



# Fund Menu

October 2020

# A dedicated team of value investing professionals



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**Elaine HU**  
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**Edwin KAM**  
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**Amy LEE**  
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**LUO Jing**  
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**Frank TSUI**  
Senior Fund Manager  
Equities



**YU Chen Jun**  
Senior 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.

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# Value Partners Fund Offerings

Morningstar Rating <sup>TM</sup>\*

As at 30-9-2020

China / Greater China equities strategy	Fixed income strategy
<b>Greater China</b> <ul style="list-style-type: none"> <li>Value Partners Classic Fund ★★★★★</li> <li>Value Partners China Greenchip Fund Limited CIES Eligible<sup>1</sup> ★★</li> </ul>	<ul style="list-style-type: none"> <li>Value Partners Greater China High Yield Income Fund</li> <li>Value Partners Fund Series – Value Partners Asian Total Return Bond Fund</li> <li>Value Partners Fund Series – Value Partners Asian Fixed Maturity Bond Fund 2022</li> </ul>
<b>China</b> <ul style="list-style-type: none"> <li>Value Partners Intelligent Funds – China Convergence Fund ★★★★★</li> <li>Value Partners Intelligent Funds – Chinese Mainland Focus Fund ★★★★★</li> </ul>	
<b>China A-share</b> <ul style="list-style-type: none"> <li>Value Partners Fund Series – Value Partners China A-Share Select Fund RQFII ★★★★★</li> </ul>	
<b>Taiwan</b> <ul style="list-style-type: none"> <li>Value Partners Taiwan Fund ★★★★★</li> </ul>	
Asia equities strategy	Multi-asset strategy
<ul style="list-style-type: none"> <li>Value Partners High-Dividend Stocks Fund ★★★★★</li> </ul>	<ul style="list-style-type: none"> <li>Value Partners Multi-Asset Fund</li> <li>Value Partners Fund Series – Value Partners Asian Income Fund</li> <li>Value Partners Fund Series – Value Partners Asian Innovation Opportunities Fund</li> </ul>
	ETF product
	<ul style="list-style-type: none"> <li>Value Gold ETF</li> </ul>

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

## Performance

	Inception date	Fund size	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	Since inception
<b>Value Partners Classic Fund (A unit)</b>	1 Apr 1993		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%	32.4%	8.9%	3,988.5%
Index <sup>a</sup>			10.2%	34.9%	44.8%	-46.1%	56.6%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	23.8%	12.3%	743.7%
<b>Value Partners Classic Fund (B unit)</b>	15 May 1996	USD 1,172.9 million	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%	31.7%	8.6%	1,707.5%
Index <sup>a</sup>		(Total A, B & C units)	10.2%	34.9%	44.8%	-46.1%	56.6%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	23.8%	12.3%	396.6%
<b>Value Partners Classic Fund (C unit)</b>	15 Oct 2009		-	-	-	-	7.7%	21.2%	-17.6%	13.4%	10.8%	13.3%	-2.0%	-3.7%	43.3%	-23.5%	31.9%	8.6%	127.0%
Index <sup>a</sup>			-	-	-	-	-0.3%	8.6%	-17.4%	27.7%	6.5%	5.5%	-3.9%	4.3%	37.4%	-14.8%	23.8%	12.3%	108.7%
<b>Value Partners China Greenchip Fund Limited<sup>*</sup></b>	8 Apr 2002	HKD 1,656.6 million	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%	29.1%	8.6%	656.4%
Hang Seng Index <sup>*</sup>			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%	13.0%	-14.2%	276.1%
MSCI China Index (Total Net Return) <sup>†</sup>			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%	22.9%	15.8%	867.8%
<b>Value Partners Intelligent Funds – China Convergence Fund</b>	14 Jul 2000	USD 248.6 million	3.9%	86.9%	56.6%	-45.2%	87.1%	21.3%	-22.4%	9.3%	9.2%	14.4%	-0.5%	-8.7%	41.3%	-13.2%	20.2%	20.0%	2,560.5%
MSCI China Index <sup>‡</sup>			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%	23.5%	16.4%	357.4%
<b>Chinese Mainland Focus Fund</b>	27 Nov 2003	USD 163.0 million	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%	36.6%	34.8%	688.1%
MSCI China Index (Total Net Return) <sup>‡</sup>			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%	23.5%	16.4%	596.5%
<b>Value Partners Fund Series – Value Partners China A-Share Select Fund</b>	16 Oct 2014	RMB 374.2 million	-	-	-	-	-	-	-	-	-	18.1%	12.1%	-5.3%	27.1%	-22.3%	27.4%	19.5%	88.7%
<b>Value Partners Taiwan Fund</b>	3 Mar 2008	USD 85.3 million	-	-	-	-35.7%	58.0%	19.2%	-13.0%	26.1%	13.7%	2.1%	-6.5%	16.2%	25.9%	-7.2%	27.2%	4.4%	159.9%
Taiwan Stock Exchange Index <sup>§</sup>			-	-	-	-42.4%	81.6%	13.3%	-19.7%	18.2%	12.2%	5.1%	-10.4%	17.8%	29.4%	-7.9%	32.2%	11.6%	158.8%
MSCI Taiwan Index (Total Net Return) <sup>§</sup>			-	-	-	-47.9%	76.4%	21.3%	-19.5%	16.9%	9.1%	9.4%	-11.7%	18.5%	27.5%	-8.9%	36.4%	14.5%	144.3%
<b>Value Partners High-Dividend Stocks Fund(Class A1)</b>	2 Sep 2002	USD 1,793.8 million	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%	14.9%	-3.5%	816.1%
MSCI AC Asia (ex-Japan) Index (Total Net Return) <sup>†</sup>			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%	18.2%	5.4%	488.2%
<b>Value Partners High-Dividend Stocks Fund(Class A2)</b>	28 Sep 2012	(Total Class A1, A2MDic & Z)	-	-	-	-	-	-	-	7.2%	7.5%	9.4%	-3.8%	-0.3%	31.7%	-14.2%	14.9%	-3.5%	51.6%
<b>Value Partners Greater China High Yield Income Fund (P USD Acc)</b>	27 Mar 2012	USD 3,695.3 million	-	-	-	-	-	-	-	13.0%	1.2%	1.1%	6.1%	15.9%	10.1%	-4.9%	9.4%	-8.7%	53.5%
<b>Value Partners Fund Series – Value Partners Asian Total Return Bond Fund</b>	9 Apr 2018	USD 112.0 million	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1%	12.6%	-0.6%	11.8%
<b>Value Partners Multi-Asset Fund</b>	13 Oct 2015	USD 60.6 million	-	-	-	-	-	-	-	-	-	-	-1.8%	-0.5%	16.0%	-10.7%	9.4%	-1.3%	9.3%
<b>Value Partners Fund Series – Value Partners Asian Income Fund</b>	13 Nov 2017	USD 77.1 million	-	-	-	-	-	-	-	-	-	-	-	-	2.5%	-3.9%	10.4%	4.5%	13.6%
<b>Value Partners Fund Series – Value Partners Asian Innovation Opportunities Fund</b>	26 Feb 2019	USD 13.5 million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.2%	17.4%	41.1%

