



Fund Menu

September 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.

| | Pages |
|--|--------------|
| China / Greater China equities strategy | |
| Value Partners Classic Fund | 5-12 |
| Value Partners China Greenchip Fund Limited | 13-14 |
| Value Partners Intelligent Funds – China Convergence Fund | 15-16 |
| Value Partners Intelligent Funds – Chinese Mainland Focus Fund | 17-18 |
| Value Partners Fund Series – Value Partners China A-Share Select Fund | 19-20 |
| Value Partners Taiwan Fund | 21-22 |
| Asia equities strategy | |
| Value Partners High-Dividend Stocks Fund | 23-24 |
| Fixed income strategy | |
| Value Partners Greater China High Yield Income Fund | 25-26 |
| Value Partners Fund Series – Value Partners Asian Total Return Bond Fund | 27-28 |
| Multi-asset strategy | |
| Value Partners Multi-Asset Fund | 29-30 |
| Value Partners Fund Series – Value Partners Asian Income Fund | 31-32 |

Value Partners Fund Offerings

Morningstar Rating™¹

As at 31-08-2018

| China / Greater China equities strategy | Asia equities strategy |
|---|---|
| <p>Greater China</p> <ul style="list-style-type: none"> Value Partners Classic Fund ★★★★★ Value Partners China Greenchip Fund Limited ★★★★★ CIES Eligible* | <ul style="list-style-type: none"> Value Partners High-Dividend Stocks Fund ★★★★★ |
| <p>China</p> <ul style="list-style-type: none"> Value Partners Intelligent Funds – China Convergence Fund ★★★★★ Value Partners Intelligent Funds – Chinese Mainland Focus Fund ★★★★★ | <p>Fixed income strategy</p> <ul style="list-style-type: none"> Value Partners Greater China High Yield Income Fund Value Partners Fund Series – Value Partners Asian Total Return Bond Fund |
| <p>China A-share</p> <ul style="list-style-type: none"> Value Partners Fund Series – Value Partners China A-Share Select Fund ★★★ RQFII | <p>Multi-asset strategy</p> <ul style="list-style-type: none"> Value Partners Multi-Asset Fund Value Partners Fund Series – Value Partners Asian Income Fund |
| <p>Taiwan</p> <ul style="list-style-type: none"> Value Partners Taiwan Fund ★★★★★ | |

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

Performance

| | Inception date | Fund size | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 (YTD) | Since inception (YTD) |
|--|----------------|--|-------|-------|-------|-------|-------|--------|--------|-------|--------|-------|-------|-------|--------|--------|-------|------------|-----------------------|
| Value Partners Classic Fund (A unit) Index^a | 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% | -8.8% | 3,263.0% |
| Value Partners Classic Fund (B unit) Index^c | 15 May 1996 | USD 1,279.3 million (Total A, B & C units) | 83.1% | 5.6% | 15.6% | 41.2% | 40.4% | -48.1% | 82.0% | 19.6% | -17.6% | 13.4% | 10.6% | 13.0% | -2.0% | -3.7% | 44.1% | -9.1% | 1,401.5% |
| Value Partners Classic Fund (C unit) Index^b | 15 Oct 2009 | | 33.8% | 13.2% | 10.2% | 34.9% | 44.8% | -46.1% | 56.6% | 8.3% | -17.3% | 27.7% | 6.3% | 5.5% | -3.9% | -3.7% | 37.4% | -4.3% | 301.4% |
| | | | - | - | - | - | - | - | 7.7% | 21.2% | -17.6% | 13.4% | 10.8% | 13.3% | -2.0% | -3.7% | 43.3% | -9.0% | 88.4% |
| | | | - | - | - | - | - | - | -0.3% | 8.6% | -17.4% | 27.7% | 6.5% | 5.5% | -3.9% | -4.3% | 37.4% | -4.3% | 68.7% |
| Value Partners China Greenchip Fund Limited+ Hong Kong Hang Seng Index* | 8 Apr 2002 | HKD 1,878.6 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% | -14.3% | 803.6% |
| MSCI China Free HKD* | | | 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% | -4.1% | 315.6% |
| | | | 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% | -7.5% | 674.6% |
| Value Partners Intelligent Funds -- China Convergence Fund | 14 Jul 2000 | USD 229.3 million | 92.1% | 0.8% | 3.9% | 86.9% | 56.6% | -45.2% | 87.1% | 21.3% | -22.4% | 9.3% | 9.2% | 14.6% | -0.5% | -8.7% | 41.3% | -8.6% | 1,622.9% |
| MSCI China Index^c | | | 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% | -7.8% | 261.4% |
| Chinese Mainland Focus Fund | 27 Nov 2003 | USD 124.2 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% | -19.0% | 383.7% |
| MSCI China Index (Total Net Return)^h | | | 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% | -7.8% | 450.4% |
| Value Partners Fund Series -- Value Partners China A-Share Select Fund | 16 Oct 2014 | RMB 549.1 million | - | - | - | - | - | - | - | - | - | - | - | 18.1% | 12.1% | -5.3% | 27.1% | -15.0% | 35.5% |
| Value Partners Taiwan Fund | 3 Mar 2008 | USD 64.7 million | - | - | - | - | - | -35.7% | 58.0% | 19.2% | -13.0% | 26.1% | 13.7% | 2.1% | -6.5% | 16.2% | 25.9% | 2.7% | 116.5% |
| Taiwan Stock Exchange Index | | | - | - | - | - | - | -42.4% | 81.6% | 13.3% | -19.7% | 18.2% | 12.2% | 5.1% | -10.4% | 17.8% | 29.4% | 4.8% | 99.4% |
| MSCI Taiwan Index (Total Net Return)^h | | | - | - | - | - | - | -47.9% | 76.4% | 21.3% | -19.5% | 16.9% | 9.1% | 9.4% | -11.7% | 18.5% | 27.5% | 5.2% | 80.7% |
| Value Partners High-Dividend Stocks Fund(Class A) | 2 Sep 2002 | USD 2,905.0 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% | -7.1% | 794.8% |
| MSCI AC Asia (ex-Japan) Total Return Index^a | | | 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% | -4.9% | 424.2% |
| Value Partners High-Dividend Stocks Fund(Class A2) | 28 Sep 2012 | (Total Class A1, A2,MDIs & Z) | - | - | - | - | - | - | - | - | - | 7.2% | 7.5% | 9.4% | -3.8% | -0.3% | 31.7% | -7.1% | 48.1% |
| Value Partners Greater China High Yield Income Fund (P USD Acc) | 27 Mar 2012 | USD 5,431.1 million | - | - | - | - | - | - | - | - | - | 13.0% | 1.2% | 1.1% | 6.1% | 15.9% | 10.1% | -2.4% | 52.6% |
| Value Partners Multi-Asset Fund | 13 Oct 2015 | USD 57.4 million | - | - | - | - | - | - | - | - | - | - | - | - | -1.8% | -0.5% | 16.0% | -4.5% | 8.2% |
| Value Partners Fund Series -- Value Partners Asian Income Fund | 13 Nov 2017 | USD 86.3 million | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.5% | -1.6% | 0.9% |

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg.
^a Unless otherwise stated, performance is calculated in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. All indices are for reference only.
^b Index refers to MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in investment profile. MSCI Total Net Return Indices takes into account of dividend reinvestment after deduction of withholding tax.
^c 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 +70.7%.
^d Index refers to Hang Seng Index (Price Return) since fund inception till 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return) up to 30 Sep 2017. Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Index (Total Net Return), which takes into account of dividend reinvestment after deduction of withholding tax.
^e Hang Seng Index refers to Hang Seng Index (Price Return) up to 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return) up to 30 Sep 2017. Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Index (Total Net Return), which takes into account of dividend reinvestment after deduction of withholding tax.
^f MSCI China Index (Total Return) since fund inception, to 31 Dec 2000, thereafter it is the MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax.
^g MSCI China Index (Total Return) which takes into account of dividend reinvestment after deduction of withholding tax.
^h Taiwan Stock Exchange Weighted Index (TAIEX). MSCI Taiwan Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax.
ⁱ 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 warrant the accuracy or completeness of the information contained herein. This has not been reviewed by the Securities and Futures Commission. Source: Value Partners Limited.
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Value Partners Classic Fund

NAV per unit: A Units - USD336.30 | B Units - USD150.15 | C Units - USD18.84
Fund size : USD1,279.3 million



★★★★★
Morningstar Rating™
As at 31-08-2018

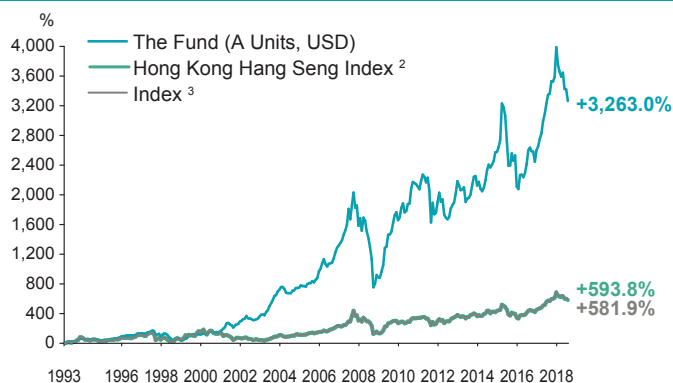
August 2018

- 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 returns through an investment discipline that places emphasis on the fundamental value of potential investments, which the Manager believes are being traded at deep discounts to their intrinsic values. The Fund will concentrate on investing in the markets of the Asia Pacific region (particularly in Greater China region) but without fixed geographical, sectoral or industry weightings.

