Value Partners
Investing through discipline

Fund Menu

June 2019

For Non-Professional Investors

Value Partners
Investing through discipline

A dedicated team
of value investing professionals


CHEAH Cheng Hye
Co-Chairman &
Co-Chief Investment Officer


Louis SO
Co-Chairman &
Co-Chief Investment Officer


Renee HUNG
Deputy Chief Investment Officer


Norman HO
Senior Investment Director


Gordon IP
Chief Investment Officer
Fixed Income


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Investment Director
Equities


Michelle YU
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Senior Fund Manager
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Kelly CHUNG
Senior Fund Manager
Multi-assets


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Amy LEE
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Philip LI
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Jason YAN
Senior Fund Manager
Fixed Income


YU Chen Jun
Senior Fund Manager
Equities


Lillian CAO
Fund Manager
Equities


Frank TSUI
Fund Manager
Equities

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.

Value Partners Fund Offerings

Morningstar Rating™[1]
As at 31-05-2019

China / Greater China equities strategy

Greater China
- **Value Partners Classic Fund** ★★★★
- **Value Partners China Greenchip Fund Limited** ★★★ CIES Eligible*

China
- Value Partners Intelligent Funds – **China Convergence Fund** ★★★★
- Value Partners Intelligent Funds – **Chinese Mainland Focus Fund** ★★★★

China A-share
- Value Partners Fund Series – **Value Partners China A-Share Select Fund** ★★★ RQFII

Taiwan
- **Value Partners Taiwan Fund** ★★★★★

Asia equities strategy
- **Value Partners High-Dividend Stocks Fund** ★★★★

Fixed income strategy
- **Value Partners Greater China High Yield Income Fund**
- Value Partners Fund Series – **Value Partners Asian Total Return Bond Fund**

Multi-asset strategy
- **Value Partners Multi-Asset Fund**
- Value Partners Fund Series – **Value Partners Asian Income Fund**
- Value Partners Fund Series – **Value Partners Asian Innovation Opportunities Fund**

*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.

Updated to the end of May 2019

Performance

	Inception date	Fund size	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD	Since inception
Value Partners Classic Fund (A unit)	1 Apr 1993		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%	-23.1%	10.5%	3,032.8%
Index[µ]			13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	5.4%	539.7%
Value Partners Classic Fund (B unit)	15 May 1996	USD 1,079.6 million	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%	-23.5%	10.3%	1,293.5%
Index[µ]		(Total A, B & C units)	13.2%	10.2%	34.9%	44.8%	-46.1%	56.6%	8.3%	-17.3%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	5.4%	276.6%
Value Partners Classic Fund (C unit)	15 Oct 2009		-	-	-	-	-	7.7%	21.2%	-17.6%	13.4%	10.8%	13.3%	-2.0%	-3.7%	43.3%	-23.5%	10.3%	74.8%
Index[µ]			-	-	-	-	-	-0.3%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	5.4%	58.3%
Value Partners China Greenchip Fund Limited+	8 Apr 2002	HKD 1,624.8 million	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%	-23.4%	6.7%	475.9%
Hang Seng Index*			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%	-10.5%	5.7%	309.8%
MSCI China Free HKD*			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%	-18.8%	4.7%	612.2%
Value Partners Intelligent Funds --																			
China Convergence Fund	14 Jul 2000	USD 204.3 million	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%	-13.2%	5.6%	1,627.9%
MSCI China Index[Ω]			1.9%	19.8%	82.9%	66.2%	-50.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	54.1%	-18.9%	4.6%	232.7%
Chinese Mainland Focus Fund	27 Nov 2003	USD 109.0 million	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%	-28.3%	7.0%	358.0%
MSCI China Index (Total Net Return)π			1.9%	19.8%	82.9%	66.2%	-50.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	54.1%	-18.9%	4.6%	406.6%
Value Partners Fund Series -- Value Partners China A-Share Select Fund	16 Oct 2014	RMB 437.3 million	-	-	-	-	-	-	-	-	-	-	18.1%	12.1%	-5.3%	27.1%	-22.3%	11.5%	38.2%
Value Partners Taiwan Fund	3 Mar 2008	USD 63.7 million	-	-	-	-	-35.7%	58.0%	19.2%	-13.0%	26.1%	13.7%	2.1%	-6.5%	16.2%	25.9%	-7.2%	1.5%	98.6%
Taiwan Stock Exchange Indexφ			-	-	-	-	-42.4%	81.6%	13.3%	-19.7%	18.2%	12.2%	5.1%	-10.4%	17.8%	29.4%	-7.9%	4.9%	84.1%
MSCI Taiwan Index (Total Net Return)φ			-	-	-	-	-47.9%	76.4%	21.3%	-19.5%	16.9%	9.1%	9.4%	-11.7%	18.5%	27.5%	-8.9%	4.5%	63.5%
Value Partners High-Dividend Stocks Fund(Class A1)	2 Sep 2002	USD 2,470.6 million	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%	-14.2%	5.4%	771.0%
MSCI AC Asia (ex-Japan) Index (Total Net Return)[#]		(Total Class A1, A2MDis & Z)	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%	-14.4%	3.9%	390.4%
Value Partners High-Dividend Stocks Fund(Class A2)	28 Sep 2012		-	-	-	-	-	-	-	-	7.2%	7.5%	9.4%	-3.8%	-0.3%	31.7%	-14.2%	5.4%	44.2%
Value Partners Greater China High Yield Income Fund (P USD Acc)	27 Mar 2012	USD 6,708.1 million	-	-	-	-	-	-	-	-	13.0%	1.2%	1.1%	6.1%	15.9%	10.1%	-4.9%	7.1%	59.3%
Value Partners Fund Series -- Value Partners Asian Total Return Bond Fund	9 Apr 2018	USD 74.2 million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1%	6.1%	6.0%
Value Partners Multi-Asset Fund	13 Oct 2015	USD 64.2 million	-	-	-	-	-	-	-	-	-	-	-	-1.8%	-0.5%	16.0%	-10.7%	4.7%	6.0%
Value Partners Fund Series -- Value Partners Asian Income Fund	13 Nov 2017	USD 106.1 million	-	-	-	-	-	-	-	-	-	-	-	-	-	2.5%	-3.9%	1.9%	0.4%

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

[#] 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.

+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 +62.9%.

[µ] 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.

*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. MSCI China Index (Total Net Return) since fund inception to present which takes into account of dividend reinvestment after deduction of withholding tax.

[Ω] 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.

π MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax.

φTaiwan Stock Exchange Weighted Index (Total Return) (TAIEX). MSCI Taiwan Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax.

Disclaimer: Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Limited does not guarantee the accuracy or completeness of the information provided by third parties. This report has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Limited
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Value Partners Classic Fund

NAV per unit: A Units - USD313.28 | B Units - USD139.35 | C Units - USD17.48
Fund size : USD1,079.6 million

★★★★
Morningstar Rating™[1]
As at 31-05-2019

Value Partners
Investing through discipline

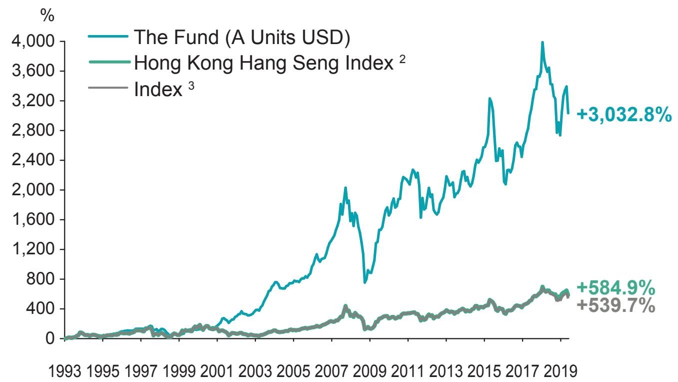
May 2019

- 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	313.28	HK0000264868	VLPARAI HK
B Units USD	139.35	HK0000264876	VLPARBI HK
C Units USD	17.48	HK0000264884	VLPARCI HK
C Units HKD [5]	137.1341	HK0000264884	VLPARCI HK
C Units RMB	12.58	HK0000264926	VLCHCRM HK
C Units AUD Hedged	14.30	HK0000264892	VLCHAUD HK
C Units CAD Hedged	13.92	HK0000264900	VLCHCAD HK
C Units HKD Hedged	11.75	HK0000264934	VLCHCHH HK
C Units NZD Hedged	14.82	HK0000264918	VLCHNZD HK
C Units RMB Hedged	12.11	HK0000264942	VLCHCRH HK
C Units MDis USD	8.11	HK0000360880	VLCCMDU HK
C Units MDis HKD	8.09	HK0000360898	VLCCMDH HK
C Units MDis RMB	8.32	HK0000362241	VLCCMDR HK
C Units MDis RMB Hedged	7.95	HK0000362258	VLCCMRH HK

Performance update

	A Units USD	B Units USD	C Units USD	Hang Seng Index [2]	Index [3]
One month	-10.3%	-10.3%	-10.3%	-8.4%	-10.8%
Year-to-date	+10.5%	+10.3%	+10.3%	+5.5%	+5.4%
One year	-16.3%	-16.8%	-16.8%	-8.2%	-12.6%
Three years	+34.1%	+32.1%	+31.4%	+43.5%	+34.1%
Five years	+43.0%	+39.5%	+39.2%	+38.7%	+29.5%
Since launch	+3,032.8%	+1,293.5%	+74.8%	+584.9%	+539.7%
Annualized return ^	+14.1%	+12.1%	+5.9%	+7.6%	+7.4%
Annualized volatility ^	21.8%	22.4%	20.0%	25.6%	25.7%

Annual performance from 2009 to 2019

	A Units USD	B Units USD	C Units USD
2009	+82.9%	+82.0%	+7.7% [6]
2010	+20.2%	+19.6%	+21.2%
2011	-17.2%	-17.6%	-17.6%
2012	+14.0%	+13.4%	+13.4%
2013	+11.2%	+10.6%	+10.8%
2014	+13.5%	+13.0%	+13.3%
2015	-1.5%	-2.0%	-2.0%
2016	-3.2%	-3.7%	-3.7%
2017	+44.9%	+44.1%	+43.3%
2018	-23.1%	-23.5%	-23.5%
2019 (YTD)	+10.5%	+10.3%	+10.3%

Dividend information – C Units MDis [7]

