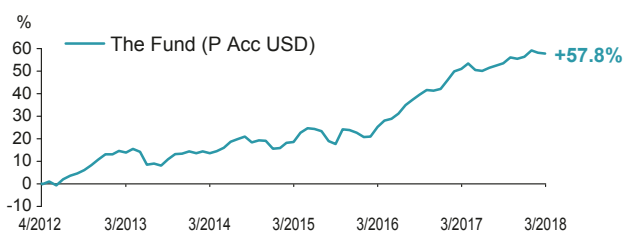
### Portfolio review:

In March, we saw the typical flight-to-quality environment in which government bond yields were down and credit spreads widened. Fear of a trade war between the US and China drove US Treasury yields down in March, even after the Fed raised rate by 25 basis points during the month. After touching the yearly high of 2.95%, the benchmark 10-year US Treasury note ended the month at around 2.76%. In the Asian credit markets, credit spreads widened and lower-rated quality papers underperformed. While we remained quite active in both the primary and secondary markets, we have raised our cash level to be more defensive in the current environment and also reserve some dry powder for some interesting deals in the pipeline.

### Outlook:

The market will continue to focus on the development of the US-China trade war as well as the Fed's rate hike schedule. Investors may draw some clues from the US job and inflation data with respect to the pace of rate hike, but geopolitical risk is not easy to measure and forecast. In the current market, we prefer to stay more defensive while continuing to deploy our capital into opportunities that offer attractive risk-adjusted return potential.

## Performance since launch



## Performance update

	The Fund (P Acc USD)
One month	-0.3%
Year-to-date	+0.9%
One year	+4.5%
Three years	+33.2%
Five years	+38.7%
Since launch	+57.8%
Annualized return	+7.9%
Annualized volatility	5.9%

## The Fund – P Acc USD: Monthly performance from 27 Mar 2012 to 29 Mar 2018

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	+2.8%	+2.6%	+0.7%	+1.6%	-1.9%	-0.3%	+0.9%	+0.7%	+0.7%	+1.7%	-0.4%	+0.6%	+10.1%
2018 (YTD)	+1.8%	-0.6%	-0.3%										+0.9%

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Hotline: Hong Kong (852) 2143 0688 | Singapore (65) 6718 0380  
Email: fis@vp.com.hk www.valuepartners-group.com

## Dividend information – Class MDis <sup>1</sup>

Classes <sup>2</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
P MDis USD	0.0621	8.2%	29-3-2018
P MDis HKD	0.0622	8.2%	29-3-2018
P MDis SGD Hedged	0.0649	7.9%	29-3-2018
A MDis AUD Hedged	0.0652	8.7%	29-3-2018
A MDis CAD Hedged	0.0622	8.2%	29-3-2018
A MDis EUR Hedged	0.0575	7.0%	29-3-2018
A MDis GBP Hedged	0.0606	7.8%	29-3-2018
A MDis NZD Hedged	0.0720	9.2%	29-3-2018

## Top 10 securities holdings

Name	Sector <sup>4</sup>	Country	%
Energy Resources LLC 0% 09/30/2022	Materials	Mongolia	1.4
Geo Coal International Pte Ltd 8% 10/04/2022	Energy	Singapore	1.3
Golden Wheel Tiandi Holdings Co Ltd 8.25% 11/03/2019	Real estate	China/Hong Kong	1.3
China Evergrande Group 8.75% 06/28/2025	Real estate	China/Hong Kong	1.2
Yida China Holdings Ltd 6.95% 04/19/2020	Real estate	China/Hong Kong	1.2
China Evergrande Group 9.5% 03/29/2024	Real estate	China/Hong Kong	1.2
Powerlong Real Estate Holdings Ltd 5.95% 07/19/2020	Real estate	China/Hong Kong	1.1
Poseidon Finance 1 Ltd 0% 02/01/2025	Diversified financials	China/Hong Kong	1.1
AMTD Group Co Ltd 5% 03/21/2019	Diversified financials	China/Hong Kong	1.1
Rock International Investment Inc 6.625% 03/27/2020	Materials	China/Hong Kong	1.0