Performance since launch



NAVs & codes

| Classes ⁴ | NAV | ISIN | Bloomberg |
|--------------------------|----------|--------------|------------|
| A Units USD | 336.30 | HK0000264868 | VLPARA HK |
| B Units USD | 150.15 | HK0000264876 | VLPARBI HK |
| C Units USD | 18.84 | HK0000264884 | VLPARCI HK |
| C Units HKD ⁵ | 147.8704 | HK0000264884 | VLPARCI HK |
| C Units RMB | 13.40 | HK0000264926 | VLCHCRM HK |
| C Units AUD Hedged | 15.59 | HK0000264892 | VLCHAUD HK |
| C Units CAD Hedged | 15.16 | HK0000264900 | VLCHCAD HK |
| C Units HKD Hedged | 12.79 | HK0000264934 | VLCHCHH HK |
| C Units NZD Hedged | 16.10 | HK0000264918 | VLCHNZD HK |
| C Units RMB Hedged | 13.06 | HK0000264942 | VLCHCRH HK |
| C Units MDis USD | 9.00 | HK0000360880 | VLCCMDU HK |
| C Units MDis HKD | 8.99 | HK0000360898 | VLCCMDH HK |
| C Units MDis RMB | 9.12 | HK0000362241 | VLCCMDR HK |
| C Units MDis RMB Hedged | 8.94 | HK0000362258 | VLCCMRH HK |

The Fund – A Units USD: Monthly performance from 1 Jan 2009 to 31 Aug 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% | -1.8% | +1.5% | -5.8% | -0.2% | -4.4% | | | | | -8.8% |

⁴ Annualized return and volatility are calculated from inception. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

Top 10 securities holdings

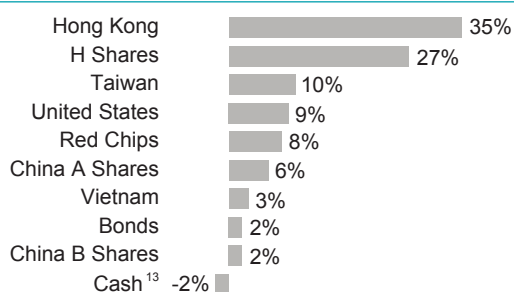
| Name | Industry ¹⁰ | % ¹² |
|---|--|-----------------|
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | 6.6 |
| Alibaba Group Holding Ltd | Software & services | 4.9 |
| SIIC Environment Holdings Ltd | Utilities | 4.5 |
| Hope Education Group Co Ltd | Consumer services | 4.4 |
| Ping An Insurance Group Co of China Ltd | Insurance | 4.3 |
| AIA Group Ltd | Insurance | 4.1 |
| Country Garden Services Holdings Co Ltd | Commercial services & supplies | 3.2 |
| Industrial and Commercial Bank of China Ltd | Banks | 3.2 |
| CNOOC Ltd | Energy | 3.0 |
| BOC Hong Kong Holdings Ltd | Banks | 2.9 |

These stocks constitute 41% ¹² of the Fund.

Portfolio characteristics

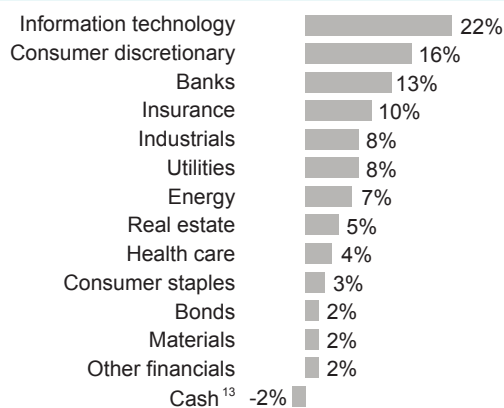
| As at 31 Aug 2018 | 2018 ¹¹ |
|----------------------|--------------------|
| Price/earnings ratio | 11.2 times |
| Price/book ratio | 1.4 times |
| Portfolio yield | 3.3% |

Geographical exposure by listing ¹²



Short exposure includes: H Shares, -0.6%.

Sector exposure ^{10, 12}



Total short exposure is -0.6%.

Short exposure includes: Industrials, -0.6%.

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 ⁷ : | 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 ¹⁴ | 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: Anthony Chan, CFA; 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 ¹⁵
~ AsiaHedge Awards 2017

Fund of the Year 2017 ¹⁶
~ HFM Asia Performance Awards 2017

Best Greater China fund over US\$500 million ¹⁶
~ HFM Asia Performance Awards 2017

Scan QR code for fund documents¹⁷:



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 Index (Price Return) since fund inception till 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return) up to 30 Sep 2017. Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Index (Total Net Return), which takes into account of dividend reinvestment after deduction of withholding tax. 4. 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. 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 at 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 Classic Fund Commentary / Second Quarter 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.

Volatility persisted in the second quarter of 2018 as concerns about rising trade tensions, US-North Korea relations and deleveraging in China deepened. Greater China equities (as represented by the MSCI Golden Dragon Index) ended the period with a 3.7% fall (in USD). We saw two major sources of volatility as we navigated an increasingly turbulent market in the second quarter – the US-China trade war and China’s deleveraging bias.

Trade war rhetoric weighed on market

In mid-June, US President Trump approved the final list of goods to be included in the application of a 25% tariff on \$50 billion worth of Chinese imports in which \$34 billion will be implemented on 6 July as part one. Shortly after, China threatened to retaliate by imposing tariffs of “the same strength” on US goods. As the back-and-forth continued, we believe that the trade war will get worse before it gets better because of Trump’s tendency to strain relationships to the limit. Despite this negatively affecting specific sectors and companies, we reiterate our belief that the impact of the tariffs on China’s overall economy will be limited – a 25% tariff on \$50 billion of Chinese imports is equivalent to a mere 0.1% of China’s GDP and only affects 2.2%¹ of China’s total exports. We continue to believe that the two sides will resolve the dispute through negotiations eventually, but fear and uncertainty in financial markets will linger, and investors may feel the pinch of the trade war in the short term.

China’s deleveraging triggered a string of bond defaults

The number of bond default cases has been ratcheting up since the start of the year – 16 cases from eight issuers worth a combined RMB14 billion were reported year-to-date. Although default cases continued to cloud investor sentiment in the onshore market, we see them as an anticipated consequence of the deleveraging and de-risking measures that Chinese authorities have been implementing to weed out poor quality companies. Allowing defaults can also help to improve price differentiation in China’s credit market, where the credit spread on high yield papers has widened to 300 basis points in early June from as narrow as 50 basis points in March.

While deleveraging policies will burden China’s GDP growth, we believe that China’s policy makers will remain flexible by constantly reviewing and fine-tuning policies so as to avoid a sharp deceleration in economic growth. The nimble policy approach was evidenced by the two RRR cuts by the People’s Bank of China (PBOC) in the second quarter to inject liquidity into the market. On the other hand, contrary to the Fed’s rate hike policy, the PBOC injected net liquidity of RMB403 billion via its medium-term lending facility (MLF) in June. This, together with the State Council’s plan to ease financial constraints for SMEs, also signals more policy fine-tuning could be possible. That said though, we expect deleveraging to remain the priority, and policies will continue to have a tightening stance to achieve quality growth in the long run.

China market not all gloom

Amid the market pessimism, encouraging signs were often left unnoticed. In China, macro data reflected a sanguine economy this year, with revenue and earnings growth remaining strong, profitability continuing to improve, capital expenditure rebounding, and debt levels staying largely stable. China's corporate earnings growth has stayed on track against this favorable backdrop – expected earnings growth for offshore China equities in 2018 was revised upwards to 16%² (vs. 14.9% in 1Q). However, we will closely monitor how the actual implementation of tariffs will change over time and whether it will lead to any potential disruptions to the operating efficiency of individual companies in our portfolio. We will also keep an eye out for any material signs of deterioration in China's macro data.

Portfolio strategy review

In the second quarter, a number of macro events, including the US-China trade dispute and Fed tightening, continued to be the main drivers for falling investor risk appetite, especially in emerging markets. Our fund was down 6.1%. During this period of flight to quality, we remained nimble and focused on quality bottom-up stock picking. From a sector perspective, we continued to overweight the domestic consumption space, where we rotated into companies with a quality earnings outlook that is less sensitive to macro event risks such as education operators. Within technology, we maintained our underweight position on the sector in light of the changing environment and mixed outlook.

During the volatile period, our portfolio was mainly detracted by our positions in technology and financials. Despite our underweight position in technology, uncertainties from the trade dispute and mixed earnings weighed on the outlook for the sector, which saw modest downward earnings revisions. In financials, the recent bond defaults in the onshore China market have reignited concerns about China's debt problem and consequently, the asset quality of Chinese banks. We retain our financials positions on the back of stable profitability for Chinese banks and we view the near-term asset quality stress as a consequential side effect of the ongoing deleveraging process, which, more importantly, will be positive for the long-term health of the Chinese financial system. On the other hand, our positions in the healthcare and education sectors contributed the most on the back of favorable policies and earnings immunity against macro events such as the trade dispute between China and the US.

Outlook

Looking ahead, volatility may persist in the market for an extended period of time as the US-China trade war drags on, but investors need not stay on the sidelines. After the recent market correction, valuations of China equities have become more attractive at 12.6³ times price to earnings, as compared to the January high of 14 times. We continue to see near-term market headwinds as buy-on-dip opportunities for long-term investors provided that China's macro fundamentals stay solid.

Value Partners Investment Team
19 July 2018

1. Source: the World Bank, Office of the US Trade Representative, export and GDP data as of 2016, CLSA estimates

2. Source: JP Morgan research, 23 June 2018

3. Source: FactSet, I/B/E/S, MSCI, Worldscope, Goldman Sachs Research, 30 June 2018

Fund performance mentioned referred to Value Partners Classic Fund "A" Unit. All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 29 June 2018. Performance data is net of all fees.

Individual stock performance is not indicative of fund performance.

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

Investors should note that investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.

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

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

Value Partners Classic Fund: 10 biggest holdings of securities as at 29 June 2018

| Stock | Industry | Valuation (2018 Estimates) | Remarks |
|--|--------------------------|---|--|
| AIA Group Limited (Code: 1299 HK) Market cap: US\$105 billion | Insurance | Price: HKD68.75 P/E: 18.5x P/EV*: 1.8x Yield: 1.7% | AIA Group Limited offers insurance and financial services. Its product lines cover life insurance, credit insurance, employee benefits, and pension services to its corporate clients. For individuals, the company provides basic life insurance along with savings, investment, and retirement products. Founded in 1919, American International Group was a cornerstone of AIA's Asia-based operations. In 2010 AIG spun off AIA through a public offering. |
| Alibaba Group Holdings (Code: BABA US) Market cap: US\$493 billion | Internet | Price: US\$192.55 P/E: 31.5x P/B: 7.0x Yield: 0.0% | Alibaba group holding limited operates as a holding company. The company provides internet infrastructure, eCommerce, online financial, and internet content services through its subsidiaries. Alibaba Group Holding offers its product and services worldwide. |
| BAIC Motor Corporation (Code: 1958 HK) Market cap: US\$4.7 billion | Automobiles & components | Price: HKD7.50 P/E: 6.5x P/B: 0.9x Yield: 5.3% | BAIC Motor is a leading passenger car manufacturer in China with a wide range of brands, from joint-venture luxury passenger cars, luxury commercial vehicles to passenger cars of self-owned brands. It is one of the enterprises supported by the Beijing municipal government. Through its joint-venture with Daimler, the company is best-positioned to enjoy strong growth from the luxury passenger car segment which has outperformed the overall China automotive sales. Along with the management's determination and effort in turning around its self-owned brand business, BAIC Motor is set to deliver strong earnings growth in the years ahead, which is expected to trigger a re-rating of the company as a whole. |
| China Education Group Holdings Limited (Code: 839 HK) Market cap: US\$3.5 billion | Education | Price: HKD13.5 P/E: 33.0x P/B: 3.7x Yield: 0.9% | China Education Group is one of the largest private higher education providers in China. The company operates universities, junior colleges and vocational colleges in Jiangxi, Guangdong, Henan and Xi'an. The company's universities enroll approximately 150,000 students to date. |