Classes [4]	Dividend per unit [8]	Annualized yield [9]	Ex-dividend date
C Units MDis USD	0.0275	4.1%	31-5-2019
C Units MDis HKD	0.0275	4.1%	31-5-2019
C Units MDis RMB	0.0288	4.2%	31-5-2019
C Units MDis RMB Hedged	0.0291	4.4%	31-5-2019

The Fund – A Units USD: Monthly performance from 1 Jan 2009 to 31 May 2019

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	+10.8%	-5.7%	-2.5%	-1.8%	+1.5%	-5.8%	-0.2%	-4.4%	-1.1%	-13.7%	+4.8%	-5.8%	-23.1%
2019 (YTD)	+10.6%	+7.2%	+2.4%	+1.5%	-10.3%								+10.5%

^ *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.*

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Top 10 securities holdings

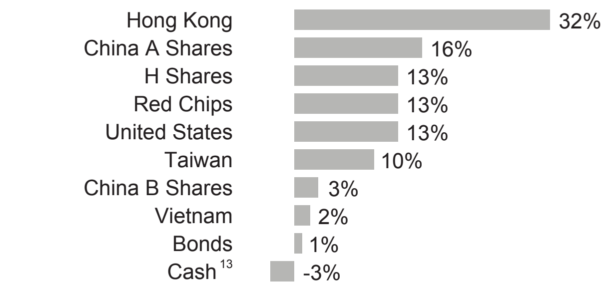
Name	Industry [10]	% [12]
Alibaba Group Holding Ltd	Retailing	7.8
CSPC Pharmaceutical Group Ltd	Pharmaceuticals, biotechnology & life sciences	7.3
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	5.1
SIIC Environment Holdings Ltd	Utilities	4.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	3.8
Industrial & Commercial Bank of China Ltd	Banks	3.7
Techtronic Industries Co Ltd	Consumer durables & apparel	3.7
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	3.6
AIA Group Ltd	Insurance	3.4
3SBio Inc	Pharmaceuticals, biotechnology & life sciences	3.2

These stocks constitute 46% [12] of the Fund.

Portfolio characteristics

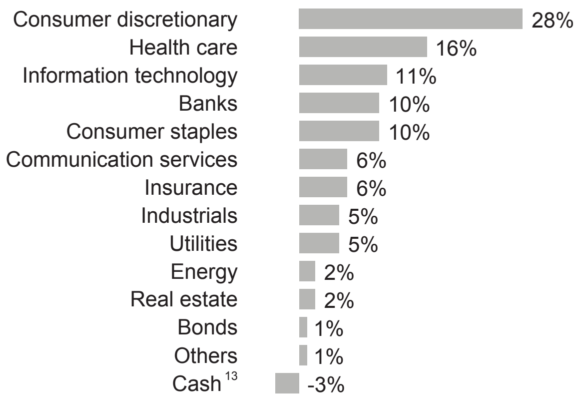
As at 31 May 2019	2019 [11]
Price/earnings ratio	12.8 times
Price/book ratio	1.6 times
Portfolio yield	3.0%

Geographical exposure by listing [12]



Short exposure includes: Hong Kong, -1.5% and Taiwan, -0.5%.

Sector exposure [10, 12]



Total short exposure is -2.0%.
Short exposure includes: Real estate, -0.7%; Derivatives, -0.5%; Health care, -0.5% and Utilities, -0.3%.

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:	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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [15]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [16]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [17]
~ Hong Kong Economic Journal

Scan QR code for fund documents[18]:

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. *© 2019 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 Untis.* **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 at the end of the financial year the NAV (before deduction of performance fee and relevant distributions) exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV for the accumulation classes (and dividend adjusted equivalent for distribution paying classes). 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 reflects performance up to 30 September 2018.* **16.** *The award reflects performance up to 31 December 2017.* **17.** *The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.* **18.** *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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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

Value Partners
Investing through discipline

Value Partners Classic Fund
Commentary / First Quarter 2019

- **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.**

The Greater China equity market rebounded from a difficult 2018, with the MSCI Golden Dragon Index increasing by 15.4% in the first quarter of 2019. The strong rally was driven by an improving risk appetite thanks to the end of the US rate hike cycle, China's ongoing policy easing and MSCI's A-share boost.

One of the key reasons for the improved market backdrop in 2019 was down to a dovish tilt in terms of US rate hike expectations, which relieved pressure off Emerging Market currencies and equity markets within the region. That was complemented by positive developments surrounding the US-China trade negotiations even though a deal was not struck by the time the original March 1 deadline expired. While issues concerning enforcement mechanisms, intellectual property and forced technology transfer remain, the deadline has since been extended and recent rhetoric suggests that the two super nations are close to striking a deal.

Meanwhile, China wrapped up its annual National People's Congress (NPC) in March[1], reaffirming its changing policy stance to focus more on pro-growth measures. Consistent with our previous expectations, China will holistically employ market liberalisation, reserve requirement ratio (RRR) and interest rate reductions as well as tax cuts instead of large scale fiscal deficit and quantitative monetary measures that were used in the previous cycle. This follows another round of RRR cut in January – its fifth since September 2017.

The NPC also announced specific reductions to both the Value-Added Tax (VAT) and social security contribution rate as part of a RMB 2 trillion tax/fee cut programme. The cuts showcased a more targeted approach to specifically boost domestic consumption and corporate earnings. We believe such policy efforts will prove to be more effective than the broad-based liquidity injections that were used in the previous cycle.

In addition, investor sentiment towards the China A-Share market continued to be boosted by MSCI's decision to increase the weight of A-shares in its indices[2]. In our view, the year-to-date rally is by no means the end of the road and further improvements are expected as A-shares continue its push towards internationalisation.

Portfolio strategy review

The Value Partners Classic Fund (the "Fund") outperformed the market and gained 21.3% in the first quarter. For reference, the MSCI Golden Dragon Index increased by 15.4% over the same period of time.

In the first quarter of the year, our portfolio gained positive momentum from the improved market sentiment and we have made changes to our portfolio allocation to capture our conviction ideas during the period. In particular, we took a more aggressive stance to deploy our cash (5% as at the end of 2018) and maintained fully invest throughout the first quarter. Two key additions to the portfolio were our topped-up positions in healthcare and China A-Share exposures, which worked well and became our key sources of outperformance for our portfolio. The former sector faced policy headwinds in December 2018 with a broad sector correction, this however, provided attractive entry opportunities for our high conviction ideas that showcase strong fundamentals and yet, less affected by policy risks. Our healthcare exposures paid off as share prices performed strongly on the back of solid beats on earnings results in the first quarter. After a lackluster year in 2018, our increased China A-Share exposures also contributed strongly with our liquor holdings share price rallying on the back of improved consumer sentiment and solid results. Other bottom-up stock picks in China education and eCommerce sectors were also among the key contributors supported by their solid earnings. On the flip side, our individual China financial exposures detracted on the back of muted results in relative term.

Outlook

After the year-to-date rally, the 12-month forward P/E for MSCI China has climbed to 11.7x[3], slightly above the 10-year average at 11.4x. We are aware that valuations are no longer considered cheap, however, we remain constructive from a bottom-up perspective as recent policy tailwinds have created considerable earnings re-rating potential.

Value Partners Investment Team
15 April 2019

1. *Source: The National People's Congress of the People's Republic of China, 15 March 2019*
2. *Source: MSCI, 28 February 2019*
3. *Source: MSCI, 29 March 2019*

Value Partners Classic Fund: 10 biggest holdings of securities as at 31 March 2019

Stock	Industry	Valuation (2019 Estimates)	Remarks
3CBio Inc (Code: 1530 HK) Market cap: US$5.0 billion	Pharmaceuticals, Biotechnology	Price: HK$15.44 P/E: 23.8x P/B: 3.4x Yield: 0.3%	• Shanghai-headquartered 3CBio Inc is a leading Chinese biotechnology company. The company's core products include the world's only commercialized recombinant human thrombopoietin and a product targeting on rheumatoid arthritis, ankylosing spondylitis and psoriasis, both own a dominant market share in China. Meanwhile, 3CBio is boosting its R&D investment and actively exploring the international market.
Alibaba Group (Code: BABA US) Market cap: US$471.7 billion	Retailing	Price: US$182.45 P/E: 27.9x P/B: 5.7x Yield: 0%	• Alibaba, founded by Jack Ma in 1999 in China, is one of the world's largest eCommerce companies. Alibaba's online marketplace - "Taobao" and "Tmall"- contribute the vast majority of the company's revenue and is likely to continue delivering solid growth in view of its dominant position, advanced technology and the trend of merchants shifting marketing budgets online from offline. • The company's cloud computing company ("AliCloud") and fintech business ("Ant Financial") are underpinning future growth potential. • We are positive about the long-term performance of its stock price because: 1) we believe Alibaba would deliver continued high growth of core commerce, as it continues to improve targeting technology and logistic network; 2) Cloud is likely to be another long-term growth driver as more enterprises are starting to embrace cloud services to cut cost and leverage the company's big data technology; 3) we expect it to spin-off high value assets (e.g. Ant Financial, 33% owned by Alibaba) to unlock hidden values.
China Education Group Holdings Ltd (Code: 839 HK) Market cap: US$3.1 billion	Education	Price: HK$11.94 P/E: 20.0x P/B: 2.7x Yield: 1.8%	• 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 (2019 Estimates)	Remarks
CSPC Pharmaceutical Group Ltd (Code: 1093 HK) Market cap: US$11.6 billion	Pharmaceuticals, Biotechnology	Price: HK$14.6 P/E: 20.2x P/B: 4.4x Yield: 1.6%	• CSPC is one of the leading biopharmaceutical companies in China and it is also the largest supplier of vitamin C and caffeine globally. • The company possesses strong R&D capabilities for innovative drug developments and its flagship products in oncology drugs also recorded resilient growth. • The company's M&A strategy has also strengthened its R&D capabilities and product pipeline expansion. Supported by its innovative drugs, CSPC is less affected by the latest 4+7 GPO program, which puts pricing pressure on generic drugs, and allows it to have better pricing power over its peers.
Industrial & Commercial Bank of China (Code: 1398 HK) Market cap: US$287.3 billion	Banks	Price: HK$5.75 P/E: 5.7x P/B: 0.7x Yield: 5.5%	• 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, investment banking as well as asset management, trust and insurance.
SIIC Environment (Code: 807 HK) Market cap: US$0.7 billion	Utilities	Price: HK$2.04 P/E: 7.7x P/B: 0.5x Yield: 3.2%	• 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 its potential to become a leading water company 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$206.2 billion	Semiconductors and Semiconductor Equipment	Price: NT$245.50 P/E: 19.0x P/B: 3.5x Yield: 3.8%	• 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.