## NAVs & Codes

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
P Acc USD	15.78	KYG9319N1097	VPGCPUA KY
P Acc HKD	15.83	KYG9319N1253	VPGCPHA KY
P MDis USD	9.09	KYG9319N1170	VPGPUMD KY
P MDis HKD	9.14	KYG9319N1337	VPGPMD KY
P MDis SGD Hedged	9.91	KYG9319N1824	VPSSHMA KY
A MDis AUD Hedged	8.98	KYG9319N2327	VPGCAUD KY
A MDis CAD Hedged	9.08	KYG9319N2400	VPGCCAD KY
A MDis GBP Hedged	9.38	KYG9319N3317	VPGCAGH KY
A MDis EUR Hedged	9.80	KYG9319N3499	VCHAMEH KY
A MDis NZD Hedged	9.36	KYG9319N2574	VPGCHNZ KY

## Sector exposure <sup>4, 5</sup>

Real estate	38.5%
Energy	8.6%
Others	7.9%
Diversified financials	7.4%
Materials	6.9%
Cash <sup>6</sup>	6.4%
Banks	4.4%
Retailing	3.7%
Transportation	2.8%
Telecommunication services	2.1%
Capital goods	2.0%
Technology, hardware & equipment	1.8%
Software & services	1.7%
Consumer durables & apparel	1.6%
Food, beverage & tobacco	1.5%
Consumer services	1.4%
Apparel	1.3%
Average duration	2.5 years
Yield to worst <sup>7</sup>	8.7%
Number of bond issuers	201

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

China/Hong Kong	64.2%
Cash <sup>6</sup>	6.4%
Others	5.3%
Latin America	5.2%
Indonesia	4.7%
CEEMEA	4.4%
Australia	3.0%
Singapore	2.1%
India	1.9%
Mongolia	1.5%
Korea	1.3%

## Currency breakdown

USD	94.1%
HKD	2.9%
CNY	1.7%
AUD	0.5%
EUR	0.3%
TWD	0.3%
IDR	0.1%
SGD	0.1%

## Credit ratings

A	0.4%	Investment grade	0.8%
BBB	0.4%	High yield	60.0%
BB	5.6%	Average credit rating	B
B & Below	54.4%		
Non-Rated <sup>8</sup>	32.8%		
Cash <sup>6</sup>	6.4%		

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Administrator:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	P Acc & MDis USD/HKD – 27 Mar 2012 A MDis AUD/CAD/NZD – 23 Sep 2013 P MDis SGD – 26 Sep 2014 A MDis EUR – 5 Feb 2015 A MDis GBP – 14 Apr 2015
Dividend policy <sup>1</sup> :	MDis – Aim at Monthly distribution, subject to Manager's discretion

## Fee structure (Class A and Class P)

Minimum subscription	HK\$80,000/USD10,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee	Nil
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** [Cheah Cheng Hye](#)  
**Deputy Chairman & Co-Chief Investment Officer:** [Louis So](#)  
**Deputy Chief Investment Officer:** [Renee Hung](#)  
**Senior Investment Director:** [Norman Ho](#), CFA  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** [Gordon Ip](#), CFA  
**Senior Fund Managers:** [Elaine Hu](#); [Jason Yan](#), CFA, ACCA  
**Fund Managers:** [Edwin Kam](#), CFA; [Yee Choon Lim](#)

## Recent fund awards



**2017 Asian G3 Bonds Top Investment House <sup>9</sup>**  
**Value Partners - Ranked Number 1**  
**in Hedge Fund category**  
 ~ The Asset Benchmark Research Awards 2017