Source: HSC 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.

<sup>a</sup> 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 Indexes takes into account of dividend reinvestment after deduction of withholding tax.<sup>†</sup> Performance is calculated in HKD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. Investors should note that figures for Non-Redeemable Class N shares shown above may differ from those of classes currently available for subscription (namely Class A and Class A2 QDs), due to differences in launch date of these classes. For Class A, the since launch return is -114.0%.<sup>‡</sup> 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.<sup>§</sup> 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 till 31 Dec 2000, thereafter it is the MSCI China Index (Total Return) which takes into account of dividend reinvestment after deduction of withholding tax.<sup>†</sup> MSCI China Index (Total Return) since fund inception to 31 Dec 2000, thereafter it is the MSCI China Index (Total Return) which takes into account of dividend reinvestment after deduction of withholding tax.<sup>‡</sup> MSCI China Index (Total Net Return) which takes into account of dividend reinvestment after deduction of withholding tax.<sup>§</sup> Taiwan 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 - USD408.85 | B Units - USD180.75 | C Units - USD22.70  
Fund size : USD1,172.9 million

★★★★  
Morningstar Rating™  
As at 30-09-2020

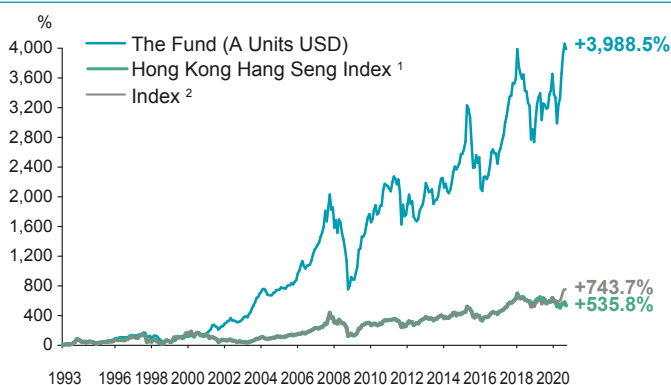
September 2020

- 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



## Performance update

	A Units USD	B Units USD	C Units USD	Hang Seng Index 1	Index 2
Year-to-date	+8.9%	+8.6%	+8.6%	-13.8%	+12.3%
One month	-1.7%	-1.7%	-1.7%	-6.4%	-2.1%
One year	+24.0%	+23.5%	+23.6%	-6.0%	+28.2%
Three years	+18.2%	+16.6%	+16.6%	-4.8%	+26.3%
Five years	+63.8%	+59.9%	+59.3%	+34.8%	+78.8%
Total return since launch	+3,988.5%	+1,707.5%	+127.0%	+535.8%	+743.7%
Annualized return since launch <sup>^</sup>	+14.4%	+12.6%	+7.7%	+7.0%	+8.1%