Stock	Industry	Valuation (2019 Estimates)	Remarks
Techtronic Industries Co (Code: 669 HK) Market cap: US$12.3 billion	Consumer durables and apparel	Price: HK$52.75 P/E: 19.0x P/B: 3.6x Yield: 2.0%	• Techtronic Industries (“TTI”) is a global leader in designing, manufacturing and selling home-improvement products, including power tools, outdoor power equipment and floor-care appliances. • TTI benefits from strong US housing market and Home Depot sales, its innovative cordless and smart power tool products helped market share gain as well as margins expansion. Floor-care business turning around shall continuously underpin the earnings growth sustainability.
Tencent Music Entertainment Group (Code: TME US) Market cap: US$29.6 billion	Media and entertainment	Price: US$18.1 P/E: 34.5x P/B: 4.1x Yield: 0.0%	• Tencent Music Entertainment Group is China’s leading music entertainment platform, offering music streaming and social entertainment services to users. • Its revenues are driven by user subscriptions, sublicensing music content to third-party platforms and sales of digital music albums to users. • It recorded revenues of Rmb 18.99 billion in 2018, which translates to a 72.9% jump over 2017. The robust figures were driven by an increase in paying users across its music (27 million) and social entertainment (10.2 million) services, which we continue to see strong room for growth.
Wuliangye Yibin Co Ltd (Code: 000858 CH) Market cap: US$54.9 billion	Food, beverage and tobacco	Price: CNY95.0 P/E: 22.1x P/B: 5.1x Yield: 2.2%	• Wuliangye is a top-ranking Chinese liquor producer based in Sichuan Province. Both its revenue and net profit recorded strong growth in 2018. The company is expected to continue to benefit from an expanding high-end liquor market in China.

Note: The above investments made up 42.2% of Value Partners Classic Fund as at 31 March 2019. The stock prices are based on the closing of 29 March 2019.

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

Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD57.59 | Class A2 QDis - HKD10.08

Fund size : USD207.1 million (HKD1,624.8 million)

★★★
Morningstar Rating[TM1]
As at 31-05-2019

CIES Eligible*

Value Partners
Investing through discipline

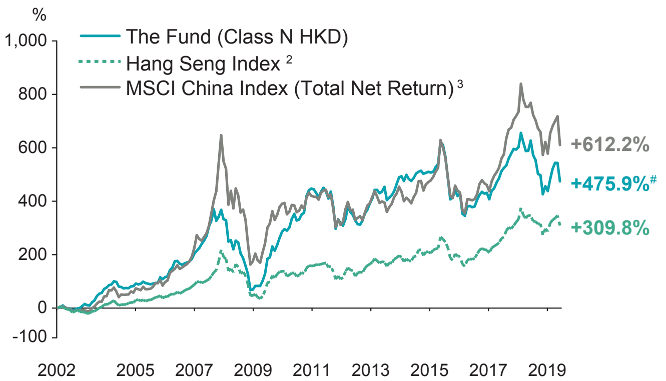
May 2019

- 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	-10.7%	-10.7%	-13.1%	-8.4%
Year-to-date	+6.7%	+6.7%	+4.7%	+5.7%
One year	-21.0%	-21.0%	-18.2%	-8.2%
Three years	+20.3%	+19.9%	+41.1%	+44.9%
Five years	-2.1%	-2.4%	+37.8%	+40.3%
Since launch	+475.9%#	+9.2%	+612.2%	+309.8%
Annualized return ^	+10.7%	+1.5%	+12.1%	+8.6%
Annualized volatility ^	21.5%	17.8%	24.6%	19.6%

Dividend information – Class A2 QDis [4]

Ex-dividend date	Ex-dividend date NAV (HKD)	Dividend per unit [5] (HKD)	Annualized yield [6]
29-3-2019	11.30	0.0469	1.7%
31-12-2018	9.49	0.0469	2.0%
28-9-2018	10.59	0.0469	1.6%
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%

NAVs & codes

Classes [7]	NAV	ISIN	Bloomberg
Class A HKD	57.59	KYG9317M1033	VPCHIGC KY
Class A USD	9.48	KYG9317M1603	VPCHAUS KY
Class A AUD Hedged	9.72	KYG9317M1371	VPCHAAH KY
Class A CAD Hedged	9.44	KYG9317M1454	VPCHACH KY
Class A NZD Hedged	9.60	KYG9317M1520	VPCHANH KY
Class A2 QDis HKD	10.08	KYG9317M1116	VPCA2QD KY

The Fund – Class A HKD: Monthly performance from 1 Jan 2009 to 31 May 2019

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	+7.6%	-4.8%	-4.3%	+0.1%	+5.6%	-7.5%	-2.8%	-7.9%	-0.7%	-12.0%	+5.6%	-3.2%	-23.4%
2019 (YTD)	+8.3%	+6.6%	+3.6%	-0.1%	-10.7%								+6.7%

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

^ *Annualized return and volatility are calculated from inception. 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 +62.9%, +4.1% and 23.3% respectively.*

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Top 10 securities holdings *(as at 30 Apr 2019)*

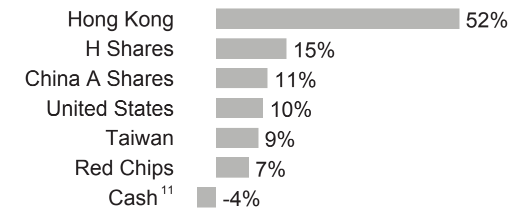
Name	Industry [8]	%
Alibaba Group Holding Ltd	Retailing	5.3
Tencent Holdings Ltd	Media & entertainment	4.4
Gree Electric Appliances Inc of Zhuhai	Consumer durables & apparel	4.0
Sands China Ltd	Consumer services	3.8
Kerry Logistics Network Ltd	Transportation	3.2
Nissin Foods Co Ltd	Food, beverage & tobacco	3.0
China Construction Bank Corporation	Banks	2.8
Intron Technology Holdings Ltd	Automobiles & components	2.8
Tencent Music Entertainment Group	Media & entertainment	2.8
ANTA Sports Products Ltd	Consumer durables & apparel	2.7

These stocks constitute 35% of the Fund.

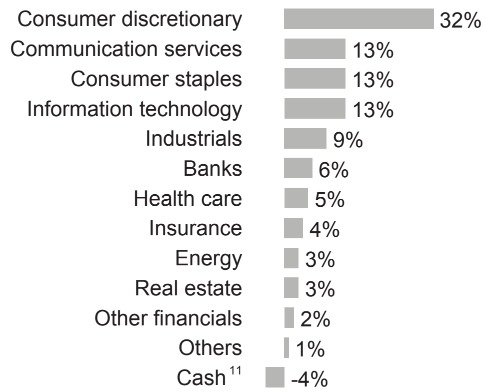
Portfolio characteristics

As at 31 May 2019	2019 [9]
Price/earnings ratio	12.8 times
Price/book ratio	1.7 times
Portfolio yield	3.2%

Geographical exposure by listing [10]



Sector exposure [8, 10]



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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [14]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [15]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [16]
~ Hong Kong Economic Journal

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. *© 2019 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 at the end of the financial year the NAV (before deduction of performance fee and relevant distributions) exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV for the accumulation classes (and dividend adjusted equivalent for distribution paying classes). 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.** *The award reflects performance up to 30 September 2018.* **15.** *The award reflects performance up to 31 December 2017.* **16.** *The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.*

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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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 - USD172.79
Fund size : USD204.3 million

★★★★
Morningstar Rating[TM1]
As at 31-05-2019

Value Partners
Investing through discipline

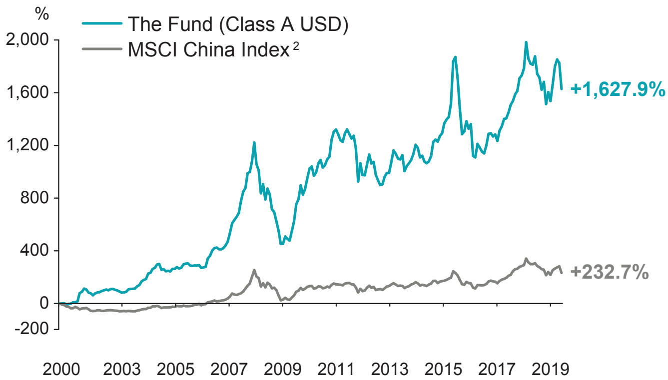
May 2019

- 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 achieve long-term capital appreciation by investing primarily in equity securities of China-related companies. This includes securities listed on a Mainland China stock exchange, the Hong Kong Stock Exchange and major stock exchanges in other jurisdictions. The investable universe covers, but is not limited to A, B and H Shares as well as American Depositary Receipts.

Performance since launch



Performance update

	Class A USD	MSCI China Index[2]
One month	-10.3%	-13.1%
Year-to-date	+5.6%	+4.6%
One year	-12.6%	-18.2%
Three years	+37.9%	+39.8%
Five years	+46.6%	+36.3%
Since launch	+1,627.9%	+232.7%
Annualized return ^	+16.3%	+6.6%
Annualized volatility ^	25.0%	26.1%

NAVs & codes

Classes	NAV	ISIN	Bloomberg
Class A USD	172.79	KYG9317Q1047	VAPAICB KY
Class A AUD Hedged	11.20	KYG9317Q1385	VAPAAHD KY
Class A CAD Hedged	11.94	KYG9317Q1468	VAPACAH KY
Class A NZD Hedged	12.55	KYG9317Q1534	VAPANZH KY

The Fund – Class A USD: Monthly performance from 1 Jan 2009 to 31 May 2019

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	+10.5%	-6.0%	-2.0%	-0.4%	+3.3%	-6.7%	-1.5%	-5.1%	+3.4%	-9.4%	+5.6%	-4.0%	-13.2%
2019 (YTD)	+7.7%	+7.8%	+2.8%	-1.4%	-10.3%								+5.6%

^ *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.*

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Top 10 securities holdings

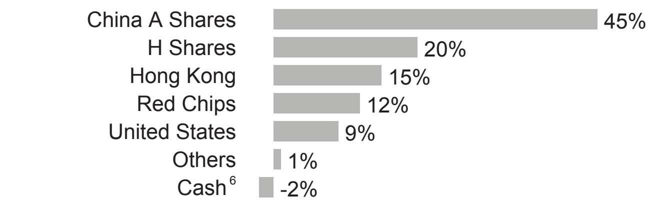
Name	Industry [3]	%
CSPC Pharmaceutical Group Ltd	Pharmaceuticals, biotechnology & life sciences	7.3
Alibaba Group Holding Ltd	Retailing	6.7
Poly Developments and Holdings (Group) Co Ltd	Real estate	6.2
Tencent Holdings Ltd	Media & entertainment	6.1
AviChina Industry & Technology Co Ltd	Capital goods	6.0
Tianjin Zhongxin Pharmaceutical Group Corporation Limited	Pharmaceuticals, biotechnology & life sciences	5.9
Industrial and Commercial Bank of China Ltd	Banks	4.8
Suzhou Gold Mantis Construction and Decoration Co Ltd	Capital goods	4.5
Beijing Tong Ren Tang Chinese Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	4.1
Industrial Bank Co Ltd	Banks	3.4

These stocks constitute 55% of the Fund.