| Stock | Industry | Valuation (2018 Estimates) | Remarks |
|--|---------------------------|---|---|
| Huaneng Renewables Corporation (Code: 958 HK) Market cap: US\$3.5 billion | Utilities | Price: HKD2.59 P/E: 6.3x P/B: 0.8x Yield: 2.4% | Huaneng Renewables principally engages in the wind power generation businesses. The businesses of the company include the development and operation of wind power plants and solar power plants, electricity generation and the sales of electricity, as well as the provision of related services, among others. We expect the government to provide more clarity on clean energy subsidies soon, which will likely help renewable companies regain their growth momentum. |
| Industrial & Commercial Bank of China (Code: 1398 HK) Market cap: US\$288 billion | Banks | Price: HKD5.68 P/E: 5.6x P/B: 0.8x Yield: 5.4% | Industrial and Commercial Bank of China (“ICBC”) is one of China’s biggest banks and one of the largest in the world. The Chinese government controls about 70% of ICBC. The bank provides various financial products and services worldwide, covering corporate, retail, and investment banking as well as asset management, trust, financial leasing and insurance. |
| Kweichow Moutai (Code: 600519 CH) Market cap: US\$138 billion | White spirit manufacturer | Price: CNY731.00 P/E: 25.5x P/B: 8.3x Yield: 2.0% | Kweichow Moutai is China’s largest liquor manufacturer in terms of market value. With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in the past three years after huge decline in official consumption. Moutai has a distinguished brand among other players in China and is expected to benefit from the consumption upgrade cycle. |
| Ping An Insurance (Code: 2318 HK) Market cap: US\$163 billion | Insurance | Price: HKD71.75 P/E: 11.0x P/EV*: 1.1x Yield: 2.8% | Ping An Insurance is a financial conglomerate that provides insurance, banking, securities, trust and asset management services in China. Ping An has delivered very fast premium and New Business Value growth in 2017, thanks to its superior agency force and multi-product platform. It is also a leading player in fintech and is expected to spin-off a few such operations in the coming years. |

| Stock | Industry | Valuation (2018 Estimates) | Remarks |
|---|--|--|---|
| SIIC Environment (Code: 807 HK) Market cap: US\$0.9 billion | Wastewater treatment | Price: HKD2.51 P/E: 9.9x P/B: 0.7x Yield: 0.0% | SIIC Environment is a Singapore & HK dual listed company, which conducts operations in wastewater treatment, water purification treatment and system automation in China. Being a state-owned enterprise, SIIC enjoys strong support from banks and local governments, signifying it has the potential to become one of the leading water companies in China. The company's accounting policy is more conservative than local peers, implying a high quality of earnings. As the Chinese government is increasingly paying attention to water quality and environment protection, the company is set to benefit from further environmental protection policies. |
| Taiwan Semiconductor Manufacturing (Code: 2330 TT) Market cap: US\$183.8 billion | Semiconductors and semiconductor equipment | Price: TWD216.50 P/E: 15.5x P/B: 3.3x Yield: 3.9% | Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit ("IC") design houses with integrated services for process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the company has consistently outperformed competitors in terms of technology and profitability. We think the company is well-positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand for the internet of things trend, AI chips and new application areas. |

*EV = Embedded value

Note: The above investments made up 39.5% of Value Partners Classic Fund as at 29 June 2018. The stock prices are based on the closing of 29 June 2018.

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

Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD60.36 | Class A2 QDis - HKD10.71

Fund size : USD239.3 million (HKD1,878.6 million)



★★★★
Morningstar Rating™¹
As at 31-08-2018

CIES Eligible*

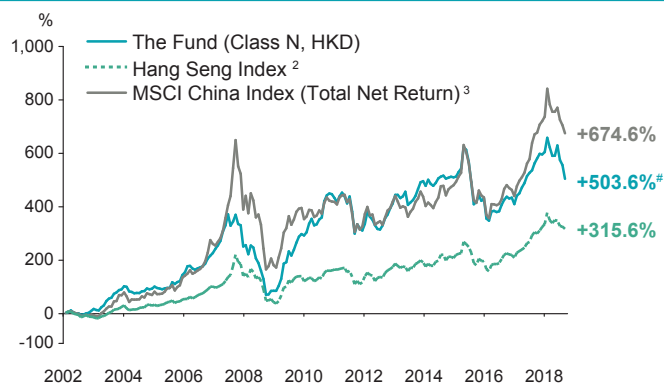
August 2018

- 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 (Total Net Return) ³ | Hang Seng Index ² |
|------------------------------------|-------------|-------------------|--|------------------------------|
| One month | -7.9% | -7.9% | -3.8% | -2.1% |
| Year-to-date | -14.3% | -14.2% | -7.5% | -4.1% |
| One year | -8.8% | -8.8% | +0.5% | +3.1% |
| Three years | +18.8% | +18.4% | +48.0% | +44.2% |
| Five years | +15.2% | +13.8% | +57.7% | +54.6% |
| Since launch | +503.6%# | +14.5% | +674.6% | +315.6% |
| Annualized return [^] | +11.6%# | +2.7% | +13.3% | +9.1% |
| Annualized volatility [^] | 21.4%# | 16.8% | 24.5% | 19.6% |

The Fund – Class A HKD: Monthly performance from 1 Jan 2009 to 31 Aug 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% | +0.1% | +5.6% | -7.5% | -2.8% | -7.9% | | | | | -14.3% |

* 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 +70.7%, +4.8% and 23.3% respectively.

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Email: fis@vp.com.hk www.valuepartners-group.com

Dividend information – Class A2 QDis⁴

| Ex-dividend date | Ex-dividend date NAV (HKD) | Dividend per unit ⁵ (HKD) | Annualized yield ⁶ |
|------------------|----------------------------|--------------------------------------|-------------------------------|
| 29-6-2018 | 11.97 | 0.0469 | 1.6% |
| 29-3-2018 | 12.29 | 0.0469 | 1.5% |
| 29-12-2017 | 12.58 | 0.0469 | 1.5% |
| 29-9-2017 | 12.21 | 0.0469 | 1.5% |
| 30-6-2017 | 11.29 | 0.0469 | 1.7% |
| 31-3-2017 | 10.36 | 0.0469 | 1.8% |
| 30-12-2016 | 9.27 | – | – |
| 30-9-2016 | 9.77 | – | – |
| 30-6-2016 | 8.78 | – | – |
| 31-3-2016 | 8.77 | – | – |
| 31-12-2015 | 9.65 | – | – |
| 30-9-2015 | 9.40 | 0.0488 | 2.1% |
| 30-6-2015 | 12.26 | 0.0856 | 2.8% |
| 31-3-2015 | 11.85 | 0.0565 | 1.9% |
| 31-12-2014 | 11.30 | 0.0565 | 2.0% |

NAVs & codes

| Classes ⁷ | NAV | ISIN | Bloomberg |
|----------------------|-------|--------------|------------|
| Class A HKD | 60.36 | KYG9317M1033 | VPCHIGC KY |
| Class A USD | 9.93 | KYG9317M1603 | VPCHAUS KY |
| Class A AUD Hedged | 10.22 | KYG9317M1371 | VPCHAAH KY |
| Class A CAD Hedged | 9.94 | KYG9317M1454 | VPCHACH KY |
| Class A NZD Hedged | 10.54 | KYG9317M1520 | VPCHANH KY |
| Class A2 QDis HKD | 10.71 | KYG9317M1116 | VPCA2QD KY |

Top 10 securities holdings (as at 31 Jul 2018)

| Name | Industry ⁸ | % |
|--|--|-----|
| Alibaba Group Holding Ltd | Software & services | 8.6 |
| China YuHua Education Corporation Ltd | Consumer services | 6.4 |
| Tencent Holdings Ltd | Software & services | 6.3 |
| Colour Life Services Group Co Ltd | Real estate | 4.7 |
| ASM Pacific Technology Ltd | Semiconductors & semiconductor equipment | 3.3 |
| AIA Group Ltd | Insurance | 2.9 |
| Intron Technology Holdings Ltd | Automobiles & Components | 2.8 |
| Ping An Insurance (Group) Company of China Ltd | Insurance | 2.7 |
| Kweichow Moutai Co Ltd | Food, beverage & tobacco | 2.6 |
| PetroChina Co Ltd | Energy | 2.6 |

These stocks constitute 43% of the Fund.

Portfolio characteristics

| As at 31 Aug 2018 | 2018 ⁹ |
|----------------------|-------------------|
| Price/earnings ratio | 12.8 times |
| Price/book ratio | 1.7 times |
| Portfolio yield | 3.0% |

Geographical exposure by listing¹⁰

| | |
|--------------------|-----|
| Hong Kong | 53% |
| H Shares | 16% |
| Red Chips | 10% |
| China A Shares | 8% |
| Cash ¹¹ | 7% |
| United States | 3% |
| Taiwan | 2% |
| Others | 1% |

Sector exposure^{8, 10}

| | |
|------------------------|-----|
| Consumer discretionary | 18% |
| Information technology | 14% |
| Industrials | 11% |
| Insurance | 9% |
| Real estate | 9% |
| Banks | 8% |
| Consumer staples | 8% |
| Cash ¹¹ | 7% |
| Energy | 6% |
| Health care | 3% |
| Other financials | 3% |
| Telecom services | 2% |
| Utilities | 2% |

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 ⁴ : | 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 ¹² |
| Minimum subsequent subscription | HKD40,000 or equivalent ¹² |
| Subscription fee | Up to 5% |
| Management fee | 1.5% p.a. |
| Performance fee ¹³ | 15% of profit (High-on-high principle) |
| Redemption fee | Nil |
| Dealing day | Daily |

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Kenny Tjan, CFA;
 Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; 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)¹⁴
 ~ 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. Hang Seng Index refers to Hang Seng Index (Price Return) up to 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return). Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. 3. MSCI China Index (Total Net Return) since fund inception to present which 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: (Latest dividend amount / NAV as at 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. 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. 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 at 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.