## NAVs & codes

Classes <sup>3</sup>	NAV	ISIN	Bloomberg
A Units USD	408.85	HK0000264868	VLPARAI HK
B Units USD	180.75	HK0000264876	VLPARBI HK
C Units USD	22.70	HK0000264884	VLPARCI HK
C Units HKD <sup>4</sup>	175.9273	HK0000264884	VLPARCI HK
C Units RMB	15.96	HK0000264926	VLCHCRM HK
C Units AUD Hedged	18.02	HK0000264892	VLCHAUD HK
C Units CAD Hedged	17.84	HK0000264900	VLCHCAD HK
C Units HKD Hedged	15.25	HK0000264934	VLCHCHH HK
C Units NZD Hedged	18.82	HK0000264918	VLCHNZD HK
C Units RMB Hedged	15.75	HK0000264942	VLCHCRH HK
C Units MDis USD	10.05	HK0000360880	VLCCMDU HK
C Units MDis HKD	9.96	HK0000360898	VLCCMDH HK
C Units MDis RMB	10.13	HK0000362241	VLCCMDR HK
C Units MDis RMB Hedged	9.80	HK0000362258	VLCCMRH HK

## Dividend information – C Units MDis <sup>5</sup>

Classes <sup>3</sup>	Dividend per unit <sup>6</sup>	Annualized yield <sup>7</sup>	Ex-dividend date
C Units MDis USD	0.0196	2.3%	30-9-2020
C Units MDis HKD	0.0194	2.3%	30-9-2020
C Units MDis RMB	0.0197	2.3%	30-9-2020
C Units MDis RMB Hedged	0.0275	3.4%	30-9-2020

## The Fund – A Units USD: Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+10.6%	+7.2%	+2.4%	+1.5%	-10.3%	+7.1%	-0.5%	-1.5%	+0.3%	+5.5%	+1.4%	+6.4%	+32.4%
2020 (YTD)	-7.3%	-1.3%	-10.0%	+8.2%	+2.4%	+9.9%	+6.9%	+3.4%	-1.7%				+8.9%

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

## Top holdings

Name	Industry <sup>8</sup>	% <sup>9</sup>
Tencent Holdings Ltd	Media & entertainment	10.1
Meituan Dianping	Retailing	8.8
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	7.9
Kweichow Moutai Co Ltd	Food, beverage & tobacco	7.6
Innovent Biologics Inc	Pharmaceuticals, biotechnology & life sciences	6.6
Techtronics Industries Co Ltd	Capital goods	5.1
Alibaba Group Holding Ltd	Retailing	4.8
Pinduoduo Inc	Retailing	4.7
China Merchants Bank Co Ltd	Banks	4.6
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	4.3

These securities constitute 65%<sup>9</sup> of the Fund.

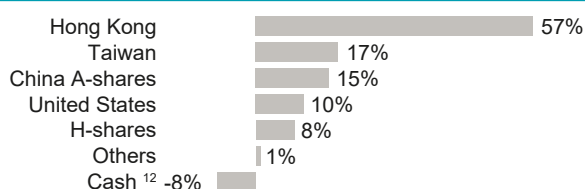
## Portfolio characteristics

As at 30 Sep 2020<sup>10</sup>

Price/earnings ratio	17.0 times
Price/book ratio	2.5 times
Portfolio yield	2.4%

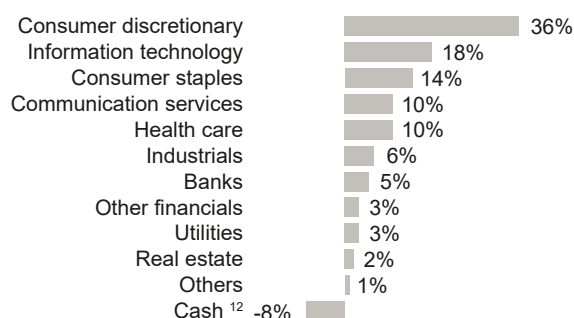
	A Units USD	B Units USD	C Units USD	Hang Seng Index <sup>1</sup>	Index <sup>2</sup>
Annualized volatility (3 years) <sup>11</sup>	20.8%	20.8%	20.8%	18.1%	19.1%

## Geographical exposure by listing<sup>9</sup>



Short exposure includes: Hong Kong, -0.7%.

## Sector exposure<sup>8,9</sup>



Total short exposure is -0.7%.

Short exposure includes: Consumer discretionary, -0.7%.

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	A Units USD - 1 Apr 1993 B Units USD - 15 May 1996 C Units USD - 15 Oct 2009 C Units AUD/CAD/NZD Hedged - 17 Mar 2014 C Units RMB Hedged - 28 Oct 2015 C Units HKD Hedged - 30 Nov 2015 C Units RMB - 1 Dec 2015 C Units MDis USD - 16 Oct 2017 C Units MDis HKD - 16 Oct 2017 C Units MDis RMB - 16 Oct 2017 C Units MDis RMB Hedged - 16 Oct 2017
Dividend Policy <sup>5</sup> :	C Units MDis – aim at monthly distribution, subject to Manager's discretion

A, B and C units are invested in the same fund, A and B units were no longer issued from 12 Apr 2002 and 15 Oct 2009 respectively. Only C units are currently available.