Portfolio characteristics

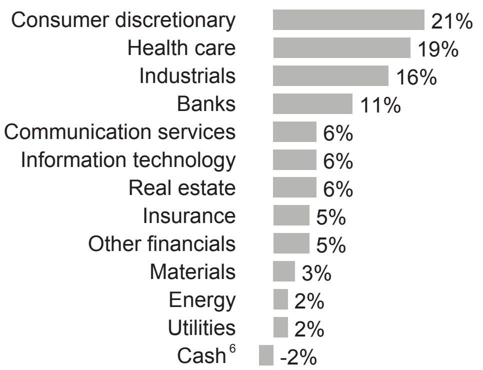
As at 31 May 2019	2019 [4]
Price/earnings ratio	11.5 times
Price/book ratio	1.5 times
Portfolio yield	2.8%

Geographical exposure by listing [5]



Short exposure includes: Hong Kong, -0.5%.

Sector exposure [3, 5]



Total short exposure is -0.5%.
Short exposure includes: Health care, -0.5%.

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	HSBC Trustee (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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key awards

Offshore China Fund Awards 2018
Best Total Return - Greater China Equity Fund (5-year): 2nd Runner-up [8]
~ HKCAMA and Bloomberg

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [9]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards: Offshore China Equity (10-year) [10]
~ Insights & Mandate

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. © 2019 Morningstar, Inc. All Rights Reserved. 2. MSCI China Index (Price Return) since inception to 29 Mar 2001, thereafter it is the MSCI China Index (Total Net Return). 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. The award reflects the fund's 5-year performance up to 30 September 2018. 9. The award reflects performance up to 30 September 2018. 10. The award reflects performance up to 31 December 2017.

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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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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

Value Partners
Investing through discipline

NAV per unit : USD45.80
Fund size : USD109.0 million

★★★★
Morningstar Rating[TM1]
As at 31-05-2019

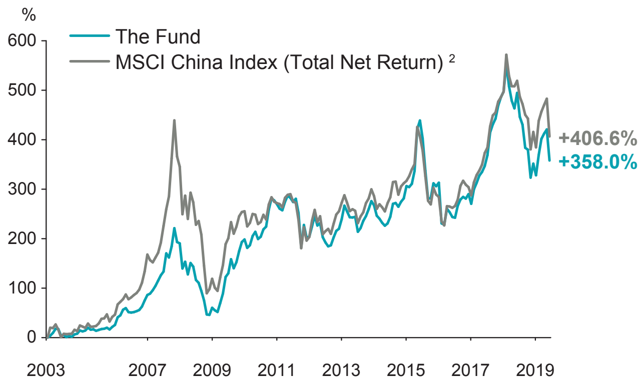
May 2019

- 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 focusing on investments related to mainland China. This includes RMB-denominated corporate and government bonds, listed or unlisted shares issued by companies whose assets and/or revenues are principally denominated in RMB and/or whose costs or liabilities are principally denominated in US dollars. The investable universe can also cover A, B and H shares.

Performance since launch



Performance update

	The Fund	MSCI China Index (Total Net Return) [2]
One month	-12.0%	-13.1%
Year-to-date	+7.0%	+4.6%
One year	-23.0%	-18.2%
Three years	+33.2%	+39.8%
Five years	+38.5%	+36.3%
Since launch	+358.0%	+406.6%
Annualized return^	+10.3%	+11.0%
Annualized volatility^	22.5%	25.7%

Portfolio characteristics

As at 31 May 2019	2019 [3]
Price/earnings ratio	13.0 times
Price/book ratio	2.0 times
Portfolio yield	2.7%

Top 10 securities holdings

Name	Industry [4]	%
Alibaba Group Holding Ltd	Retailing	8.3
Kweichow Moutai Co Ltd	Food, beverage & tobacco	6.2
Tencent Holdings Ltd	Media & entertainment	6.2
AIA Group Ltd	Insurance	5.7
Huaneng Renewables Corporation Ltd	Utilities	5.6
Gree Electric Appliances Inc of Zhuhai	Consumer durables & apparel	4.8
China Merchants Bank Co Ltd	Banks	4.5
Centre Testing International Group Co Ltd	Commercial services & supplies	3.8
Luzhou Laojiao Company Limited	Food, beverage & tobacco	3.7
Inner Mongolia Yili Industrial Group Co Ltd	Food, beverage & tobacco	3.1

These stocks constitute 52% of the Fund.

The Fund – Monthly performance from 1 Jan 2009 to 31 May 2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	-3.2%	-2.1%	+11.8%	+11.4%	+17.7%	+3.4%	+12.3%	-7.1%	+5.2%	+8.8%	+6.7%	+1.8%	+86.0%
2010	-5.7%	+1.9%	+6.5%	+2.8%	-4.7%	+1.5%	+4.9%	+1.7%	+10.6%	+6.4%	-1.1%	-2.0%	+23.9%
2011	-2.5%	-0.9%	+4.8%	+3.4%	-1.2%	-2.2%	+1.8%	-7.6%	-19.5%	+15.6%	-7.8%	+0.6%	-17.8%
2012	+6.7%	+6.8%	-5.7%	+1.4%	-8.6%	-3.5%	-2.7%	+0.7%	+5.5%	+4.5%	+1.4%	+6.0%	+11.6%
2013	+8.1%	-3.2%	-3.3%	-0.1%	+0.4%	-8.8%	+2.4%	+4.5%	+2.9%	+4.1%	+4.5%	-2.3%	+8.3%
2014	-5.7%	-1.7%	-2.4%	-1.8%	+1.4%	+4.0%	+7.7%	+0.4%	-2.0%	+2.8%	+1.8%	+6.5%	+10.6%
2015	-0.5%	+1.6%	+6.4%	+19.4%	+3.3%	-6.8%	-13.0%	-12.9%	+0.3%	+7.9%	-1.5%	+1.8%	+1.7%
2016	-19.9%	-0.8%	+9.8%	-1.9%	-2.7%	-0.4%	+7.0%	+3.5%	+1.4%	-0.9%	+2.4%	-5.0%	-10.3%
2017	+7.9%	+3.2%	+3.5%	+1.8%	+2.8%	+4.9%	+9.8%	+3.2%	+2.2%	+4.9%	+3.0%	+1.9%	+61.2%
2018	+9.4%	-7.0%	-4.8%	-2.7%	+5.6%	-8.2%	-2.9%	-8.8%	-0.8%	-11.8%	+6.7%	-5.2%	-28.3%
2019 (YTD)	+9.6%	+7.0%	+2.1%	+1.6%	-12.0%								+7.0%

^ *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.*

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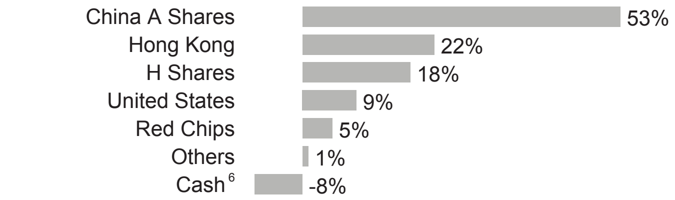
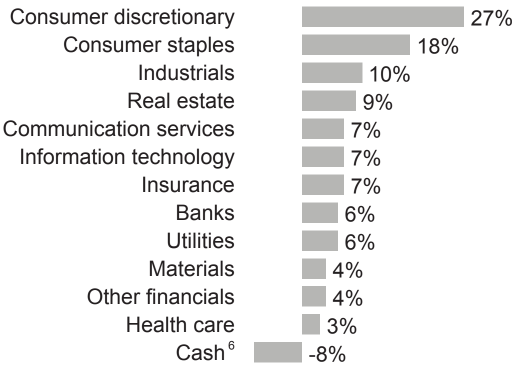
Geographical exposure by listing [5]



Short exposure includes: United States, -1.1%.

Sector exposure [4, 5]



Total short exposure is -1.1%.
Short exposure includes: Information technology, -1.1%.

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	HSBC Trustee (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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key awards

Lipper Fund Awards Hong Kong 2018
Best China Equity Fund (10-year) [8]
~ Thomson Reuters

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [9]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [10]
~ Insights & Mandate

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.

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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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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) – RMB13.82
Fund size : USD63.1 million (RMB437.3 million)

Value Partners
Investing through discipline

★★★
Morningstar Rating[TM1]
As at 31-05-2019

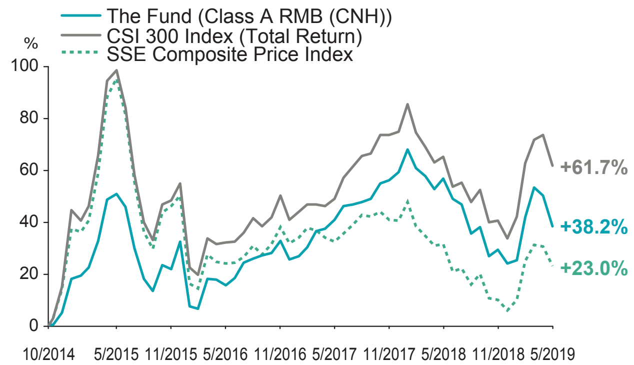
May 2019

- 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

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
One month	-8.0%	-6.9%	-5.8%
Three months	-2.5%	-0.6%	-1.4%
Year-to-date	+11.5%	+21.1%	+16.2%
One year	-11.9%	-2.2%	-6.4%
Three years	+19.6%	+22.4%	-0.6%
Since launch	+38.2%	+61.7%	+23.0%
Annualized return ^	+7.3%	+11.0%	+4.6%
Annualized volatility ^	20.8%	26.6%	25.5%

Top 5 securities holdings

Name	Industry [2]	%
Tianjin Zhongxin Pharmaceutical Group Corporation Limited	Pharmaceuticals, biotechnology & life sciences	7.0
Poly Developments and Holdings (Group) Co Ltd	Real estate	6.5
Industrial Bank Co Ltd	Banks	6.3
China Merchants Shekou Industrial Zone Holdings Co Ltd	Real estate	6.2
Suzhou Gold Mantis Construction and Decoration Co Ltd	Capital goods	5.8

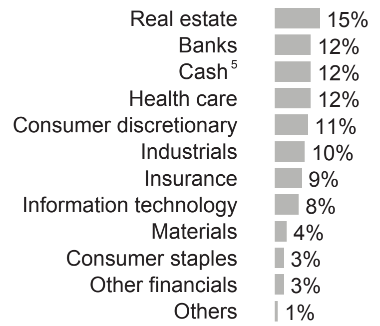
These stocks constitute 32% of the Fund.