China Convergence Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD172.29

Fund size : USD229.3 million



Morningstar Rating™¹
As at 31-08-2018

August 2018

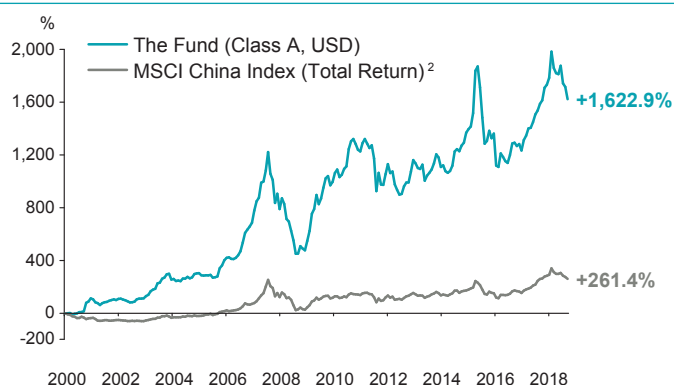
- China Convergence Fund (The "Fund") primarily invests in A and B shares listed on the stock exchanges of Shanghai and Shenzhen as well as in H shares listed in Hong Kong.
- The Fund invests in China and therefore is subject to emerging market risks. Generally, investments in emerging markets are more 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 (Total Return) ² |
|------------------------------------|-------------|--|
| One month | -5.1% | -3.8% |
| Year-to-date | -8.6% | -7.8% |
| One year | +2.1% | +0.2% |
| Three years | +24.4% | +46.2% |
| Five years | +47.9% | +55.8% |
| Since launch | +1,622.9% | +261.4% |
| Annualized return [^] | +17.0% | +7.3% |
| Annualized volatility [^] | 25.1% | 26.1% |

NAVs & codes

| Classes | NAV | ISIN | Bloomberg |
|--------------------|--------|--------------|------------|
| Class A USD | 172.29 | KYG9317Q1047 | VAPAIKB KY |
| Class A AUD Hedged | 11.24 | KYG9317Q1385 | VAPAAHD KY |
| Class A CAD Hedged | 12.05 | KYG9317Q1468 | VAPACAH KY |
| Class A NZD Hedged | 12.70 | KYG9317Q1534 | VAPANZH KY |

The Fund – Class A USD: Monthly performance from 1 Jan 2009 to 31 Aug 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% | -0.4% | +3.3% | -6.7% | -1.5% | -5.1% | | | | | -8.6% |

[^] 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 ³ | % |
|--|--|-----|
| Alibaba Group Holding Ltd | Software & services | 8.8 |
| Beijing Tong Ren Tang Chinese Medicine Co Ltd | Pharmaceuticals, biotechnology & life sciences | 5.9 |
| Ping An Insurance (Group) Company of China Ltd | Insurance | 5.7 |
| Kweichow Moutai Co Ltd | Food, beverage & tobacco | 5.4 |
| Tencent Holdings Ltd | Software & services | 5.3 |
| PetroChina Co Ltd | Energy | 4.6 |
| China Education Group Holdings Ltd | Consumer services | 3.8 |
| China Merchants Bank Co Ltd | Banks | 3.7 |
| China Resources Double-crane Pharmaceutical Co Ltd | Pharmaceuticals, biotechnology & life sciences | 3.4 |
| CRRC Corporation Ltd | Capital goods | 3.2 |

These stocks constitute 50% of the Fund.

Portfolio characteristics

| As at 31 Aug 2018 | 2018 ⁴ |
|----------------------|-------------------|
| Price/earnings ratio | 15.1 times |
| Price/book ratio | 2.0 times |
| Portfolio yield | 2.3% |

Geographical exposure by listing ⁵

| | |
|-------------------|-----|
| China A Shares | 37% |
| H Shares | 24% |
| Hong Kong | 12% |
| United States | 9% |
| Cash ⁶ | 7% |
| Red Chips | 6% |
| Taiwan | 3% |
| China B Shares | 2% |

Short exposure includes: Hong Kong, -8.1% and United States, -2.0%.

Sector exposure ^{3, 5}

| | |
|------------------------|-----|
| Consumer discretionary | 20% |
| Information technology | 20% |
| Banks | 10% |
| Consumer staples | 10% |
| Energy | 9% |
| Health care | 8% |
| Insurance | 8% |
| Cash ⁶ | 7% |
| Industrials | 7% |
| Other financials | 3% |
| Utilities | -2% |

Total short exposure is -10.1%.

Short exposure includes: Health care, -4.1%; Utilities, -2.3%; Banks, -1.9% and Consumer discretionary, -1.8%.

Fund facts

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

Fee structure

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

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye

Deputy Chairman & Co-Chief Investment Officer: Louis So

Deputy Chief Investment Officer: Renee Hung

Senior Investment Director: Norman Ho, CFA

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

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Anthony Chan, CFA; 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 ⁸
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. MSCI China Index (Total Return) since fund inception to 31 Dec 2000, thereafter it is the MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. MSCI index (Total Return) does not take into account of deduction of withholding tax. 3. Classification is based on Global Industry Classification Standard (GICS). 4. The profile is based on market consensus forecast as derived from 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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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.

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: USD48.37

Fund size : USD124.2 million



Morningstar Rating™¹
As at 31-08-2018

August 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

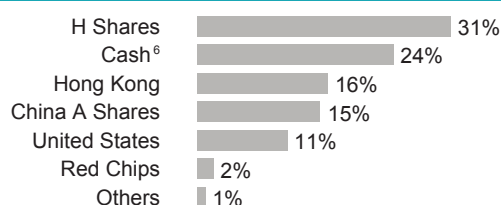
| | The Fund | MSCI China Index (Total Net Return) ² |
|------------------------------------|----------|--|
| One month | -8.8% | -3.8% |
| Year-to-date | -19.0% | -7.8% |
| One year | -8.9% | +0.2% |
| Three years | +27.1% | +46.2% |
| Five years | +44.0% | +55.8% |
| Since launch | +383.7% | +450.4% |
| Annualized return [^] | +11.3% | +12.3% |
| Annualized volatility [^] | 22.3% | 25.6% |

The Fund – Monthly performance from 1 Jan 2009 to 31 Aug 2018

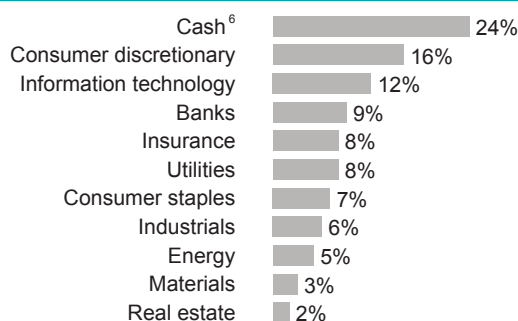
| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------------|--------|-------|--------|--------|--------|-------|--------|--------|--------|--------|-------|-------|--------|
| 2009 | -3.2% | -2.1% | +11.8% | +11.4% | +17.7% | +3.4% | +12.3% | -7.1% | +5.2% | +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% | +2.8% | +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% | -2.7% | +5.6% | -8.2% | -2.9% | -8.8% | | | | | -19.0% |

[^] 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 ⁵



Sector exposure ^{4, 5}



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 ⁷ | 15% of profit (High-on-high principle) |
| Redemption fee | Nil |
| Dealing day | Daily |

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; 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 ⁸
 ~ The Chinese Asset Managers Association of Hong Kong & Bloomberg



Lipper Fund Awards 2013 (Hong Kong)
Best China Equity Fund (5 Years) ⁹
 ~ 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. MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. 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 at 30 Sep 2017. 9. Based on data as at year-end 2012.

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

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) – RMB13.55

Fund size : USD80.2 million (RMB549.1 million)



Morningstar Rating™¹
As at 31-08-2018

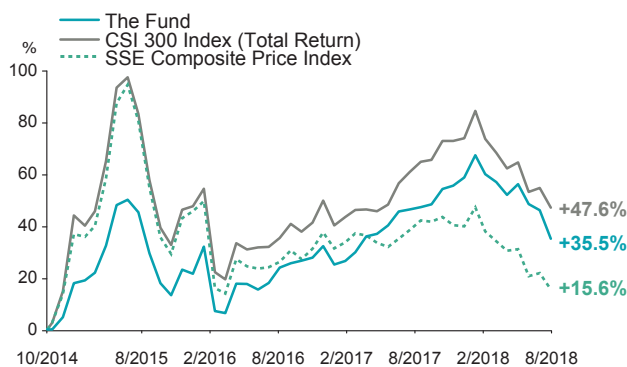
August 2018

- 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) | CSI 300 Index (Total Return) | SSE Composite Price Index |
|------------------------------------|-------------------|------------------------------|---------------------------|
| One month | -7.6% | -5.0% | -5.3% |
| Three months | -13.6% | -10.7% | -12.0% |
| Year-to-date | -15.0% | -15.5% | -17.6% |
| Since launch | +35.5% | +47.6% | +15.6% |
| Annualized return [^] | +8.2% | +10.6% | +3.8% |
| Annualized volatility [^] | 20.3% | 27.1% | 26.3% |

Top 5 securities holdings

| Name | Industry ² | % |
|--|--------------------------|-----|
| Ping An Insurance (Group) Company of China Ltd | Insurance | 9.1 |
| CRRC Corporation Limited | Capital goods | 8.1 |
| Kweichow Moutai Co Ltd | Food, beverage & tobacco | 6.5 |
| China Merchants Bank Co Ltd | Banks | 5.8 |
| Huangshan Tourism Development Co Ltd | Consumer services | 5.8 |

These stocks constitute 35% of the Fund.

Portfolio characteristics

| As at 31 Aug 2018 | 2018 ³ |
|----------------------|-------------------|
| Price/earnings ratio | 13.4 times |
| Price/book ratio | 1.9 times |
| Portfolio yield | 2.3% |

Geographical exposure by listing ⁴

| | |
|-------------------|-----|
| Shanghai A Shares | 64% |
| Shenzhen A Shares | 28% |
| Cash ⁵ | 8% |

Sector exposure ^{2, 4}

| | |
|------------------------|-----|
| Industrials | 19% |
| Consumer discretionary | 16% |
| Banks | 14% |
| Insurance | 13% |
| Materials | 11% |
| Cash ⁵ | 8% |
| Consumer staples | 7% |
| Information technology | 6% |
| Real estate | 4% |
| Others | 2% |

The Fund – Class A RMB (CNH): Monthly performance from 29 Oct 2014 to 31 Aug 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% ⁶ |
| 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% | -3.2% | +2.8% | -5.0% | -1.6% | -7.6% | | | | | -15.0% |

[^] 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.