## Fee structure

	A Units	B Units	C Units
Minimum subscription	Closed	Closed	USD10,000 or equivalent
Minimum subsequent subscription	Nil	Nil	USD5,000 or equivalent
Subscription fee	Closed	Closed	up to 5%
Management fee	0.75% p.a.	1.25% p.a.	1.25% p.a.
Performance fee <sup>13</sup>	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

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



Asia ex-Japan Equity House: Best-in-Class<sup>14</sup>

Greater China Equity House: Outstanding Achiever<sup>14</sup>

~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year)<sup>15</sup>

~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>16</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [ifs@vp.com.hk](mailto:ifs@vp.com.hk).

\* © Morningstar 2020. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. 1. 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. 2. 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. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 4. 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. 5. 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. 6. The receiving bank may charge a fee for incoming payments. Such fees will reduce the actual amount of dividends received by the investor. 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. Classification is based on Global Industry Classification Standard (GICS). 9. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 10. The profile is based on market consensus forecast as derived from FactSet and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 11. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 12. Cash includes receivables and payables (except cash for collaterals and margins). 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 Sep 2018. 15. The award reflects performance up to 31 Dec 2017. 16. 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 Classic Fund Commentary / Third Quarter 2020

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- 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.

Greater China equities saw an overall positive session in the third quarter, although September lost some momentum amid the Sino-U.S. trade tensions and a spillover from the U.S. market correction.

### **The strength of China’s recovery**

In the quarter, supportive fiscal policies and abundant liquidity amid global monetary easing served as a major tailwind to the equity market. The strength of a V-shaped recovery in China is evidenced by an array of macro and sector-specific readings. Since May, factory activities’ resumption has brought the mainland’s industrial production back to a year-on-year growth for consecutive months. Similarly, fixed asset investment also saw encouraging signs of a turnaround, implying a significant pick-up in real estate activities. On a sector level, despite battered in the early COVID-19 outbreak, retail and property sales on the mainland have climbed back to the expansion territory, with the year-on-year growth in online retail sales and home sales both reaching a double-digit level.

### **Keep optimism in check for 4Q20**

We noted several supportive factors, such as the swift responses from global central banks, pro-economic growth policies and the faster-than-expected V-shaped recovery. They have supported an uplift in asset prices and earnings expectations since March. Meanwhile, we reckon that the world is still in the middle of the pandemic, which could almost certainly last for extended months until vaccines are made available to the market in 2021. Other key headwinds that we closely monitor include the persisting escalation of the U.S.-China tensions and the policy uncertainties from the upcoming U.S. presidential election.

### **Intact opportunity set**

In the backdrop of the pandemic and geopolitical factors, we see that potential market correction would present a buying opportunity for those who invest in Chinese equities for the long haul, as the positive outlook for a longer term remains firmly in place for the world’s second-largest economy. Hoping to build an economy that grows toward self-reliance under the “dual circulation”, the latest agenda of China’s top leadership would play a significant role in supporting ongoing structural growth trends. These include an upgrade in domestic consumption, digital economy, healthcare and higher education that we have liked as they exhibit sustainable growth and are unlikely derailed by external factors. Their strength, displayed during the post-pandemic recovery, made some of the best performing sectors. These sectors are also expected to be the sustainable growth pillars in the long run.



## **Portfolio strategy review**

During the quarter, the MSCI Golden Dragon Index and the Fund grew 11.9%<sup>1</sup> and 8.7%, respectively.

As the V-shaped recovery in China continued, consumer-related sectors delivered better-than-expected results and outshined other sectors. In particular, our exposures in e-commerce and luxury consumer goods companies rallied on strong earnings recovery. We continue to be constructive on this space, which enjoys intact fundamentals. Specifically, under the new norms post-pandemic, they could capitalize on the accelerated online spending and the consumption reshoring on the mainland. In other consumption sectors, our investment theme of consumption upgrade also played out well. For example, the exposure to baijiu makers and sports apparel companies exhibited strong sales amid the pandemic.

On the flip side, the re-escalation of tensions between the U.S. and China weighed on the outlook of Taiwan's technology hardware makers, making this space a major detraction from fund performance. As the U.S. administration restricted Chinese tech companies, such as Huawei Technologies, from the access to advanced technology without a license, uncertainties loom in Taiwanese tech companies. Despite the near-term overhangs, we expect our exposure to the technology leaders of Taiwanese upstream supply chain to continue to benefit from the solid global demand for electronic devices.

## **Outlook**

Although China is ahead of the recovery curve and is expected to continue to attract capital flows as liquidity is sufficient, at this juncture, the recovery path remains uneven and sector performance is diverging. Over the near term, we continue to monitor the diverging recovery across sectors under the pandemic and expect the performance disparity to continue. However, as mentioned above, our constructive view on Chinese equities for the medium to long term is unchanged. We continue to emphasize the importance of bottom-up stock picking as company fundamental strength plays a vital role in generating outperformance under the current market environment.