Portfolio characteristics

As at 31 May 2019	2019 [3]
Price/earnings ratio	10.7 times
Price/book ratio	1.6 times
Portfolio yield	2.9%

Geographical exposure by listing [4]

Sector exposure [2, 4]



The Fund – Class A RMB (CNH): Monthly performance

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	+5.5%	-4.4%	-1.9%	-3.2%	+2.8%	-5.0%	-1.6%	-7.6%	+1.8%	-8.3%	+2.1%	-4.1%	-22.3%
2019 (YTD)	+1.0%	+13.3%	+8.0%	-2.0%	-8.0%								+11.5%

^ *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.*

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NAVs & codes

Classes [7]	NAV	ISIN	Bloomberg
Class A RMB (CNH)	13.82	HK0000220001	VPCAARM HK
Class A USD Unhedged	12.32	HK0000220019	VPCAAUU HK
Class A USD Hedged	12.23	HK0000220027	VPCAAUH HK
Class A HKD Unhedged	12.40	HK0000220035	VPCAAHU HK
Class A HKD Hedged	12.01	HK0000220043	VPCAAHH HK
Class A GBP Unhedged	14.45	HK0000220076	VPCAAGU HK
Class A GBP Hedged	11.56	HK0000220084	VPCAAGH HK
Class A AUD Unhedged	12.71	HK0000220092	VPCAAAU HK
Class A AUD Hedged	12.36	HK0000220100	VPCAAAH HK
Class A CAD Hedged	11.34	HK0000220126	VPCAACH HK
Class A EUR Unhedged	12.10	HK0000220050	VPCAAEU HK
Class A EUR Hedged	11.36	HK0000220068	VPCAAEH HK
Class A NZD Unhedged	11.53	HK0000220134	VPCAANU HK
Class A NZD Hedged	12.21	HK0000220142	VPCAANH HK

Fund facts

Manager & RQFII holder:	Value Partners Hong Kong Limited
Base currency:	RMB
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

Co-Chairmen & Co-Chief Investment Officers: Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [9]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [10]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [11]
~ Hong Kong Economic Journal

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.__ © 2019 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. __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 reflects performance up to 30 September 2018. __10.__ The award reflects performance up to 31 December 2017. __11.__ The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.

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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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

Value Partners Taiwan Fund

NAV per unit : Class A – USD19.86
Fund size : USD63.7 million

★★★★★
Morningstar Rating[TM1]
As at 31-05-2019

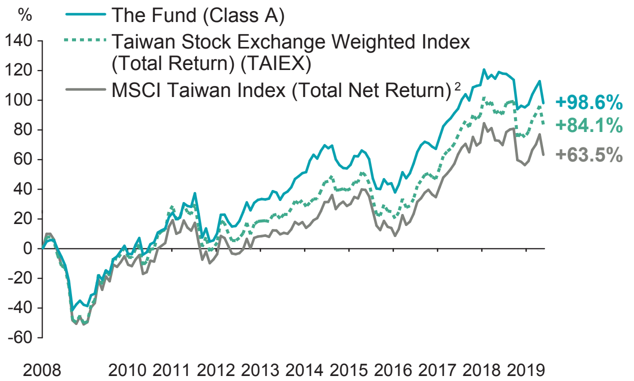
May 2019

- 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	-7.0%	-6.4%	-7.8%
Year-to-date	+1.5%	+4.9%	+4.5%
One year	-9.6%	-4.7%	-5.5%
Three years	+31.6%	+43.0%	+38.6%
Since launch	+98.6%	+84.1%	+63.5%
Annualized return ^	+6.3%	+5.6%	+4.5%
Annualized volatility ^	17.6%	22.7%	23.0%

Top 5 securities holdings[3]

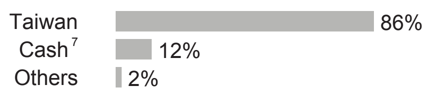
Name	Industry[4]	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	7.1
FuSheng Precision Co Ltd	Consumer durables & apparel	3.1
Syncmold Enterprise Corp	Technology, hardware & equipment	3.0
Genius Electronic Optical Co Ltd	Technology, hardware & equipment	2.9
Tripod Technology Corporation	Technology, hardware & equipment	2.9

These stocks constitute 19% of the Fund.

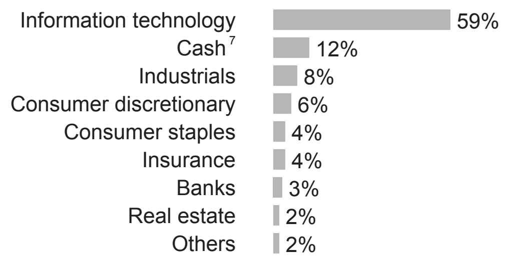
Portfolio characteristics

As at 31 May 2019	2019[5]
Price/earnings ratio	12.5 times
Price/book ratio	1.8 times
Portfolio yield	4.9%

Geographical exposure by listing[6]



Sector exposure[4, 6]



The Fund – Class A: Monthly performance from 1 Jan 2009 to 31 May 2019

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	+5.0%	-2.8%	+1.1%	-1.1%	+2.1%	-0.5%	-0.1%	-0.9%	-1.0%	-9.3%	+1.2%	-0.6%	-7.2%
2019 (YTD)	+1.0%	+3.4%	+2.3%	+2.1%	-7.0%								+1.5%

^ *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.*

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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 [8]	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [9]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [10]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [11]
~ Hong Kong Economic Journal

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. *© 2019 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.** *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 reflects performance up to 30 September 2018.* **10.** *The award reflects performance up to 31 December 2017.* **11.** *The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.*

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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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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 - USD86.21 | Class A2 MDis USD - USD10.44
Fund size : USD2,470.6 million

★★★★
Morningstar Rating[TM1]
As at 31-05-2019

Value Partners
Investing through discipline

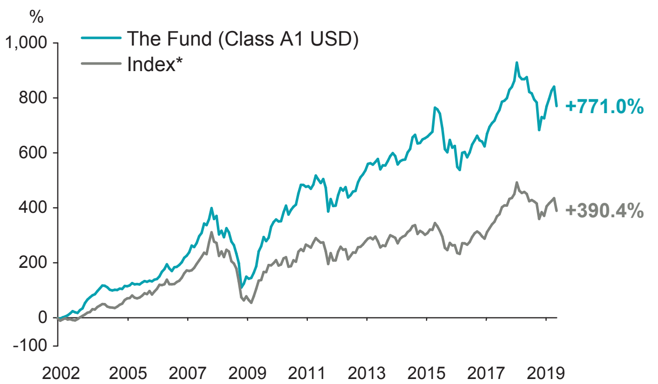
May 2019

- 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	-7.5%	-7.5%	-4.9%	-8.5%
Year-to-date	+5.4%	+5.4%	+6.1%	+3.9%
One year	-10.8%	-10.7%	-3.6%	-11.1%
Three years	+27.2%	+26.1%	+33.2%	+33.5%
Five years	+24.0%	+22.9%	+36.6%	+18.7%
Since launch	+771.0%	+44.2%	+46.8%	+390.4%
Annualized return ^	+13.8%	+5.6%	+7.7%	+10.0%
Annualized volatility ^	18.2%	13.7%	12.9%	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	5.9%	31-5-2019
Class A2 MDis HKD	0.0475	5.9%	31-5-2019
Class A2 MDis AUD Hedged	0.0430	5.8%	31-5-2019
Class A2 MDis CAD Hedged	0.0397	5.2%	31-5-2019
Class A2 MDis GBP Hedged	0.0305	4.3%	31-5-2019
Class A2 MDis NZD Hedged	0.0436	5.7%	31-5-2019
Class A2 MDis RMB Hedged	0.0542	7.1%	31-5-2019
Class A2 MDis RMB Unhedged	0.0481	5.9%	31-5-2019
Class A2 MDis SGD Hedged	0.0436	5.2%	31-5-2019

NAVs & codes

Classes [3]	NAV	ISIN	Bloomberg
Class A1 USD	86.21	HK0000288735	VALASHY HK
Class A1 HKD [6]	676.3347	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	12.40	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.68	HK0000288727	VALHAUR HK
Class A2 MDis USD	10.44	HK0000288743	VALHYA2 HK
Class A2 MDis HKD	9.65	HK0000288784	VALHA2H HK
Class A2 MDis AUD Hedged	8.91	HK0000288750	VALHA2A HK
Class A2 MDis CAD Hedged	9.09	HK0000288768	VALHA2C HK
Class A2 MDis GBP Hedged	8.60	HK0000288776	VALHDSF HK
Class A2 MDis NZD Hedged	9.22	HK0000288792	VALHA2N HK
Class A2 MDis RMB Hedged	9.14	HK0000288800	VALHRMB HK
Class A2 MDis RMB Unhedged	9.73	HK0000288818	VAHYRMB HK
Class A2 MDis SGD Hedged	9.97	HK0000288867	VALHA2S HK

The Fund – Class A1 USD: Monthly performance from 1 Jan 2009 to 31 May 2019

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	+6.8%	-4.8%	-1.1%	-0.0%	+0.8%	-5.5%	-0.5%	-2.4%	-1.2%	-11.3%	+6.0%	-0.5%	-14.2%
2019 (YTD)	+5.3%	+3.1%	+3.3%	+1.6%	-7.5%								+5.4%

* *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. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.*

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Top 10 securities holdings [7]

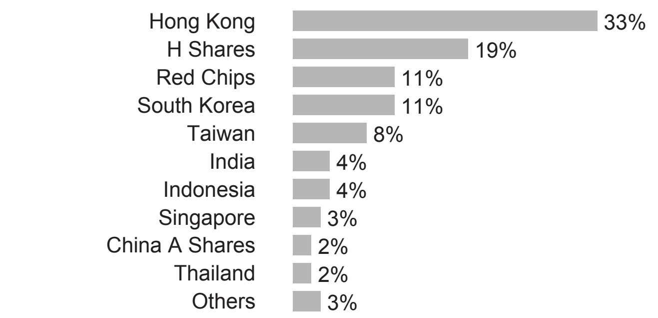
Name	Industry [8]	%
China Construction Bank Corporation	Banks	5.7
Longfor Group Holdings Ltd	Real estate	5.4
Far East Horizon Ltd	Diversified financials	3.6
Samsung Electronics Co Ltd - Preference Shares	Technology, hardware & equipment	3.6
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	3.3
Ping An Insurance (Group) Co of China Ltd	Insurance	3.1
Times China Holdings Limited	Real estate	2.7
Qingdao Port International Co Ltd	Transportation	2.6
China Yongda Automobiles Services Holdings Ltd	Retailing	2.5
Far East Consortium International Ltd	Real estate	2.4

These stocks constitute 35% of the Fund.