**Best Fixed Income Fund <sup>10</sup>**  
 ~ HFM Asia Performance Awards 2017

**Fund Manager of the Year –**  
**Long-only Fixed Income (Highly Commended) <sup>11</sup>**  
**Value Partners' Chief Investment Officer,**  
**Fixed Income – Gordon Ip**  
 ~ The Asset, Triple A, Asset Servicing, Investor and Fund Management Awards 2017

Scan QR code for fund documents<sup>12</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. 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.  
 2. 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.  
 3. Annualized yield of MDis Class is calculated as follows: (Latest 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.  
 4. Classification is based on Global Industry Classification Standard (GICS).  
 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 collateral and margins.  
 7. Investors should note that Yield to worst 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.  
 8. Including bonds whose issuers do not seek credit ratings (Greater China Paper 15.6%; Equity-linked Investments 10.1%; Others 2.5%; Loan 2.2%; Mongolia Bonds 1.5%; Dim Sum Bonds 1.0%).  
 9. Announced in Oct 2017 by The Asset Benchmark Research in the Asian G3 Bond Benchmark Review, which ranks the Top Investment Houses (Hedge Funds category) based on the number of votes won by their astute investors. All votes are subject to a weighting methodology.  
 10. The awards were judged based on performance over the past 12 months, up to 30 Apr 2017.  
 11. The period covered by the awards is from 1 Jan 2016 to 31 Dec 2016.  
 12. For Hong Kong investors only.

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Investors should note investment involves risk and past performance is not indicative of future results. Investors should refer to the explanatory memorandum for details and risk factors in particular those associated with investment in Greater China markets, non-investment grade debt securities, and debt securities issued by special purpose vehicles. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.

For Singapore investors: The Fund is registered as a restricted foreign scheme in Singapore and will only be distributed to (i) institutional investors and (ii) accredited investors and certain other persons in Singapore in accordance with section 304 and 305 of the Securities and Futures Act. Value Partners Asset Management Singapore Pte Ltd, Singapore Company Registration No. 200808225G  
 This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.

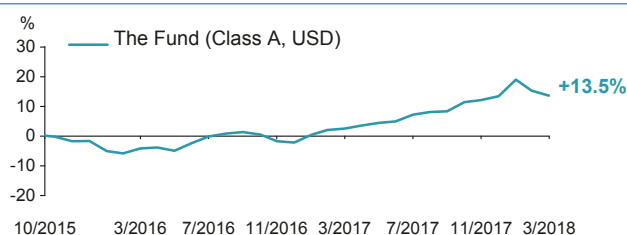
March 2018

- 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 since launch



## Performance update

	The Fund
One month	-1.5%
Three months	+0.2%
Six months	+4.9%
Year-to-date	+0.2%
One year	+10.8%
Since launch	+13.5%
Annualized return <sup>^</sup>	+5.3%
Annualized volatility <sup>^</sup>	4.9%

## Top 5 holdings

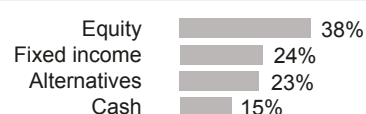
Holdings	%
Value Partners Greater China High Yield Income Fund	20.3
SPDR Gold Trust	10.2
Value Partners Classic Fund	9.6
Prudent Investment Fund - Prudent Diversified Corporate Lending Fund	5.4
JPMorgan ASEAN Fund	5.0

## The Fund – Class A USD: Monthly performance from 13 Oct 2015 to 29 Mar 2018

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.4%	-1.5%	+0.1%	-1.8%
2016	-3.5%	-0.8%	+1.8%	+0.3%	-1.1%	+2.6%	+2.4%	+1.0%	+0.5%	-0.8%	-2.3%	-0.4%	-0.5%
2017	+2.7%	+1.6%	+0.5%	+1.0%	+0.9%	+0.5%	+2.2%	+0.8%	+0.2%	+2.9%	+0.6%	+1.2%	+16.0%
2018 (YTD)	+4.9%	-3.1%	-1.5%										+0.2%

<sup>^</sup> 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.