Value Partners Investment Team  
20 October 2020

Source:

1. MSCI, 30 September 2020

*Fund performance mentioned referred to Value Partners Classic Fund "A" Unit. All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 30 September 2020. Performance data is net of all fees. Individual stock performance is not indicative of fund performance.*

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

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

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

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

**Value Partners Classic Fund: 10 biggest holdings of securities as at 30 September 2020**

Stock	Industry	Valuation (2021 Estimates)	Remarks
Tencent Holdings (Code: 700 HK)  Market cap: US\$632.5 billion	Media and Entertainment	Price: HK\$511.5 P/E: 30.0x P/B: 6.4x Yield: 0.3%	<ul style="list-style-type: none"> <li>Tencent is a leading provider of online games, premium messaging services, internet value-added services, and advertising and e-commerce services in China. By leveraging its large active user base, it offers good long-term monetization potential. Tencent's largest online user platform allows it to monetize other services such as payment and performance ads while its strength in mobile and PC gaming offers long-term growth opportunities.</li> </ul>
Meituan Dianping (Code: 3690 HK)  Market cap: US\$183.5 billion	Retailing	Price: HK\$241.8 P/E: 85.0x P/B: 12.5x Yield: 0.0%	<ul style="list-style-type: none"> <li>Meituan Dianping is China's group buying website offering food delivery and hotel booking services at the same time. Established in Beijing and listed in Hong Kong, Meituan Dianping has grown as one of China's biggest e-commerce platforms.</li> <li>China's addressable consumer services market offers one of the most visible growth prospects within the Internet sector. Meituan Dianping's leading position in multiple high-frequency categories and a large user base of over 420 million provide good cross-selling opportunities.</li> </ul>
Taiwan Semiconductor Manufacturing (Code: 2330 TT)  Market cap: US\$386.9 billion	Semiconductors and semiconductor equipment	Price: TWD433.0 P/E: 22.8x P/B: 5.7x Yield: 2.6%	<ul style="list-style-type: none"> <li>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.</li> </ul>
Kweichow Moutai (Code: 600519 CH)  Market cap: US\$308.6 billion	Food, Beverage and Tobacco	Price: CNY1,668.5 P/E: 36.4x P/B: 10.9x Yield: 1.4%	<ul style="list-style-type: none"> <li>Kweichow Moutai is China's largest liquor manufacturer in terms of market value. With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in the past years after a considerable decline in official consumption. Moutai has a distinguished brand among other players in China and is expected to benefit from the consumption upgrade cycle.</li> </ul>

Stock	Industry	Valuation (2021 Estimates)	Remarks
Innovent Biologics (Code: 1801 HK) Market cap: US\$10.4 billion	Pharmaceuticals, Biotechnology and Life Science	Price: HK\$57.4 P/E: N/A P/B: 12.5x Yield: 0.0%	<ul style="list-style-type: none"> <li>Headquartered in Suzhou, China, Innovent Biologics delivers, develops, manufactures and commercializes antibody drug products for oncology, ophthalmology, immunology, and metabolic diseases. Its principal drug candidate is an anti-PD-1 monoclonal antibody for the treatment of cancer, Hodgkin's lymphoma, and esophageal carcinoma. The company also engages in the development of biosimilar drugs and bispecific antibodies</li> <li>In addition to the distribution of pharmaceutical products, Innovent Biologics provides consultation and research and development services.</li> </ul>
Techtronic Industries (Code: 669 HK) Market cap: US\$24.0 billion	Capital Goods	Price: HK\$101.6 P/E: 29.0x P/B: 6.0x Yield: 1.4%	<ul style="list-style-type: none"> <li>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. A wide range of high-output industrial tools is also among the company's product fleet, which has helped to underpin the constant market share gain and margin improvement and to sustain a long-term revenue and earnings growth.</li> <li>TTI benefits from a strong U.S. 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.</li> </ul>
Pinduoduo (Code: PDD US) Market cap: US\$88.8 billion	Retailing	Price: US\$74.2 P/E: 284.6x P/B: 26.1x Yield: 0.0%	<ul style="list-style-type: none"> <li>Pinduoduo operates an e-commerce platform, where offers value-for-money merchandise and interactive shopping options. Resembling a virtual bazaar, the platform sells a suite of product categories from apparel and shoes to fresh produce and electronic appliances.</li> </ul>
Alibaba Group (Code: 9988 HK) Market cap: US\$769.7 billion	Retailing	Price: HK\$275.6 P/E: 32.0x P/B: 5.9x Yield: 0.0%	<ul style="list-style-type: none"> <li>We are positive about the long-term performance of Alibaba's stock price because 1) we believe Alibaba would deliver continued high growth of core commerce, as it continues to improve targeting technology and logistics network and enjoys even better profit growth with operating leverage and narrowed loss from investments in new retails; 2) Its leading cloud service 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.</li> </ul>