NAVs & codes

| Classes ⁷ | NAV | ISIN | Bloomberg |
|----------------------|-------|--------------|------------|
| Class A RMB (CNH) | 13.55 | HK0000220001 | VPCAARM HK |
| Class A USD Unhedged | 12.22 | HK0000220019 | VPCAAUU HK |
| Class A USD Hedged | 12.03 | HK0000220027 | VPCAAUH HK |
| Class A HKD Unhedged | 12.30 | HK0000220035 | VPCAAHU HK |
| Class A HKD Hedged | 11.92 | HK0000220043 | VPCAAHH HK |
| Class A GBP Unhedged | 13.91 | HK0000220076 | VPCAAGU HK |
| Class A GBP Hedged | 11.64 | HK0000220084 | VPCAAGH HK |
| Class A AUD Unhedged | 12.05 | HK0000220092 | VPCAAAU HK |
| Class A AUD Hedged | 12.26 | HK0000220100 | VPCAAAH HK |
| Class A CAD Hedged | 11.24 | HK0000220126 | VPCAACH HK |
| Class A EUR Unhedged | 11.45 | HK0000220050 | VPCAAEU HK |
| Class A EUR Hedged | 11.46 | HK0000220068 | VPCAAEH HK |
| Class A NZD Unhedged | 11.21 | HK0000220134 | VPCAANU HK |
| Class A NZD Hedged | 12.09 | 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 ⁸ | 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: Anthony Chan, CFA; 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) ⁹
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year ¹⁰
 ~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity ¹¹
 ~ 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. 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. 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™¹
As at 31-08-2018

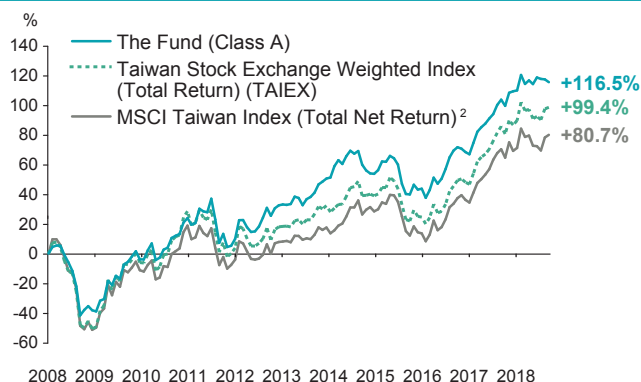
August 2018

- 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 (Class A) | Taiwan Stock Exchange Weighted Index (Total Return) (TAIEX) | MSCI Taiwan Index (Total Net Return) ² |
|------------------------------------|--------------------|---|---|
| One month | -0.9% | +0.5% | +1.0% |
| Year-to-date | +2.7% | +4.8% | +5.2% |
| One year | +5.8% | +6.9% | +5.7% |
| Three years | +54.1% | +62.0% | +56.7% |
| Since launch | +116.5% | +99.4% | +80.7% |
| Annualized return [^] | +7.6% | +6.8% | +5.8% |
| Annualized volatility [^] | 17.8% | 23.0% | 23.3% |

The Fund – Class A: Monthly performance from 1 Jan 2009 to 31 Aug 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% | -1.1% | +2.1% | -0.5% | -0.1% | -0.9% | | | | | +2.7% |

[^] 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 holdings³

| Name | Industry ⁴ | % |
|---|--|-----|
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | 9.8 |
| Chunghwa Telecom Co Ltd | Telecom services | 5.2 |
| Hon Hai Precision Ind Co Ltd | Technology, hardware & equipment | 4.7 |
| Cathay Financial Holding Co Ltd | Insurance | 4.2 |
| Chipbond Technology Corp | Semiconductors & semiconductor equipment | 3.9 |

These stocks constitute 28% of the Fund.

Portfolio characteristics

| As at 31 Aug 2018 | 2018 ⁵ |
|----------------------|-------------------|
| Price/earnings ratio | 13.4 times |
| Price/book ratio | 2.0 times |
| Portfolio yield | 4.6% |

Geographical exposure by listing⁶

| | |
|---------------------|-----|
| Taiwan | 93% |
| Cash ⁷ | 5% |
| Others ⁸ | 2% |

Sector exposure^{4, 6}

| | |
|------------------------|-----|
| Information technology | 47% |
| Telecom services | 12% |
| Industrials | 9% |
| Materials | 7% |
| Banks | 6% |
| Cash ⁷ | 5% |
| Insurance | 4% |
| Consumer staples | 3% |
| Other financials | 3% |
| Consumer discretionary | 2% |
| Others ⁸ | 2% |

Fund facts

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

Fee structure

| | Class A |
|---------------------------------|---|
| Minimum subscription | US\$10,000 |
| Minimum subsequent subscription | US\$5,000 |
| Subscription fee | Up to 5% |
| Management fee | 1.25% p.a. |
| Performance fee ⁹ | 15% of profit (High-on-high principle) |
| Redemption fee | Nil |
| Dealing day | Daily |

Senior investment staff

Chairman & Co-Chief Investment Officer: [Cheah](#) Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis [So](#)
Deputy Chief Investment Officer: Renee [Hung](#)
Senior Investment Director: Norman [Ho](#), CFA
Investment Directors: [Chung](#) Man Wing; Kenny [Tjan](#), CFA;
 Michelle [Yu](#), CFA; [Yu](#) Xiao Bo
Senior Fund Managers: Anthony [Chan](#), CFA; 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)¹⁰
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year¹¹
 ~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity¹²
 ~ 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. MSCI Taiwan Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax. 3. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email fis@vp.com.hk. 4. Classification is based on Global Industry Classification Standard (GICS). 5. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding cash for collaterals and margins. 8. Others include 0.7% cash for collaterals and margins. 9. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV. If in any one year, the Fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 10. 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. 11. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 12. 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 - USD88.56 | Class A2 MDIs USD - USD11.20

Fund size : USD2,905.0 million

★★★★★
Morningstar Rating™¹
As at 31-08-2018

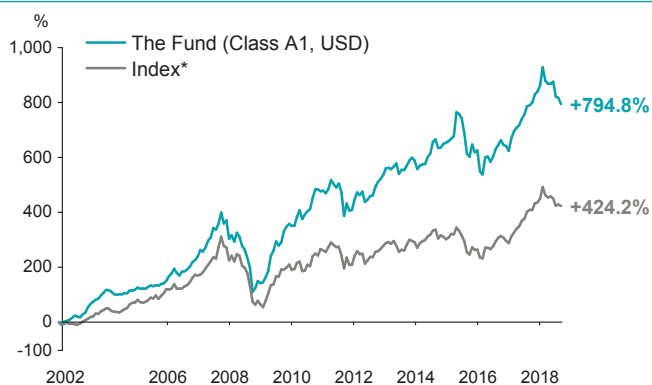
August 2018

- 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 | -2.4% | -2.4% | -2.4% | -1.0% |
| Year-to-date | -7.1% | -7.1% | -2.5% | -4.9% |
| One year | +0.5% | +0.2% | +4.3% | +2.8% |
| Three years | +25.2% | +24.0% | +32.0% | +47.3% |
| Five years | +36.6% | +35.6% | N/A | +44.8% |
| Since launch | +794.8% | +48.1% | +49.0% | +424.2% |
| Annualized return [^] | +14.7% | +6.9% | +9.4% | +10.9% |
| Annualized volatility [^] | 18.1% | 12.8% | 12.8% | 19.8% |

Dividend information – Class A2 MDIs ²

| Classes ³ | Dividend per unit ⁴ | Annualized yield ⁵ | Ex-dividend date |
|----------------------------|--------------------------------|-------------------------------|------------------|
| Class A2 MDIs USD | 0.0514 | 5.5% | 31-8-2018 |
| Class A2 MDIs HKD | 0.0475 | 5.5% | 31-8-2018 |
| Class A2 MDIs AUD Hedged | 0.0444 | 5.5% | 31-8-2018 |
| Class A2 MDIs CAD Hedged | 0.0409 | 5.0% | 31-8-2018 |
| Class A2 MDIs GBP Hedged | 0.0321 | 4.2% | 31-8-2018 |
| Class A2 MDIs NZD Hedged | 0.0468 | 5.6% | 31-8-2018 |
| Class A2 MDIs RMB Hedged | 0.0594 | 7.2% | 31-8-2018 |
| Class A2 MDIs RMB Unhedged | 0.0436 | 5.1% | 31-8-2018 |
| Class A2 MDIs SGD Hedged | 0.0415 | 4.6% | 31-8-2018 |

NAVs & codes

| Classes ³ | NAV | ISIN | Bloomberg |
|----------------------------|----------|--------------|------------|
| Class A1 USD | 88.56 | HK0000288735 | VALASHY HK |
| Class A1 HKD ⁶ | 695.0853 | HK0000288735 | VALASHY HK |
| Class A Acc RMB Hedged | 12.73 | HK0000288719 | VALHAHR HK |
| Class A Acc RMB Unhedged | 14.90 | HK0000288727 | VALHAUR HK |
| Class A2 MDIs USD | 11.20 | HK0000288743 | VALHYA2 HK |
| Class A2 MDIs HKD | 10.36 | HK0000288784 | VALHA2H HK |
| Class A2 MDIs AUD Hedged | 9.65 | HK0000288750 | VALHA2A HK |
| Class A2 MDIs CAD Hedged | 9.81 | HK0000288768 | VALHA2C HK |
| Class A2 MDIs GBP Hedged | 9.28 | HK0000288776 | VALHDSF HK |
| Class A2 MDIs NZD Hedged | 9.98 | HK0000288792 | VALHA2N HK |
| Class A2 MDIs RMB Hedged | 9.93 | HK0000288800 | VALHRMB HK |
| Class A2 MDIs RMB Unhedged | 10.29 | HK0000288818 | VAHYRMB HK |
| Class A2 MDIs SGD Hedged | 10.73 | HK0000288867 | VALHA2S HK |

The Fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 Aug 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% | -0.0% | +0.8% | -5.5% | -0.5% | -2.4% | | | | | -7.1% |

* Index refers to MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in investment profile. MSCI Total Net Return Indices takes into account of dividend reinvestment after deduction of withholding tax.

[^] 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 ⁷

| Name | Industry ⁸ | % |
|--|--|-----|
| China Construction Bank Corporation | Banks | 5.6 |
| Longfor Properties Co Ltd | Real estate | 4.7 |
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | 3.7 |
| Ping An Insurance (Group) Co of China Ltd | Insurance | 3.5 |
| Far East Horizon Ltd | Diversified financials | 3.1 |
| China Resources Power Holdings Co Ltd | Utilities | 2.9 |
| Qingdao Port International Co Ltd | Transportation | 2.7 |
| China Yongda Automobiles Services Holdings Ltd | Retailing | 2.4 |
| Samsung Electronics Co Ltd – Preference Shares | Technology, hardware & equipment | 2.4 |
| Far East Consortium International Ltd | Real estate | 2.3 |

These stocks constitute 33% of the Fund.