## By asset class <sup>1</sup>



## Equity – by region <sup>1</sup>



## Fixed income – by category <sup>1</sup>



## NAV & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	11.35	HK0000269149	VPMAAUS HK
Class A HKD	11.32	HK0000269156	VPMAHKD HK

## Fund facts

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

## Fee structure

	Class A
Minimum subscription	USD10,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.75% p.a.
Dealing day	Daily

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Deputy Chairman & Co-Chief Investment Officer:** Louis So  
**Deputy Chief Investment Officer:** Renee Hung  
**Senior Investment Director:** Norman Ho, CFA  
**Investment Directors:** Chung Man Wing; Kenny Tjan, CFA;  
 Michelle Yu, CFA; Yu Xiao Bo  
**Senior Fund Managers:** Kelly Chung, CFA; Doris Ho; Glenda Hsia;  
 Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

## Recent corporate awards



**Manager of the Year - Greater China Equity (Outstanding Award)**  
**Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs)** <sup>2</sup>  
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

**Management Firm of the Year** <sup>3</sup>  
 ~ AsiaHedge Awards 2017

**Best Fund Provider - Greater China Equity** <sup>4</sup>  
 ~ Asset Management Awards for Excellence 2017

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 2. The award recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 3. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 4. Based on performance and achievements for 2016.

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.

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# Value Partners Fund Series

## Value Partners Asian Income Fund

NAV per unit: Class A USD Acc - USD10.34 | Class A USD MDIs - USD10.17

Fund size : USD80.7 million

March 2018

- Value Partners Asian Income Fund (The "Fund") invests primarily in Asian equity and/or fixed income securities including convertible bonds and to deliver lower portfolio volatility.
- The Fund is subject to concentration risk as a result of the concentration of its investments in the Asian markets. The Fund may be more volatile than a broadly based fund as it is more susceptible to fluctuation in value resulting from adverse conditions in the Asian market.
- The Fund may invest in small and mid-capitalization companies. The stocks of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalization companies in general.
- 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.
- Investment in fixed income securities may include contingent convertible bonds whose structure is innovative and untested. These instruments may be subject to conversion risk e.g. compulsory conversion by the issuer upon uncontrollable triggering events and hence the Fund may experience 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 maximize return and income by investing in Asian equities, Asian fixed income securities and other assets relating to Asian companies that are listed in Asia, or have registered offices in Asia or generate a predominant share of their sales and/or their profits in Asia. The Fund also aims to achieve lower portfolio volatility by actively screening and selecting a combination of lower volatility equities and fixed income securities.

### Performance update

	The Fund
One month	N/A
Year-to-date	N/A
Since launch	N/A
Annualized return <sup>^</sup>	N/A
Annualized volatility <sup>^</sup>	N/A

*Due to SFC regulations, no performance data is shown for fund which is less than six months old.*

### Top 5 holdings - equities

Holdings	Industry <sup>1</sup>	%
China Construction Bank Corporation	Banks	2.1
CTBC Financial Holding Co Ltd	Banks	2.0
Far EastOne Telecommunications Co Ltd	Telecom services	1.8
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	1.5
Malayan Banking Bhd	Banks	1.3

### Top 5 holdings - fixed income

Holdings	Sector <sup>1</sup>	Country	%
eHi Car Services Ltd 5.875% 14/8/2022	Industrials	China	2.4
Indika Energy Capital II Pte 6.875% 4/10/2022	Energy	Indonesia	2.0
Geo Coal International Pte Limited 8% 10/4/2022	Energy	Singapore	1.9
UBS Group Funding Switzerland 5% PERP	Financials	Switzerland	1.8
Golden Wheel Tiandi Holdings Co Ltd 8.25% due 3/11/2019	Real estate	China	1.3

<sup>^</sup> 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.