Stock	Industry	Valuation (2021 Estimates)	Remarks
China Merchants Bank (Code: 3968 HK)  Market cap: US\$131.0 billion	Banks	Price: HK\$37.0 P/E: 7.9x P/B: 1.1x Yield: 4.1%	<ul style="list-style-type: none"> <li>Founded in 1987, China Merchants Bank is one of the largest banking groups in China and is based in Shenzhen. CMB has over 70,000 employees worldwide as at the end of 2017 and more than 1,800 branches globally.</li> <li>Since its inception as a commercial bank, CMB has since evolved into a comprehensive banking group, with operations in commercial banking, financial leasing, fund management, life insurance and investment banking.</li> </ul>
Wuliangye Yibin (Code: 000858 CH)  Market cap: US\$126.3 billion	Food, Beverage and Tobacco	Price: CNY221.0 P/E: 34.6x P/B: 8.4x Yield: 1.4%	<ul style="list-style-type: none"> <li>Wuliangye is one of the top Chinese liquor producers, primarily targeting the mainland's domestic market. In the company's product portfolio is Luzhou-flavor liquor, Maotai-flavor liquor, Maotai-Luzhou-flavor liquor and fruit wine. Based in Sichuan Province, the baijiu maker operates with a strong brand, which shall make it stand out to ride on the expanding high-end liquor market in China.</li> </ul>

Note: The above investments made up 64.5% of Value Partners Classic Fund as at 30 September 2020. The stock prices are based on the closing of 30 September 2020.

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



# Value Partners China Greenchip Fund Limited

NAV per share : Class A - HKD75.64 | Class A2 QDis - HKD12.85

Fund size : USD213.7 million (HKD1,656.6 million)

★★  
Morningstar Rating™  
As at 30-09-2020

CIES Eligible<sup>△</sup>

**Value Partners**  
Investing through discipline

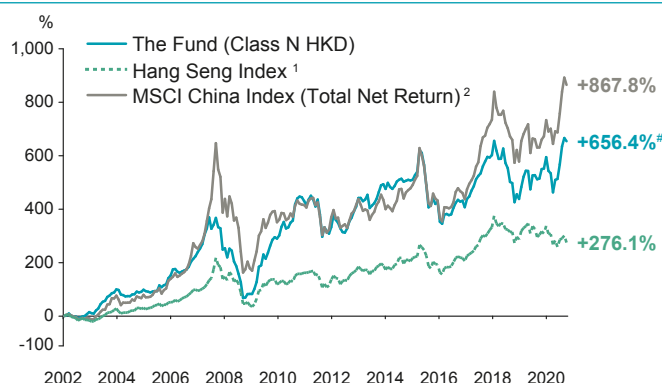
September 2020

- 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) <sup>2</sup>	Hang Seng Index <sup>1</sup>
Year-to-date	+8.6%	+8.6%	+15.8%	-14.2%
One month	-1.6%	-1.5%	-2.7%	-6.4%
One year	+22.8%	+22.8%	+32.1%	-7.1%
Three years	+11.2%	+11.2%	+24.5%	-5.6%
Five years	+46.6%	+46.2%	+88.6%	+34.8%
Total return since launch	+656.4%#	+43.4%	+867.8%	+276.1%
Annualized return since launch <sup>△</sup>	+11.6%#	+5.1%	+13.1%	+7.4%

## The Fund – Class A HKD: Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+8.3%	+6.6%	+3.6%	-0.1%	-10.7%	+9.1%	+0.1%	-2.5%	+0.4%	+5.8%	+0.3%	+6.6%	+29.1%
2020 (YTD)	-7.4%	-1.4%	-11.2%	+8.3%	+0.6%	+8.9%	+10.1%	+4.3%	-1.6%				+8.6%

<sup>△</sup> 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.

<sup>△</sup> Annualized return is calculated from inception based on published NAV.

<sup>#</sup> 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 and annualized return are +114.0% and +5.8% respectively.

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## Top holdings (as at 31 Aug 2020)

Name	Industry <sup>7</sup>	%
Alibaba Group Holding Ltd	Retailing	9.7
Tencent Holdings Ltd	Media & entertainment	9.3
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	8.7
Meituan Dianping	Retailing	5.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	4.8
Hong Kong Television Network Ltd	Retailing	4.4
Nissin Foods Co Ltd	Food, beverage & tobacco	4.3
Wuliangye Yibin Co Ltd	Food, beverage & tobacco	4.2
ITEQ Corp	Technology, hardware & equipment	3.5
China Xinhua Education Group Ltd	Consumer services	3.3

These securities constitute 58% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020 <sup>8</sup>

Price/earnings ratio	15.8 times
Price/book ratio	2.2 times
Portfolio yield	3.0%

	Class A HKD	Class A2 QDis HKD	MSCI China Index (Total Net Return) <sup>2</sup>	Hang Seng Index <sup>1</sup>
Annualized volatility (3 years) <sup>9</sup>	21.1%	21.1%	21.0%	18.1%

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

Hong Kong	62%
Taiwan	17%
China A-shares	13%
H-shares	9%
Others	2%
Cash <sup>11</sup>	-3%

Sector exposure <sup>7, 10</sup>

Consumer discretionary	42%
Information technology	17%
Consumer staples	15%
Communication services	12%
Other financials	5%
Banks	4%
Health care	4%
Industrials	2%
Others	2%
Cash <sup>11</sup>	-3%