Portfolio characteristics

| As at 31 Aug 2018 | 2018 ⁹ |
|-----------------------|-------------------|
| Price/earnings ratio | 8.6 times |
| Price/book ratio | 1.1 times |
| Portfolio yield | 4.3% |
| Yield to maturity/put | N/A |

Geographical exposure by listing ¹⁰

| | |
|--------------------|-----|
| Hong Kong H Shares | 33% |
| South Korea | 12% |
| Red Chips | 10% |
| Taiwan | 10% |
| Indonesia | 5% |
| India | 4% |
| China A Shares | 2% |
| Others | 2% |
| Singapore | 2% |
| Thailand | 2% |

Sector exposure ^{8, 10}

| | |
|------------------------|-----|
| Real estate | 17% |
| Consumer discretionary | 15% |
| Industrials | 15% |
| Banks | 12% |
| Information technology | 10% |
| Insurance | 8% |
| Other financials | 8% |
| Others | 4% |
| Telecom services | 4% |
| Utilities | 4% |
| Consumer staples | 3% |

Fund facts

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

Fee structure

| | Class A1 | Class A2 MDis | Class A Acc |
|---------------------------------|--|---|-------------|
| Minimum subscription | USD10,000 or HKD equivalent ⁶ | USD10,000 / HKD80,000 / AUD10,000 / CAD10,000 / GBP10,000 / RMB60,000 / NZD10,000 / SGD10,000 | RMB60,000 |
| Minimum subsequent subscription | USD5,000 or HKD equivalent ⁶ | USD5,000 / HKD40,000 / AUD5,000 / CAD5,000 / GBP5,000 / RMB30,000 / NZD5,000 / SGD5,000 | RMB30,000 |
| Subscription fee | | Up to 5% | |
| Management fee | | 1.25% p.a. | |
| Performance fee ¹¹ | | 15% of profit (High-on-high principle) | |
| Redemption fee | | Nil | |
| Dealing day | | Daily | |

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Kenny Tian, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; 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 ¹²
Best Asia Pacific ex-Japan Equity (10 Years)
 ~ Thomson Reuters



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

Scan QR code for fund documents¹⁴:



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. 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. 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 at 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 fis@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. Performance fee will only be charged if the NAV at the end of the financial year or upon realization of units exceeds the “high watermark”, which is the all-time year-end high of the Fund’s NAV. If in any one year, the Fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle). 12. The award reflecting performance as at Dec 2016 and Dec 2015 respectively. 13. The award winners were selected among funds with “Accredited Investor” status in Singapore, based on performance data from 30 Jun 2012 to 30 Jun 2015 and voting from a panel of industry fund selectors. 14. 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: USD15.26 (P Acc USD) / USD8.48 (P MDis USD)

Fund size : USD5,431.1 million

August 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

The Fund aims to provide capital appreciation by primarily investing in Greater China debt securities, including but not limited to high yield, convertible and mainland Chinese offshore bonds.

Commentary

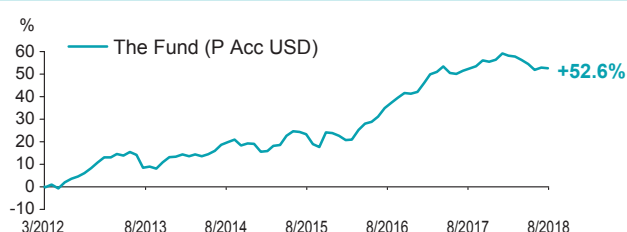
Portfolio review:

The US Treasury yield curve continued to flatten in August as the unabated threat of geopolitical events and domestic political developments in the U.S. buoyed long-dated Treasury bonds. The flattening of the yield curve benefited all fixed income assets. In Asia, high grade issues outperformed as they are relatively more sensitive towards rate movements. We continued to put cash to work during the month in Chinese properties as well as selected names in other sectors.

Outlook:

The Asian credit markets remain relatively cheap on a historical basis. The overall yield of Asian high yield bonds is still about 300bps higher than US high yield – a level last seen in 2014-2015. The US/China trade saga is likely to be a drawn-out process, but the current market seems to have priced in some of the worst outcomes. Investors should look past the current turbulence and focus on the global economy's solid fundamentals. A gradual normalization of global risk-free rates will be constructive to credit investments and other risk assets. We will continue to deploy our capital in opportunities that offer attractive risk-reward tradeoff.

Performance since launch



Performance update

| | The Fund (P Acc USD) |
|-----------------------|----------------------|
| One month | -0.2% |
| Year-to-date | -2.4% |
| One year | +0.1% |
| Three years | +28.3% |
| Five years | +41.3% |
| Since launch | +52.6% |
| Annualized return | +6.8% |
| Annualized volatility | 5.8% |

The Fund – P Acc USD: Monthly performance from 27 Mar 2012 to 31 Aug 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% | -1.0% | -1.2% | -1.7% | +0.7% | -0.2% | | | | | -2.4% |

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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 ¹

| Classes ² | Dividend amount / unit | Annualized yield ³ | Ex-dividend date |
|----------------------|------------------------|-------------------------------|------------------|
| P MDis USD | 0.0621 | 8.8% | 31-8-2018 |
| P MDis HKD | 0.0622 | 8.8% | 31-8-2018 |
| P MDis SGD Hedged | 0.0630 | 8.2% | 31-8-2018 |
| A MDis AUD Hedged | 0.0609 | 8.8% | 31-8-2018 |
| A MDis CAD Hedged | 0.0595 | 8.5% | 31-8-2018 |
| A MDis EUR Hedged | 0.0482 | 6.3% | 31-8-2018 |
| A MDis GBP Hedged | 0.0576 | 7.9% | 31-8-2018 |
| A MDis NZD Hedged | 0.0652 | 9.0% | 31-8-2018 |

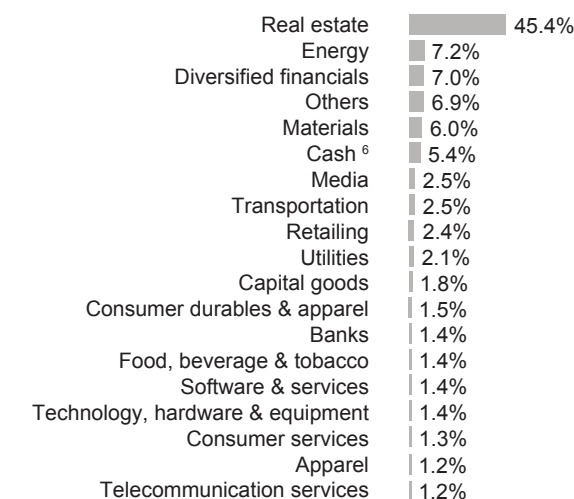
Top 10 securities holdings

| Name | Sector ⁴ | Country | % |
|--|------------------------|-----------------|-----|
| Energy Resources LLC Float 30/09/2022 | Materials | Mongolia | 1.8 |
| MNC Investama Tbk PT 9% 11/05/2021 | Media | Indonesia | 1.6 |
| China Evergrande Group 4.25% 14/02/23 | Real estate | China/Hong Kong | 1.3 |
| Golden Wheel Tiandi Holdings Co Ltd 8.25% 11/03/2019 | Real estate | China/Hong Kong | 1.3 |
| Geo Coal International Pte Ltd 8% 04/10/2022 | Energy | Singapore | 1.3 |
| Sunac China Holdings Ltd 7.35% 19/07/2021 | Real estate | China/Hong Kong | 1.2 |
| Powerlong Real Estate Holdings Ltd 5.95% 19/07/2020 | Real estate | China/Hong Kong | 1.2 |
| Yida China Holdings Ltd 6.95% 19/04/2020 | Real estate | China/Hong Kong | 1.1 |
| AMTD Group Co Ltd 5% 21/03/2019 | Diversified financials | China/Hong Kong | 1.1 |
| Golden Wheel Tiandi Holdings Co Ltd 7% 18/01/2021 | Real estate | China/Hong Kong | 1.0 |

NAVs & Codes

| Classes ² | NAV | ISIN | Bloomberg |
|----------------------|-------|--------------|------------|
| P Acc USD | 15.26 | KYG9319N1097 | VPGPCUA KY |
| P Acc HKD | 15.31 | KYG9319N1253 | VPGPCPA KY |
| P MDis USD | 8.48 | KYG9319N1170 | VPGPUMD KY |
| P MDis HKD | 8.53 | KYG9319N1337 | VPGPMD KY |
| P MDis SGD Hedged | 9.23 | KYG9319N1824 | VPPSHMA KY |
| A Acc EUR Hedged | 10.13 | KYG9319N3804 | VPGAEHA KY |
| A MDis AUD Hedged | 8.35 | KYG9319N2327 | VPGCAUD KY |
| A MDis CAD Hedged | 8.44 | KYG9319N2400 | VPGCCAD KY |
| A MDis GBP Hedged | 8.70 | KYG9319N3317 | VPGCAGH KY |
| A MDis EUR Hedged | 9.11 | KYG9319N3499 | VCHAMEH KY |
| A MDis NZD Hedged | 8.71 | KYG9319N2574 | VPGCHNZ KY |

Sector exposure ^{4, 5}

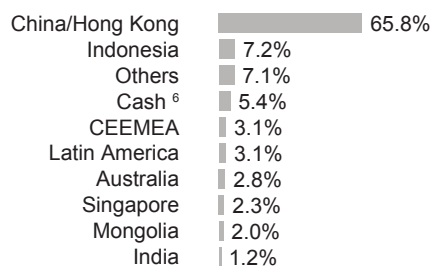


Average duration 1.9 years

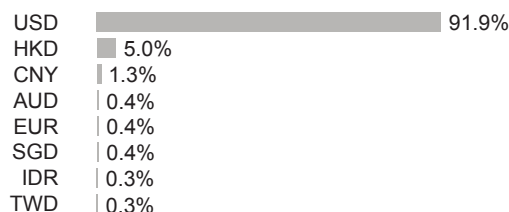
Yield to worst ⁷ 11.8%

Number of bond issuers 200

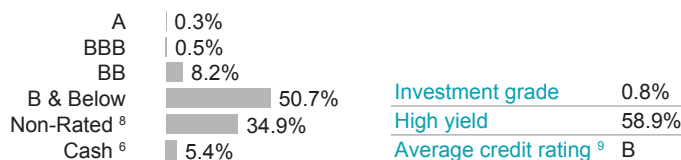
Geographical exposure ⁵



Currency breakdown



Credit ratings



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
 A Acc EUR – 16 Jul 2018
 Dividend policy ¹: 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 Manager: Edwin Kam, CFA

Recent awards on fixed income capabilities



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

Best Fixed Income Fund ¹¹
 ~ HFM Asia Performance Awards 2017

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

Scan QR code for fund documents¹³:



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. 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. 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 at 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 collaterals 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 14.3%, Equity-linked Investments 11.3%, Loan 3.6%, Dim Sum Bonds 2.9%, Mongolia Bonds 1.8%, Others 1.0%). 9. The average credit rating is calculated by assigning a sequential integer to all credit ratings from AAA (highest) to D (lowest), taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The letter rating may be based on bond ratings from different agencies and is provided to indicate the average credit rating of the portfolio's underlying bonds without taking into account derivative positions and unrated securities. As the risk of default increases disproportionately as a bond's rating decreases, the simple weighted average of credit ratings is not a statistical measurement of the portfolio's default risk. 10. Announced in Oct 2017 by The Asset Benchmark Research in the Asian G3 Bond Benchmark Review, which ranks the Top Investment Houses (Hedge Funds category) based on the number of votes won by their astute investors. All votes are subject to a weighting methodology. 11. The awards were judged based on performance over the past 12 months, up to 30 Apr 2017. 12. The period covered by the awards is from 1 Jan 2016 to 31 Dec 2016. 13. For Hong Kong investors only. The views expressed are the views of Value Partners Hong Kong Limited ("VPHK") only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Investors should note 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.