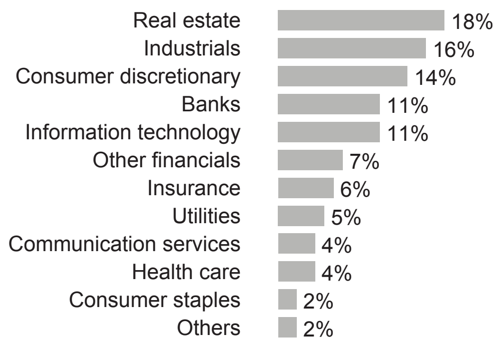
Portfolio characteristics

As at 31 May 2019	2019 [9]
Price/earnings ratio	8.2 times
Price/book ratio	1.1 times
Portfolio yield	4.4%
Yield to maturity/put	N/A

Geographical exposure by listing [10]



Sector exposure [8, 10]



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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [12]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [13]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [14]
~ Hong Kong Economic Journal

Scan QR code for fund documents[15]:

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. *© 2019 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 at the end of the financial year the NAV (before deduction of performance fee and relevant distributions) exceeds the "high watermark", which is the all-time year-end high of the Fund's NAV for the accumulation classes (and dividend adjusted equivalent for distribution paying classes). 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 reflects performance up to 30 September 2018.* **13.** *The award reflects performance up to 31 December 2017.* **14.** *The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.* **15.** *For Hong Kong investors only.*

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

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

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

Value Partners
Investing through discipline

NAV per unit : USD15.93 (P Acc USD) / USD8.28 (P MDis USD)
Fund size : USD6,708.1 million

May 2019

- 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:

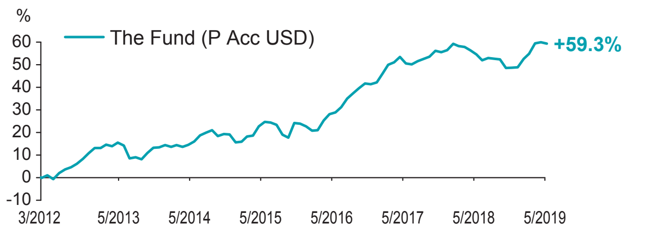
The U.S.-China trade talks went into stalemate in May, with the U.S. imposing additional tariffs on Chinese goods before it went beyond trade to pursue a global ban on Chinese tech giant Huawei Technologies. Risk appetite took a deep dive and flight-to-quality sentiment drove money to safer assets such as U.S. Treasuries, U.S. dollar and Japanese yen. Benchmark 10-year Treasury yield hit a one-year low and ended the month around 2.14%[1]. During the month, investment-grade issues outperformed high-yield ones. Investors' preference for yield is still very prominent, lending support to the overall credit market. We continue to be very active in both the primary and secondary markets, and we see the recent weakening as a good entry point to buy some of our conviction names at a cheaper valuation.

Outlook:

We see little chance that a trade deal between the U.S. and China will be struck around the G20 meeting in late June. Investors should prepare for a long-drawn-out process in this matter. In our view, with or without a trade deal, the continuous conflict between the U.S. and China is becoming a "new normal", as the two nations battle for global supremacy on economic, geopolitical and technological fronts. For our strategies, market uncertainty will give us abundant opportunities in leveraging our bottom-up research capability in less-researched and less-followed names to produce tremendous alpha to the portfolio. We will continue to deploy our capital to capture opportunities that offer attractive risk-reward potential.

1. Source: U.S. Treasury Department, 31 May 2019

Performance since launch



Performance update

	The Fund (P Acc USD)
One month	-0.4%
Year-to-date	+7.1%
One year	+3.1%
Three years	+23.7%
Five years	+37.4%
Since launch	+59.3%
Annualized return ^	+6.7%
Annualized volatility ^	5.8%

Dividend information – Class MDis [1]

Classes [2]	Dividend amount / unit	Annualized yield [3]	Ex-dividend date
P MDis USD	0.0621	9.0%	31-5-2019
P MDis HKD	0.0622	9.0%	31-5-2019
P MDis SGD Hedged	0.0625	8.4%	31-5-2019
A MDis AUD Hedged	0.0578	8.6%	31-5-2019
A MDis CAD Hedged	0.0571	8.4%	31-5-2019
A MDis EUR Hedged	0.0450	6.1%	31-5-2019
A MDis GBP Hedged	0.0522	7.4%	31-5-2019
A MDis NZD Hedged	0.0602	8.6%	31-5-2019

Top 10 securities holdings

Name	Sector [4]	Country	%
Panda Green Energy Group Ltd 8.25% 01/25/2020	Utilities	China/Hong Kong	1.5
MNC Investama Tbk PT 9% 05/11/2021	Media	Indonesia	1.3
Ronshine China Holdings Ltd 11.25% 08/22/2021	Real estate	China/Hong Kong	1.1
Redsun Properties Group Ltd 13.5% 12/03/2020	Real estate	China/Hong Kong	1.1
Mongolian Mining Corp/Energy Resources LLC 9.25% 04/15/2024	Materials	Mongolia	1.1
Sunac China Holdings Ltd 7.875% 02/15/2022	Real estate	China/Hong Kong	1.0
Golden Wheel Tiandi Holdings Co Ltd 7% 01/18/2021	Real estate	China/Hong Kong	1.0
Ronshine China Holdings Ltd 10.5% 03/01/2022	Real estate	China/Hong Kong	1.0
Powerlong Real Estate Holdings Ltd 5.95% 07/19/2020	Real estate	China/Hong Kong	1.0
Yuzhou Properties Co Ltd 8.5% 02/04/2023	Real estate	China/Hong Kong	1.0

The Fund – P Acc USD: Monthly performance from 27 Mar 2012 to 31 May 2019

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	+1.8%	-0.6%	-0.3%	-1.0%	-1.2%	-1.7%	+0.7%	-0.2%	-0.2%	-2.5%	+0.1%	+0.1%	-4.9%
2019 (YTD)	+2.5%	+1.5%	+3.0%	+0.3%	-0.4%								+7.1%

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

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NAVs & Codes

Classes [2]	NAV	ISIN	Bloomberg
P Acc USD	15.93	KYG9319N1097	VPGCPUA KY
P Acc HKD	15.98	KYG9319N1253	VPGCPHA KY
P MDis USD	8.28	KYG9319N1170	VPGPUMD KY
P MDis HKD	8.32	KYG9319N1337	VPGPHMD KY
P MDis SGD Hedged	8.98	KYG9319N1824	VPPSHMA KY
A Acc EUR Hedged	10.33	KYG9319N3804	VPGAEHA KY
A MDis AUD Hedged	8.11	KYG9319N2327	VPGCAUD KY
A MDis CAD Hedged	8.20	KYG9319N2400	VPGCCAD KY
A MDis GBP Hedged	8.43	KYG9319N3317	VPGCAGH KY
A MDis EUR Hedged	8.84	KYG9319N3499	VCHAMEH KY
A MDis NZD Hedged	8.44	KYG9319N2574	VPGCHNZ KY

Sector exposure [4, 5]

Real estate	58.5%
Energy	6.4%
Diversified financials	6.2%
Materials	4.5%
Utilities	3.4%
Retailing	2.8%
Transportation	1.9%
Cash [6]	1.7%
Media	1.4%
Banks	1.2%
Consumer durables & apparel	1.1%
Telecommunication services	1.1%
Software & services	1.0%
Others	8.8%

Average duration	2.0 years
Yield to worst [7]	11.2%
Number of bond issuers	227

Geographical exposure [5]

China/Hong Kong	74.5%
Indonesia	6.2%
CEEMEA	2.6%
Latin America	2.1%
Cash [6]	1.7%
Australia	1.6%
India	1.4%
Singapore	1.2%
Mongolia	1.1%
Others	7.6%

Currency breakdown

USD	95.7%
HKD	2.9%
CNY	1.0%
IDR	0.2%
SGD	0.2%

Credit ratings

A	0.2%
BBB	0.9%
BB	16.5%
B & Below	55.9%
Non-Rated [8]	24.8%
Cash [6]	1.7%

Investment grade	1.1%
High yield	72.4%
Average credit rating [9]	B

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
Minimum subsequent subscription	HK$40,000/USD5,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.5% p.a.
Performance fee	Nil
Dealing day	Daily

Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; 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; Edwin Kam, CFA; Jason Yan, CFA, ACCA

Key awards

Lipper Fund Awards from Refinitiv Hong Kong 2019
Best US Dollar Bond Fund: High Yield
(3 and 5-year) [10]
~ Refinitiv

Benchmark Fund of the Year Awards 2018, Hong Kong
US Dollar High Yield Fixed Income Fund:
Best-in-Class [11]
~ Benchmark

Offshore China Fund Awards 2018
Best Total Return – Greater China Fixed Income Fund (3 and 5-year): Winner [12]
~ HKCAMA and Bloomberg

Scan QR code for fund documents[13]:

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 the Yield to worst figure is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors. A positive yield does not imply a positive return. **8.** Including bonds whose issuers do not seek credit ratings (Greater China Paper 12.0%; Equity-linked Investments 6.3%; Others 3.7%; Loan 2.8%). **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.** The award reflects the fund's 3 and 5-year performance up to the end of 2018. **11.** The award reflects performance up to 30 September 2018. **12.** The award reflects the fund's 3 and 5-year performance up to 30 September 2018. **13.** For Hong Kong investors only.*

Value Partners Fund Series
Value Partners Asian Total Return Bond Fund

NAV per unit: Class A Acc USD - USD10.60 | Class A MDis USD - USD9.98
Fund size : USD74.2 million

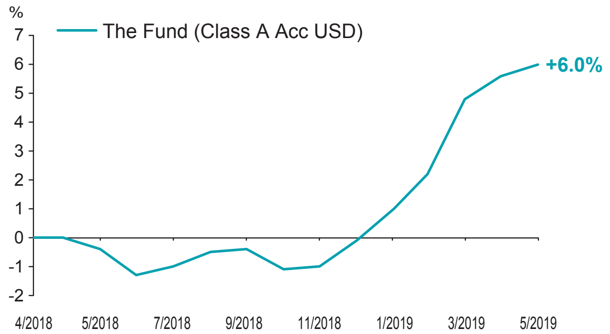
May 2019

- 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, 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.