## Fund facts

Manager:	Value Partners Limited
Base currency:	HKD
Administrator:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	Class N - 8 Apr 2002 (Closed) Class A - 27 Mar 2007 Class A2 QDis - 22 Jul 2013 Class A AUD / CAD / NZD / USD - 26 May 2014
Dividend policy <sup>4</sup> :	Class A2 QDis - aim at quarterly distribution, subject to Manager's discretion

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

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

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

## Senior investment staff

Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



Asia ex-Japan Equity House: Best-in-Class <sup>14</sup>  
Greater China Equity House: Outstanding Achiever <sup>14</sup>  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year) <sup>15</sup>  
~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents <sup>16</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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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 - USD236.05

Fund size : USD248.6 million

★★★★  
Morningstar Rating™  
As at 30-09-2020

September 2020

- 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.

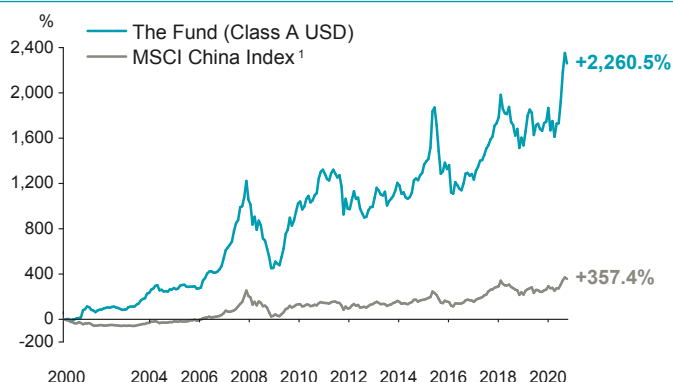
### Investment objective

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.

### NAVs & codes

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
Class A USD	236.05	KYG9317Q1047	VAPACB KY
Class A AUD Hedged	14.73	KYG9317Q1385	VAPAAH KY
Class A CAD Hedged	16.19	KYG9317Q1468	VAPACAH KY
Class A NZD Hedged	16.97	KYG9317Q1534	VAPANZH KY

### Performance since launch



### Performance update

	Class A USD	MSCI China Index <sup>1</sup>
Year-to-date	+20.0%	+16.4%
One month	-3.8%	-2.7%
One year	+33.7%	+33.6%
Three years	+37.7%	+25.5%
Five years	+67.9%	+88.6%
Total return since launch	+2,260.5%	+357.4%
Annualized return since launch <sup>^</sup>	+16.9%	+7.8%

### The Fund – Class A USD: Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+7.7%	+7.8%	+2.8%	-1.4%	-10.3%	+4.9%	+0.8%	-2.5%	-0.9%	+3.9%	+0.7%	+6.5%	+20.2%
2020 (YTD)	-10.1%	+4.6%	-7.5%	+6.8%	+0.2%	+10.6%	+12.8%	+7.4%	-3.8%				+20.0%

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

## Top holdings

Name	Industry <sup>3</sup>	%
Tencent Holdings Ltd	Media & entertainment	9.7
China Education Group Holdings Ltd	Consumer services	9.4
Alibaba Group Holding Ltd	Retailing	9.0
China Vanke Co Ltd	Real estate	7.0
China Merchants Bank Co Ltd	Banks	6.4
Jiangsu Hengrui Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	6.1
Xiaomi Corp	Technology, hardware & equipment	6.0
Meituan Dianping	Retailing	5.9
Luzhou Laojiao Company Limited	Food, beverage & tobacco	5.3
Inner Mongolia Yili Industrial Group Co Ltd	Food, beverage & tobacco	4.9

These securities constitute 70% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020 <sup>4</sup>		
Price/earnings ratio		16.4 times
Price/book ratio		2.5 times
Portfolio yield		2.3%
	Class A USD	MSCI China Index <sup>1</sup>
Annualized volatility (3 years) <sup>5</sup>	20.9%	21.0%

Geographical exposure by listing<sup>6</sup>

Hong Kong	42%
China A-shares	41%
H-shares	8%
United States	8%
Red Chips	6%
Others	2%
Cash <sup>7</sup>	-7%

Short exposure includes: Hong Kong, -9.1% and Others, -0.1%.

Sector exposure<sup>3, 6</sup>

Consumer discretionary	41%
Consumer staples	20%
Communication services	14%
Real estate	10%
Information technology	6%
Energy	4%
Banks	3%
Health care	3%
Other financials	3%
Materials	2%
Others	1%
Cash <sup>7</sup>	-7%

Total short exposure is -9.3%.

Short exposure includes: Health care, -4.7%; Banks, -3.4%; Industrials, -1.1% and Others, -0.1%.