Value Partners Fund Series

Value Partners Asian Total Return Bond Fund



NAV per unit: USD9.95 (A Acc USD) / USD9.76 (A MDIs USD)
Fund size : USD51.3 million

August 2018

- Value Partners Asian Total Return Bond Fund (the "Fund") primarily invests in fixed income securities issued by any Asia Pacific governments, government agencies, supra-nationals, banks or companies which derive substantial revenue from or have significant business or economic activities in Asia Pacific or are denominated in any Asia Pacific currency.
- The Fund primarily invests in the Asia Pacific markets 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.
- The Fund may also invest in PRC interbank bond market via Bond Connect and is therefore subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk. The relevant rules and regulations on investment in the PRC interbank bond market via Bond Connect are subject to change and may adversely impact the Fund.
- The Fund may invest in high yielding securities which may be unrated or below investment grade and financial derivative instruments. The Fund is therefore exposed to additional risks, including volatility risk, valuation risk, leverage risk, liquidity risk, correlation risk, counterparty/credit risk, legal risk, over-the-counter transaction risk and settlement risk.
- 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.
- 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 a competitive total return, consisting of income and capital growth over the medium to longer term, by investing primarily in fixed income securities issued by an Asia Pacific governments, governments agencies, supra-nationals, banks or companies which derive substantial revenue from or have significant business or economic activities in Asia Pacific or are denominated in any Asia Pacific currency.

Performance update ¹

| | The Fund |
|------------------------------------|----------|
| One month | N/A |
| Year-to-date | N/A |
| Since launch | N/A |
| Annualized return [^] | N/A |
| Annualized volatility [^] | N/A |

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

Dividend information – Class MDIs ²

| Classes ³ | Dividend amount / unit | Annualized yield ⁴ | Ex-dividend date |
|---------------------------|------------------------|-------------------------------|------------------|
| Class A MDIs USD Unhedged | 0.0457 | 5.6% | 31-8-2018 |
| Class A MDIs AUD Hedged | 0.0456 | 5.6% | 31-8-2018 |
| Class A MDIs CAD Hedged | 0.0429 | 5.3% | 31-8-2018 |
| Class A MDIs HKD Unhedged | 0.0457 | 5.6% | 31-8-2018 |
| Class A MDIs NZD Hedged | 0.0461 | 5.7% | 31-8-2018 |
| Class A MDIs RMB Hedged | 0.0582 | 7.2% | 31-8-2018 |
| Class A MDIs RMB Unhedged | 0.0465 | 5.3% | 31-8-2018 |

Top 5 securities holdings

| Name | Sector ⁵ | Country | % |
|---|------------------------|---------|-----|
| China National Chemical Corp 4.125% 03/14/2021 | Chemicals | China | 4.0 |
| Bocom Leasing Intl Finance 3.5% 01/25/2021 | Diversified financials | China | 3.9 |
| Metallurgical Corp of China 2.95% 05/31/2020 | Capital goods | China | 3.9 |
| Nan Hai Corp 3% 05/25/2020 | Media | China | 3.5 |
| China Jinmao Hldg Group 6.75% 04/15/2021 | Real estate | China | 3.2 |

NAVs & Codes

| Classes ³ | NAV | ISIN | Bloomberg |
|---------------------------|-------|--------------|------------|
| Class A Acc USD Unhedged | 9.95 | HK0000402450 | VPATAUU HK |
| Class A Acc HKD Unhedged | 9.95 | HK0000402351 | VPATANU HK |
| Class A MDIs USD Unhedged | 9.76 | HK0000402468 | VPATAUM HK |
| Class A MDIs AUD Hedged | 9.73 | HK0000402328 | VPATAAH HK |
| Class A MDIs CAD Hedged | 9.71 | HK0000402344 | VPATACM HK |
| Class A MDIs HKD Unhedged | 9.76 | HK0000402369 | VPATAHU HK |
| Class A MDIs NZD Hedged | 9.67 | HK0000402385 | VPATANH HK |
| Class A MDIs RMB Hedged | 9.70 | HK0000402401 | VPATAHM HK |
| Class A MDIs RMB Unhedged | 10.59 | HK0000402427 | VPATARM HK |

Sector exposure ^{5, 6}

| | |
|----------------------------|-------|
| Real estate | 46.2% |
| Diversified financials | 15.2% |
| Chemicals | 6.9% |
| Capital goods | 6.6% |
| Cash ⁷ | 3.6% |
| Media | 3.5% |
| Mining | 3.0% |
| Transportation | 2.9% |
| Textiles | 2.6% |
| Automobiles & parts | 2.4% |
| Energy | 2.1% |
| Utilities | 2.1% |
| Sovereign | 1.1% |
| Insurance | 0.9% |
| Telecommunication services | 0.9% |

| | |
|-----------------------------|-----------|
| Average duration | 2.1 years |
| Yield to worst ⁸ | 6.9% |
| Number of bond issuers | 39 |

Geographical exposure ⁶

| | |
|-------------------|-------|
| China | 84.1% |
| Korea | 7.5% |
| Hong Kong | 4.8% |
| Cash ⁷ | 3.6% |

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

Currency breakdown

| | |
|-----|-------|
| USD | 97.3% |
| CNY | 2.7% |

Credit ratings

| | |
|-------------------|-------|
| AA | 1.2% |
| A | 16.3% |
| BBB | 43.6% |
| B & Below | 25.7% |
| Non-Rated | 9.6% |
| Cash ⁷ | 3.6% |

| | |
|------------------|-------|
| Investment grade | 61.0% |
| High yield | 25.7% |

Fund facts

| | |
|--------------------------------|---|
| Manager: | Value Partners Hong Kong Limited |
| Base currency: | US dollars |
| Trustee: | HSBC Institutional Trust Services (Asia) Limited |
| Launch date: | 9 April 2018 |
| | Class A Acc USD Unhedged |
| | Class A Acc HKD Unhedged |
| | Class A MDis USD Unhedged |
| | Class A MDis AUD Hedged |
| | Class A MDis CAD Hedged |
| | Class A MDis HKD Unhedged |
| | Class A MDis NZD Hedged |
| | Class A MDis RMB Hedged |
| | Class A MDis RMB Unhedged |
| Dividend policy ² : | MDis – Aim at Monthly distribution, subject to Manager's discretion |

Fee structure

| | Class A |
|---------------------------------|-------------------------|
| Minimum subscription | USD10,000 or equivalent |
| Minimum subsequent subscription | USD5,000 or equivalent |
| Subscription fee | Up to 5% |
| Redemption fee | Nil |
| Management fee | 1.25% p.a. |
| Performance fee | N/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
Fixed income investment team:
Chief Investment Officer, Fixed Income: Gordon Ip, CFA
Senior Fund Managers: Elaine Hu; Jason Yan, CFA, ACCA
Fund Manager: Edwin Kam, CFA

Recent awards on fixed income capabilities



2017 Asian G3 Bonds Top Investment House⁹
Value Partners - Ranked Number 1
in Hedge Fund category
 ~ The Asset Benchmark Research Awards 2017

Best Fixed Income Fund –
Value Partners Greater China High Yield Income Fund¹⁰
 ~ HFM Asia Performance Awards 2017

Fund Manager of the Year –
Long-only Fixed Income (Highly Commended)¹¹
Value Partners' Chief Investment Officer,
Fixed Income – Gordon Ip
 ~ The Asset, Triple A, Asset Servicing, Investor
 and Fund Management Awards 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. Performance data will be available after 6 months from its launch. 2. The manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. No dividends will be paid with respect to the Accumulation Classes. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. Please refer to the Explanatory Memorandum for further details including the distribution policy. 3. 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. The AUD/CAD/EUR/GBP/NZD/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the Fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 5. Classification is based on Global Industry Classification Standard (GICS). 6. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 7. Cash refers to net cash on hand excluding cash for collaterals and margins. 8. Investors should note that Yield to 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. 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.

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.

Value Partners Multi-Asset Fund

A brand new investment strategy since June 2018

NAV per unit: Class A Acc USD: USD10.82

Fund size : USD57.4 million

Value Partners
Investing through discipline

25
YEARS

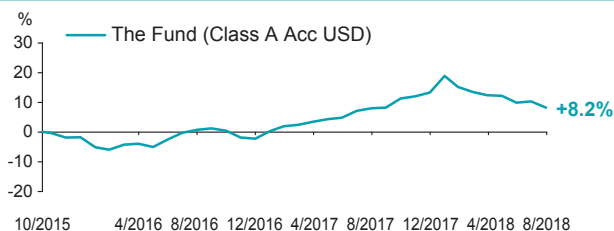
August 2018

- Value Partners Multi-Asset Fund (The "Fund") aims to achieve capital growth by investing across a range of asset classes and currencies globally including equities, debt securities, commodities, collective investment schemes, listed exchange traded funds ("ETFs"), real estate investment trusts ("REITs") and money market instruments which are primarily linked to the global trend of economies.
- The Fund adopts a dynamic asset allocation strategy which may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.
- The Fund may invest in small and mid-capitalization companies and emerging markets and therefore subject to higher volatility and lower liquidity in general.
- The Fund may invest in debt securities which may be unrated or below investment grade and financial derivative instruments. The Fund is therefore exposed to additional risks, including volatility risk, valuation risk, leverage risk, liquidity risk, correlation risk, counterparty/credit risk, legal risk, over-the-counter transaction risk and settlement risk, and may expose the Fund to significant losses.
- The Fund may invest in contingent convertible bonds which are risky and highly complex instruments. 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 achieve capital growth by investing in global markets which are primarily linked to the global trend of economies. Currently it primarily invests in Asian markets, with a particular focus on China equities, fixed income securities (investment-grade and high-yield) and other alternative income sources to capture opportunities across different market cycles.