Performance since launch



Performance update

	The Fund (Class A Acc USD)
One month	+0.4%
Six months	+7.1%
Year-to-date	+6.1%
One year	+6.4%
Since launch	+6.0%
Annualized return^	+5.2%
Annualized volatility^	3.1%

Remarks: Please be informed that the percentage figures of "Annualized return" and "Annualized volatility" have been revised to +5.3% and 3.3% respectively, instead of +5.6% and 5.3% which were incorrectly stated in the previous version.

Dividend information – Class MDis [1]

Classes [2]	Dividend amount / unit	Annualized yield [3]	Ex-dividend date
Class A MDis USD Unhedged	0.0457	5.5%	31-5-2019
Class A MDis AUD Hedged	0.0415	5.0%	31-5-2019
Class A MDis CAD Hedged	0.0397	4.8%	31-5-2019
Class A MDis HKD Unhedged	0.0457	5.5%	31-5-2019
Class A MDis NZD Hedged	0.0403	4.9%	31-5-2019
Class A MDis RMB Hedged	0.0468	5.7%	31-5-2019
Class A MDis RMB Unhedged	0.0500	5.5%	31-5-2019

Sector exposure [4, 5]

Real estate	24.8%
Diversified financials	21.4%
Banks	19.1%
Materials	6.9%
Insurance	5.7%
Energy	4.0%
Utilities	3.9%
Government	3.7%
Media & entertainment	1.7%
Retailing	1.3%
Automobiles & components	1.1%
Cash [6]	0.9%
Others	5.5%

Average duration	3.7 years
Yield to worst [7]	5.9%
Number of bond issuers	73

Geographical exposure [5]

China	48.3%
India	13.8%
Indonesia	8.2%
Japan	7.1%
Hong Kong	5.2%
Singapore	1.7%
Thailand	1.7%
Middle East	1.4%
Spain	1.4%
Denmark	1.3%
United States	1.1%
Germany	1.0%
Cash [6]	0.9%
Others	6.9%

The Fund – Class A Acc USD: Monthly performance from 9 Apr 2018 to 31 May 2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2018	N/A	N/A	N/A	+0.0%	-0.4%	-0.9%	+0.3%	+0.5%	+0.1%	-0.7%	+0.1%	+0.9%	-0.1%
2019 (YTD)	+1.1%	+1.2%	+2.5%	+0.8%	+0.4%								+6.1%

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

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Top 5 securities holdings

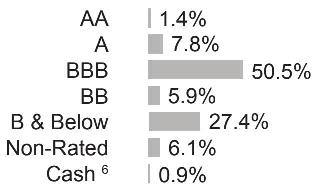
Name	Sector [4]	Country	%
Fukoku Mutual Life Insurance Co 5% PERP	Insurance	Japan	2.9
Mitsui Sumitomo Insurance Co Ltd 4.95% PERP	Insurance	Japan	2.9
Bank Rakyat Indonesia Persero Tbk PT 3.95% 03/28/2024	Banks	Indonesia	2.7
Canara Bank London 3.875% 03/28/2024	Banks	India	2.7
Huarong Finance 2017 Co Ltd 4.5% PERP	Diversified financials	China	2.7

NAVs & Codes

Classes [2]	NAV	ISIN	Bloomberg
Class A Acc USD Unhedged	10.60	HK0000402450	VPATAUU HK
Class A Acc HKD Unhedged	10.59	HK0000402351	VPATANU HK
Class A MDis USD Unhedged	9.98	HK0000402468	VPATAUM HK
Class A MDis AUD Hedged	9.92	HK0000402328	VPATAAH HK
Class A MDis CAD Hedged	9.90	HK0000402344	VPATACM HK
Class A MDis HKD Unhedged	9.97	HK0000402369	VPATAHU HK
Class A MDis NZD Hedged	9.84	HK0000402385	VPATANH HK
Class A MDis RMB Hedged	9.82	HK0000402401	VPATAHM HK
Class A MDis RMB Unhedged	10.98	HK0000402427	VPATARM HK

Currency breakdown

Credit ratings



Investment grade	59.7%
High yield	33.3%

Fund facts

Manager: Value Partners Hong Kong Limited
Base currency: USD
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 [1]: 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

Co-Chairmen & Co-Chief Investment Officers: Cheah Cheng Hye; Louis So
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; Edwin Kam, CFA; Jason Yan, CFA, ACCA

Key fixed income awards

I&M Professional Investment Awards 2018
Cross Border Awards: CIO of the Year (Fixed Income) – Gordon Ip [8]
~ Insights & Mandate

The Asset Benchmark Research Awards 2018
Top Investment House in Hedge Fund Category [9]
~ The Asset

Benchmark Fund of the Year Awards 2018, Hong Kong
High Yield Fixed Income House: Outstanding Achiever [10]
~ Benchmark

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/NZD/RMB/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.** *The award reflects performance up to 31 December 2017.* **9.** *Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology.* **10.** *The award reflects performance up to 30 September 2018.*

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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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: USD10.60
Fund size : USD64.2 million

Value Partners
Investing through discipline

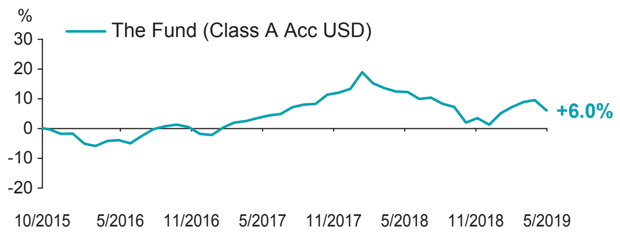
May 2019

- 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 (Class A Acc USD)
One month	-3.2%
Three months	-1.0%
Six months	+2.5%
Year-to-date	+4.7%
One year	-5.5%
Since launch	+6.0%
Annualized return ^	+1.6%
Annualized volatility ^	5.6%

By asset class [2]

Fixed income	44.1%
Equities	40.6%
Other assets	11.6%
Cash and others	3.7%

Equities – by country [2]

China	21.6%
Hong Kong	10.1%
Japan	2.1%
Singapore	1.0%
Others	5.8%

Fixed income – by region [2]

Greater China	28.9%
Emerging Markets ex Greater China	7.5%
Others	7.7%

Top 5 equity holdings

Holdings	Industry [3]	Country	%
BOC Aviation Ltd	Industrials	China	2.2
AIA Group Ltd	Financials	Hong Kong	1.5
New China Life Insurance Co Ltd	Financials	China	1.4
Anhui Conch Cement Co Ltd	Materials	China	1.3
Zoomlion Heavy Industry	Industrials	China	1.1

Top 5 fixed income holdings

Holdings	Sector [3]	Country	%
MNC Investama Tbk PT 9% 05/11/2021	Media	Indonesia	0.4
Panda Green Energy Group Ltd 8.25% 01/25/2020	Utilities	China/Hong Kong	0.4
Mongolian Mining Corp/ Energy Resources LLC 9.25% 04/15/2024	Materials	Mongolia	0.3
Redsun Properties Group Ltd 13.5% 12/03/2020	Real estate	China/Hong Kong	0.3
Ronshine China Holdings Ltd 11.25% 08/22/2021	Real estate	China/Hong Kong	0.3

The Fund – Class A Acc USD: Monthly performance from 13 Oct 2015 to 31 May 2019

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	+4.9%	-3.1%	-1.5%	-1.0%	-0.2%	-2.0%	+0.4%	-1.9%	-0.9%	-4.9%	+1.5%	-2.1%	-10.7%
2019 (YTD)	+3.9%	+1.9%	+1.6%	+0.6%	-3.2%								+4.7%

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

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NAVs & codes

Classes	NAV	ISIN	Bloomberg
Class A Acc USD	10.60	HK0000269149	VPMAAUS HK
Class A Acc HKD	10.58	HK0000269156	VPMAHKD HK
Class A USD MDis	8.91	HK0000408119	VPMAUMD HK
Class A HKD MDis	8.90	HK0000408127	VPMAHMD HK
Class A AUD (Hedged) MDis	8.77	HK0000408135	VPMAAHM HK

Portfolio characteristics

As at 31 May 2019	2019
Portfolio yield [4]	7.7%

Dividend information – Class MDis [5]

Classes [6]	Dividend amount / unit	Annualized yield [7]	Ex-dividend date
Class A USD MDis	0.0528	7.1%	31-5-2019
Class A HKD MDis	0.0527	7.1%	31-5-2019
Class A AUD (Hedged) MDis	0.0474	6.5%	31-5-2019

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 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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun

Key corporate awards

Benchmark Fund of the Year Awards 2018, Hong Kong
Asia ex-Japan Equity House: Best-in-Class [8]
~ Benchmark

I&M Professional Investment Awards 2018
House Performance Awards:
Offshore China Equity (10-year) [9]
~ Insights & Mandate

Listed Company Awards of Excellence 2018
Outstanding Listed Company
(Main Board Category) [10]
~ Hong Kong Economic Journal

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 reflects performance up to 30 September 2018.* **9.** *The award reflects performance up to 31 December 2017.* **10.** *The award recognises listed companies that were able to demonstrate outstanding business performance, create value for investors and showcase strong corporate governance over the past year. The award was bestowed on 5 November 2018.*

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

Value Partners
Investing through discipline

NAV per unit: Class A USD Acc - USD10.04 | Class A USD MDis - USD9.27
Fund size : USD106.1 million