9th Floor, Nexxus Building, 41 Connaught Road Central, Hong Kong  
Hotline: Hong Kong (852) 2143 0688 | Singapore (65) 6718 0380  
Email: fis@vp.com.hk www.valuepartners-group.com

### Asset type (%)<sup>2</sup>

	Equities	Fixed Income	Total
China	-	27.7	27.7
Taiwan	14.7	-	14.7
Cash <sup>3</sup> & cash equivalents	-	-	11.9
Singapore	7.4	2.5	9.9
Hong Kong	7.7	1.2	8.9
H Shares	7.7	-	7.7
Indonesia	-	5.7	5.7
Thailand	4.7	-	4.7
Malaysia	2.9	-	2.9
Korea	2.2	-	2.2
Switzerland	-	1.8	1.8
India	-	1.2	1.2
Red Chips	0.7	-	0.7
Total	48.1	40.1	100.0

### Credit ratings of fixed income

BBB	1.2%
BB	11.2%
B & Below	21.3%
Non-rated <sup>4</sup>	6.4%

## NAV &amp; codes

Classes <sup>5</sup>	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	10.34	HK0000352374	VPUSUAU HK
Class A AUD Hedged MDis	10.13	HK0000352259	VPAAHMU HK
Class A CAD Hedged MDis	10.12	HK0000352267	VPACHMU HK
Class A HKD Unhedged MDis	10.23	HK0000352291	VPAHUMU HK
Class A NZD Hedged MDis	10.14	HK0000352309	VPANHMU HK
Class A RMB Hedged MDis	10.17	HK0000352317	VPARHMU HK
Class A RMB Unhedged MDis	9.61	HK0000352325	VPARUMU HK
Class A USD Unhedged MDis	10.17	HK0000352382	VPAUHMU HK
Class A HKD Unhedged Acc	10.41	HK0000352283	VPAHUAU HK

Dividend information – Class MDis <sup>6</sup>

Classes <sup>5</sup>	Dividend amount / unit	Annualized yield <sup>7</sup>	Ex-dividend date
Class A AUD Hedged MDis	0.046800	5.5%	29-3-2018
Class A CAD Hedged MDis	0.041700	4.9%	29-3-2018
Class A HKD Unhedged MDis	0.042600	5.0%	29-3-2018
Class A NZD Hedged MDis	0.050300	6.0%	29-3-2018
Class A RMB Hedged MDis	0.055000	6.5%	29-3-2018
Class A RMB Unhedged MDis	0.041800	5.2%	29-3-2018
Class A USD Unhedged MDis	0.042600	5.0%	29-3-2018

## Portfolio characteristics

As at 29 Mar 2018	2018
Portfolio yield <sup>8</sup>	4.9%

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	US dollars
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	13 Nov 2017
	Class A USD Unhedged Acc
	Class A AUD Hedged MDis
	Class A CAD Hedged MDis
	Class A HKD Unhedged MDis
	Class A NZD Hedged MDis
	Class A RMB Hedged MDis
	Class A RMB Unhedged MDis
	Class A USD Unhedged MDis
	Class A HKD Unhedged Acc

## Fee structure (Class A)

Share classes	Acc	MDis
	Unhedged: HKD/SGD/USD Hedged: SGD	Unhedged: HKD/RMB/SGD/USD Hedged: AUD/CAD/EUR/NZD/ RMB/SGD
Minimum subscription	USD10,000 or equivalent	
Minimum subsequent subscription	USD5,000 or equivalent	
Subscription fee	Up to 5%	
Redemption fee	Nil	
Management fee	1.5% p.a.	
Performance fee	N/A	
Dealing day	Daily	

## Senior investment staff

**Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
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**Senior Fund Managers:** Elaine Hu; Jason Yan, CFA, ACCA  
**Fund Managers:** Edwin Kam, CFA; Yee Choon Lim

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