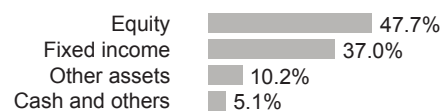
Performance since launch ¹



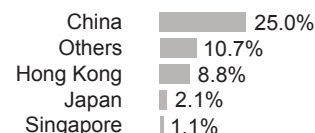
Performance update ¹

| | The Fund |
|------------------------------------|----------|
| One month | -1.9% |
| Three months | -3.6% |
| Six months | -6.1% |
| Year-to-date | -4.5% |
| One year | +0.2% |
| Since launch | +8.2% |
| Annualized return [^] | +2.8% |
| Annualized volatility [^] | 5.2% |

By asset class ²



Equity – by country ²



Fixed income – by region ²



Top 5 holdings - equities

| Holdings | Industry ³ | Country | % |
|--------------------------------|-----------------------|-----------|-----|
| AIA Group Ltd | Financials | Hong Kong | 1.5 |
| Anhui Conch Cement Co Ltd | Materials | China | 1.5 |
| CSPC Pharmaceutical Group Ltd | Health care | China | 1.3 |
| Logan Property Holdings Co Ltd | Real estate | China | 1.3 |
| BOC Aviation Ltd | Industrials | China | 1.2 |

Top 5 holdings - fixed income

| Holdings | Sector ³ | Country | % |
|---|---------------------|-----------------|-----|
| Energy Resources LLC Float 30/09/2022 | Materials | Mongolia | 0.4 |
| China Evergrande Group 4.25% 02/14/2023 | Real estate | China/Hong Kong | 0.3 |
| Geo Coal International Pte Ltd 8% 10/04/2022 | Energy | Singapore | 0.3 |
| Golden Wheel Tiandi Holdings Co Ltd 8.25% 11/03/2019 | Real estate | China/Hong Kong | 0.3 |
| MNC Investama Tbk PT 9% 11/05/2021 | Media | Indonesia | 0.3 |

The Fund – Class A Acc USD: Monthly performance from 13 Oct 2015 to 31 Aug 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% | -1.0% | -0.2% | -2.0% | +0.4% | -1.9% | | | | | -4.5% |

[^] 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.

NAV & codes

| Classes | NAV | ISIN | Bloomberg |
|---------------------------|-------|--------------|------------|
| Class A Acc USD | 10.82 | HK0000269149 | VPMAAUS HK |
| Class A Acc HKD | 10.80 | HK0000269156 | VPMAHKD HK |
| Class A USD MDis | 9.60 | HK0000408119 | VPMAUMD HK |
| Class A HKD MDis | 9.60 | HK0000408127 | VPMAHMD HK |
| Class A AUD (Hedged) MDis | 9.49 | HK0000408135 | VPMAAHM HK |

Portfolio characteristics

| As at 31 Aug 2018 | 2018 |
|------------------------------|------|
| Portfolio yield ⁴ | 7.2% |

Dividend information – Class MDis ⁵

| Classes ⁶ | Dividend amount / unit | Annualized yield ⁷ | Ex-dividend date |
|---------------------------|------------------------|-------------------------------|------------------|
| Class A USD MDis | 0.0579 | 7.2% | 31-8-2018 |
| Class A HKD MDis | 0.0579 | 7.2% | 31-8-2018 |
| Class A AUD (Hedged) MDis | 0.0573 | 7.2% | 31-8-2018 |

Fund facts

| | |
|----------------|---|
| Manager: | Value Partners Hong Kong Limited |
| Base currency: | US dollars |
| Trustee: | HSBC Institutional Trust Services (Asia) Limited |
| Custodian: | HSBC Institutional Trust Services (Asia) Limited |
| Launch date: | Class A Acc USD - 13 Oct 2015 Class A Acc HKD - 18 Aug 2016 Class A USD MDis - 19 Jun 2018 Class A HKD MDis - 19 Jun 2018 Class A AUD (Hedged) MDis - 19 Jun 2018 |

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: Anthony Chan, CFA; 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) ⁸
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year ⁹
 ~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity ¹⁰
 ~ 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. Effective 19 Jun 2018, the Fund has been changed from a fund of funds investing in multi-assets to a multi-asset fund and therefore the investment objective and policies have also been changed. Performance prior to 19 Jun 2018 was achieved under circumstances that no longer apply. Please refer to the offering document for details. 2. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 3. Classification is based on Global Industry Classification Standard (GICS). 4. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 5. 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. 6. 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. The AUD/CAD/NZD/EUR/GBP/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 7. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at 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. 8. 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. 9. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 10. 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.

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

Value Partners Fund Series

Value Partners Asian Income Fund

NAV per unit: Class A USD Acc - USD10.09 | Class A USD MDis - USD9.70

Fund size : USD86.3 million

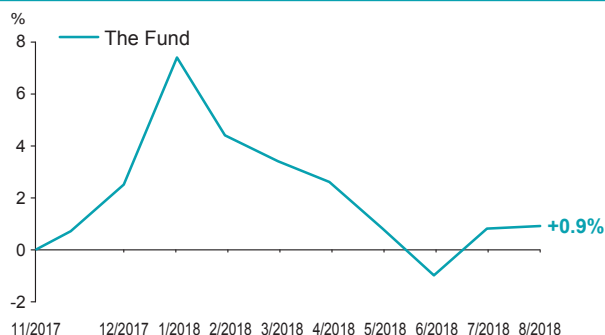
August 2018

- 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 since launch



Performance update

| | The Fund |
|------------------------------------|----------|
| One month | +0.1% |
| Year-to-date | -1.6% |
| Since launch | +0.9% |
| Annualized return [^] | N/A |
| Annualized volatility [^] | N/A |

Top 5 holdings - equities

| Holdings | Industry ¹ | Country | % |
|---|--|-----------|-----|
| Ascendas Real Estate Inv Trust | REITS | Singapore | 1.8 |
| Far EastTone Telecommunications Co Ltd | Telecom services | Taiwan | 1.8 |
| China Construction Bank Corporation | Banks | Hong Kong | 1.6 |
| Tenaga Nasional Bhd | Utilities | Malaysia | 1.6 |
| Taiwan Semiconductor Manufacturing Co Ltd | Semiconductors & semiconductor equipment | Taiwan | 1.4 |

Top 5 holdings - fixed income

| Holdings | Sector ¹ | Country | % |
|--|---------------------|-----------|-----|
| eHi Car Services Ltd 5.875% 14/8/2022 | Industrials | China | 2.1 |
| Indika Energy Capital II Pte 6.875% 10/4/2022 | Energy | Indonesia | 1.8 |
| Geo Coal International Pte Limited 8% 4/10/2022 | Energy | Singapore | 1.7 |
| Medco Platinum Road Pte Limited 6.75% 30/1/2025 | Energy | Indonesia | 1.6 |
| Bank of China (Hong Kong) 5.55% 11/2/2020 | Financials | China | 1.2 |

Dividend information – Class MDis²

| Classes ³ | Dividend amount / unit | Annualized yield ⁴ | Ex-dividend date |
|---------------------------|------------------------|-------------------------------|------------------|
| Class A AUD Hedged MDis | 0.0443 | 5.5% | 31-8-2018 |
| Class A CAD Hedged MDis | 0.0418 | 5.2% | 31-8-2018 |
| Class A HKD Unhedged MDis | 0.0448 | 5.5% | 31-8-2018 |
| Class A NZD Hedged MDis | 0.0452 | 5.6% | 31-8-2018 |
| Class A RMB Hedged MDis | 0.0572 | 7.1% | 31-8-2018 |
| Class A RMB Unhedged MDis | 0.0424 | 5.1% | 31-8-2018 |
| Class A USD Unhedged MDis | 0.0445 | 5.5% | 31-8-2018 |

The Fund – Monthly performance from 13 Nov 2017 to 31 Aug 2018

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-------|-------|--------|
| 2017 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | +0.7% | +1.8% | +2.5% |
| 2018 (YTD) | +4.8% | -2.8% | -1.0% | -0.8% | -1.8% | -1.8% | +1.8% | +0.1% | | | | | -1.6% |

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

NAV & codes

| Classes ³ | NAV | ISIN | Bloomberg |
|---------------------------|-------|--------------|------------|
| Class A USD Unhedged Acc | 10.09 | HK0000352374 | VPUSUAU HK |
| Class A AUD Hedged MDis | 9.64 | HK0000352259 | VPAAHMU HK |
| Class A CAD Hedged MDis | 9.63 | HK0000352267 | VPACHMU HK |
| Class A HKD Unhedged MDis | 9.76 | HK0000352291 | VPAHUMU HK |
| Class A NZD Hedged MDis | 9.63 | HK0000352309 | VPANHMU HK |
| Class A RMB Hedged MDis | 9.68 | HK0000352317 | VPARHMU HK |
| Class A RMB Unhedged MDis | 10.00 | HK0000352325 | VPARUMU HK |
| Class A USD Unhedged MDis | 9.70 | HK0000352382 | VPAUHMU HK |
| Class A HKD Unhedged Acc | 10.15 | HK0000352283 | VPAHUAU HK |

Asset type (%)⁵

| | Equities | Fixed Income | Total |
|----------------------------|----------|--------------|-------|
| China | - | 36.5 | 36.5 |
| Taiwan | 14.4 | - | 14.4 |
| Singapore | 8.0 | 1.7 | 9.7 |
| Hong Kong | 7.8 | 1.0 | 8.8 |
| H Shares | 5.7 | - | 5.7 |
| Indonesia | 1.0 | 3.4 | 4.4 |
| Cash ⁶ & others | - | - | 4.3 |
| Malaysia | 4.0 | - | 4.0 |
| Korea | 2.9 | 0.9 | 3.8 |
| Thailand | 3.5 | - | 3.5 |
| Red Chips | 2.7 | - | 2.7 |
| India | 0.5 | 1.1 | 1.6 |
| China B Shares | 0.6 | - | 0.6 |
| Total | 51.1 | 44.6 | 100.0 |

Credit ratings of fixed income

| | |
|------------------------|-------|
| A | 5.6% |
| BBB | 5.7% |
| BB | 5.3% |
| B & Below | 20.9% |
| Non-rated ⁷ | 7.1% |

Portfolio characteristics

| | |
|------------------------------|------|
| As at 31 Aug 2018 | 2018 |
| Portfolio yield ⁸ | 6.0% |

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
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: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun
Fixed income investment team:
Chief Investment Officer, Fixed Income: Gordon Ip, CFA
Senior Fund Managers: Elaine Hu; Jason Yan, CFA, ACCA
Fund Manager: Edwin Kam, CFA

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)⁹
 ~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year¹⁰
 ~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity¹¹
 ~ 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. Classification is based on Global Industry Classification Standard (GICS). 2. The manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. No dividends will be paid with respect to the Accumulation Classes. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. Please refer to the Explanatory Memorandum for further details including the distribution policy. 3. 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. The AUD/CAD/EUR/NZD/RMB/SGD Hedged Classes are not recommended for investors whose base currency of investment is not in the aforesaid currencies. 4. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the Fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 5. Equities are classified by country of listing and fixed income securities are classified by country of risk. 6. Cash: 4.3%, refers to net cash on hand excluding cash for collaterals and margins. 7. Including bonds whose issuers do not seek credit ratings. 8. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 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.