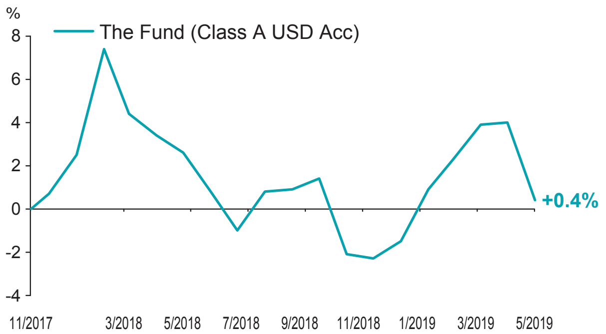
May 2019

- 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 (Class A USD Acc)
One month	-3.5%
Year-to-date	+1.9%
One year	-0.4%
Since launch	+0.4%
Annualized return^	+0.3%
Annualized volatility^	7.5%

Top 5 equity holdings

Holdings	Industry [1]	Country	%
Ascendas Real Estate Inv Trust	REITS	Singapore	1.6
Shimao Property Holdings Ltd	Real estate	Hong Kong	1.4
Times China Holdings Limited	Real estate	Hong Kong	1.2
China Construction Bank Corporation	Banks	Hong Kong	1.1
Taiwan Semiconductor Manufacturing Co	Semiconductors & semiconductor equipment	Taiwan	1.0

Top 5 fixed income holdings

Holdings	Sector [1]	Country	%
China Cinda Asset Management Co Ltd 4.45% 12/29/2049	Financials	China	1.9
Huarong Finance 2019 Co Ltd 3.375% 05/29/2022	Financials	China	1.9
Postal Savings Bank of China Co Ltd 4.5% PERP	Financials	China	1.9
Proven Glory Capital Ltd 4% 02/21/2027	Information technology	China	1.8
Indika Energy Capital II Pte 6.875% 04/10/2022	Energy	Indonesia	1.5

Dividend information – Class MDis [2]

Classes [3]	Dividend amount / unit	Annualized yield [4]	Ex-dividend date
Class A AUD Hedged MDis	0.0383	5.0%	31-5-2019
Class A CAD Hedged MDis	0.0366	4.8%	31-5-2019
Class A HKD Unhedged MDis	0.0437	5.6%	31-5-2019
Class A NZD Hedged MDis	0.0383	5.0%	31-5-2019
Class A RMB Hedged MDis	0.0439	5.8%	31-5-2019
Class A RMB Unhedged MDis	0.0443	5.5%	31-5-2019
Class A USD Unhedged MDis	0.0435	5.6%	31-5-2019

The Fund – Class A USD Acc: Monthly performance from 13 Nov 2017 to 31 May 2019

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	+4.8%	-2.8%	-1.0%	-0.8%	-1.8%	-1.8%	+1.8%	+0.1%	+0.5%	-3.5%	-0.2%	+0.8%	-3.9%
2019 (YTD)	+2.4%	+1.4%	+1.6%	+0.1%	-3.5%								+1.9%

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

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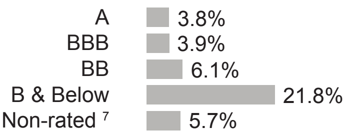
NAVs & codes

Classes [3]	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	10.04	HK0000352374	VPUSUAU HK
Class A AUD Hedged MDis	9.16	HK0000352259	VPAAHMU HK
Class A CAD Hedged MDis	9.15	HK0000352267	VPACHMU HK
Class A HKD Unhedged MDis	9.32	HK0000352291	VPAHUMU HK
Class A NZD Hedged MDis	9.15	HK0000352309	VPANHMU HK
Class A RMB Hedged MDis	9.16	HK0000352317	VPARHMU HK
Class A RMB Unhedged MDis	9.67	HK0000352325	VPARUMU HK
Class A USD Unhedged MDis	9.27	HK0000352382	VPAUHMU HK
Class A HKD Unhedged Acc	10.10	HK0000352283	VPAHUAU HK

Asset type (%) [5]

	Equities	Fixed Income	Total
China	-	32.6	32.6
Hong Kong	12.5	-	12.5
Taiwan	10.3	-	10.3
Singapore	7.2	1.7	8.9
H Shares	8.7	-	8.7
Red Chips	6.0	-	6.0
Indonesia	0.9	2.9	3.8
India	0.3	3.2	3.5
Thailand	3.4	-	3.4
South Korea	2.5	-	2.5
China B Shares	0.9	-	0.9
Denmark	-	0.9	0.9
Cash[6] & others	-	-	6.0
Total	52.7	41.3	100.0

Credit ratings of fixed income



Portfolio characteristics

As at 31 May 2019	2019
Portfolio yield [8]	5.5%

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
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)

	Acc	MDis
Share classes	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

Co-Chairmen & Co-Chief Investment Officers:
Cheah Cheng Hye; Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Chung Man Wing; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Philip Li, CFA; Luo Jing, CFA; Yu Chen Jun
Fixed income investment team:
Chief Investment Officer, Fixed Income: Gordon Ip, CFA
Senior Fund Managers: Elaine Hu; Edwin Kam, CFA; Jason Yan, CFA, ACCA

Key fixed income awards

I&M Professional Investment Awards 2018
Cross Border Awards: CIO of the Year (Fixed Income) – Gordon Ip [9]
~ Insights & Mandate

The Asset Benchmark Research Awards 2018
Top Investment House in Hedge Fund Category [10]
~ The Asset

Benchmark Fund of the Year Awards 2018, Hong Kong
High Yield Fixed Income House: Outstanding Achiever [11]
~ Benchmark

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: 6.0%, 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 reflects performance up to 31 December 2017.* **10.** *Announced in October 2018 based on the number of votes. All votes are subject to a weighting methodology.* **11.** *The award reflects performance up to 30 September 2018.*

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 advertisement has not been reviewed by the Monetary Authority of Singapore.

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 Innovation Opportunities Fund

Value Partners
Investing through discipline

NAV per unit : Class A USD Acc - USD9.26 | Class A USD MDis - USD9.26
Fund size : USD7.1 million

May 2019

- Value Partners Asian Innovation Opportunities Fund (the "Fund") invests predominantly in Asian equity and/or fixed income securities of companies that are related to innovative technologies or business innovations.
- The Fund's investments are concentrated in the Asian market and therefore 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 risks due to its concentration in the sectors relating to innovative technology or business innovation. Such companies are characterised by relatively higher uncertainty and volatility in price performance when compared to other economic sectors.
- The Fund may invest in small and mid-capitalisation companies. The stocks of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- The Fund may invest in unrated or below investment grade bonds 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 classes 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 unit of the Fund.
- 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 maximise return and income by investing primarily (i.e. not less than 70% of its Net Asset Value) in Asian equity and/or fixed income securities relating to Asian companies that are listed, or have their registered offices in Asia or that generate a predominant share of their sales and/or their profits in Asia which are related to innovative technologies or business innovations including but not limited to information technology, consumption services, healthcare and financials.

Performance update

	The Fund (Class A USD Acc)
One month	N/A
Six months	N/A
Year-to-date	N/A
Since launch	N/A
Annualized return^	N/A
Annualized volatility^	N/A

Due to SFC regulations, fund performance information may be presented only if it has an investment track record of not less than 6 months.

Top holdings – equities

Holdings	Sector [1]	Geography	%
Genius Electronic Optical Co Ltd	Technology, hardware & equipment	Taiwan	3.3
Alibaba Group Holding Ltd	Retailing	US	3.1
Kuraray Co Ltd	Materials	Japan	2.9
LG Electronics Inc	Consumer durables & apparel	South Korea	2.9
Samsung Electronics Co Ltd	Technology, hardware & equipment	South Korea	2.9

These equities constitute 15% of the Fund.

Top holdings – fixed income

Holdings	Sector [1]	Geography	%
SoftBank Group Corp 5.125% 09/19/2027	Communication services	Japan	7.1
Proven Honour Capital Ltd 4.125% 05/19/2025	Information technology	China	6.9
Lenovo Perpetual Securities Ltd 5.375% PERP	Information technology	China	6.6

These fixed income securities constitute 21% of the Fund.

Asset type (%) [2]

Geography	Equities	Fixed Income	Total
Taiwan	21.4	-	21.4
Japan	11.3	7.1	18.4
South Korea	14.7	-	14.7
China	-	13.5	13.5
United States	10.9	-	10.9
Hong Kong	6.8	-	6.8
Cash [3]	-	-	6.2
China A Shares	5.4	-	5.4
Red Chips	2.7	-	2.7
Total	73.2	20.6	100.0

^ 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.

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NAVs & codes

Classes [4]	NAV	ISIN	Bloomberg
Class A AUD Hedged MDis	9.23	HK0000475878	VPAIAAH HK
Class A CAD Hedged MDis	9.23	HK0000475886	VPAIACH HK
Class A HKD Unhedged Acc	9.26	HK0000475902	VPAIOAU HK
Class A HKD Unhedged MDis	9.26	HK0000475910	VPAIAHU HK
Class A NZD Hedged MDis	9.24	HK0000475928	VPAIANH HK
Class A RMB Hedged MDis	9.25	HK0000475936	VPAIARH HK
Class A SGD Hedged Acc	9.23	HK0000475944	VPAIASH HK
Class A SGD Hedged MDis	9.23	HK0000475951	VPASIAH HK
Class A USD Unhedged Acc	9.26	HK0000475969	VPASIAU HK
Class A USD Unhedged MDis	9.26	HK0000475977	VPASAUU HK

Credit ratings of fixed income

Portfolio characteristics

As at 31 May 2019	2019
Portfolio yield [6]	6.1%

Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	26 Feb 2019 Class A AUD Hedged MDis Class A CAD Hedged MDis Class A HKD Unhedged Acc Class A HKD Unhedged MDis Class A NZD Hedged MDis Class A RMB Hedged MDis Class A SGD Hedged Acc Class A SGD Hedged MDis Class A USD Unhedged Acc Class A USD Unhedged MDis

Fee structure (Class A)

	Acc	MDis
Share classes	HKD/USD unhedged, SGD hedged[2]	HKD/USD unhedged, AUD/CAD/NZD/ RMB/SGD hedged[2]
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

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Senior Fund Managers: Elaine Hu; Edwin Kam, CFA; Jason Yan, CFA, ACCA

Key corporate awards

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Asia ex-Japan Equity House: Best-in-Class
High Yield Fixed Income House: Outstanding Achiever
~ Benchmark

I&M Professional Investment Awards 2018
Cross Border Awards: CIO of the Year (Fixed Income) – Gordon Ip[8]
~ Insights & Mandate

The Asset Benchmark Research Awards 2018
Top Investment House in Hedge Fund Category[9]
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