

Borrowing and Leverage Policy

Funds under management by Value Partners may borrow cash under loans and other credit facilities to acquire investments or for liquidity purposes to meet redemptions and other expenses of the Funds. The maximum borrowing limit for most of the Funds is up to 25% of the latest available Net Asset Value of the respective Fund (save that certain Funds e.g. private funds are permitted to have a higher borrowing limit which can be up to maximum of 150% of the latest available Net Asset Value). Back to back borrowings will not be counted for the purposes of any limit on borrowings. Please refer to the respective Fund's offering document for further details.

In addition to borrowings, the Funds may be implicitly leveraged through investment in financial derivative instruments and other investments with embedded leverage such as futures, swaps, options and warrants. The maximum level of leverage of the Funds as a result of the use of financial derivatives calculated using the commitment approach is not expected to exceed 50% of the Net Asset Value of the respective Fund. The level of leverage using the commitment approach is expressed as a ratio between the market value of the equivalent position in the underlying assets of the relevant financial derivative instruments (taking into account the possible netting and hedging arrangements) and its net asset value.