## 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 <sup>8</sup>	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Daily

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key awards



**Best Total Return - Greater China Equity Fund (5-year) - 2<sup>nd</sup> Runner-up<sup>9</sup>**

~ HKCAMA and Bloomberg, Offshore China Fund Awards 2018

## Value Partners:

**Asia ex-Japan Equity House: Best-in-Class<sup>10</sup>**

**Greater China Equity House: Outstanding Achiever<sup>10</sup>**  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year)<sup>11</sup>**

~ Insight & Mandate, Professional Investment Awards 2018

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



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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



# Chinese Mainland Focus Fund

## A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: USD78.81  
Fund size : USD163.0 million



Morningstar Rating™  
As at 30-09-2020

September 2020

- Chinese Mainland Focus Fund (The "Fund") invests primarily in investments which are related to mainland China.
- 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.
- Investing in China exposes the Fund to additional risks including currency repatriation risk, uncertainty of taxation policies and risk associated with StockConnects, RQFII Quota, SME board, ChiNext market and/or the STAR board. The Fund may also expose to RMB currency and conversion risk.
- Investing in small/mid-capitalization securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- It is possible that the entire value of your investment could be lost. 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) <sup>1</sup>
Year-to-date	+34.8%	+16.4%
One month	-3.4%	-2.7%
One year	+57.2%	+33.6%
Three years	+45.2%	+25.5%
Five years	+106.4%	+88.6%
Total return since launch	+688.1%	+596.5%
Annualized return since launch <sup>A</sup>	+13.0%	+12.2%

### Top holdings

Name	Industry <sup>2</sup>	%
Meituan Dianping	Retailing	5.0
Alibaba Group Holding Ltd	Retailing	4.5
Centre Testing International Group Co Ltd	Commercial services & supplies	4.4
Guangdong Haid Group Co Limited	Food, beverage & tobacco	4.2
Shenzhen Inovance Technology Co Ltd	Capital goods	4.2
Tencent Holdings Ltd	Media & entertainment	4.0
Zhejiang Sanhua Intelligent Controls Co Ltd	Capital goods	3.9
Midea Group Co Ltd	Consumer durables & apparel	3.6
Contemporary Amperex Technology Co Ltd	Capital goods	3.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	3.3

These securities constitute 40% of the Fund.

### Portfolio characteristics

As at 30 Sep 2020 <sup>3</sup>		
Price/earnings ratio		32.4 times
Price/book ratio		5.1 times
Portfolio yield		0.8%
	The Fund	MSCI China Index (Total Net Return) <sup>1</sup>
Annualized volatility (3 years) <sup>4</sup>	24.4%	21.0%

### The Fund – Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+9.6%	+7.0%	+2.1%	+1.6%	-12.0%	+10.6%	+0.5%	-4.8%	+3.4%	+4.4%	-0.0%	+11.8%	+36.6%
2020 (YTD)	-4.4%	+8.0%	-8.1%	+8.5%	+3.6%	+11.7%	+14.8%	+2.1%	-3.4%				+34.8%

<sup>A</sup> Annualized return is calculated from inception based on published NAV.

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

China A-shares	64%
Hong Kong	29%
H-shares	2%
Cash <sup>6</sup>	5%

Sector exposure <sup>2, 5</sup>

Consumer discretionary	24%
Industrials	23%
Consumer staples	17%
Information technology	16%
Health care	6%
Communication services	4%
Real estate	3%
Utilities	2%
Cash <sup>6</sup>	5%

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

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung

**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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key awards

**Best China Equity Fund (10-year) <sup>8</sup>**

~ Thomson Reuters Lipper Fund Awards 2018

**Value Partners:****Asia ex-Japan Equity House: Best-in-Class <sup>9</sup>****Greater China Equity House: Outstanding Achiever <sup>9</sup>**

~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year) <sup>10</sup>**

~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>11</sup>:



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# Value Partners Fund Series

## Value Partners China A-Share Select Fund

NAV per unit: Class A RMB (CNH) – RMB18.87

Fund size : USD55.0 million (RMB374.2 million)

★★★★  
Morningstar Rating™  
As at 30-09-2020

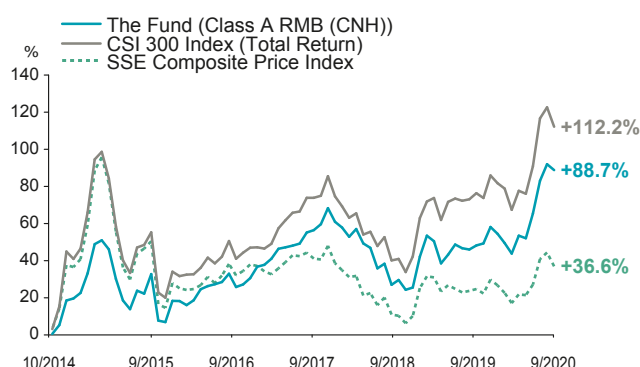
September 2020

- 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
Year-to-date	+19.5%	+14.2%	+5.5%
One month	-1.7%	-4.7%	-5.2%
One year	+29.5%	+22.7%	+10.8%
Three years	+26.7%	+27.6%	-3.9%
Five years	+66.4%	+59.5%	+5.4%
Total return since launch	+88.7%	+112.2%	+36.6%
Annualized return since launch <sup>A</sup>	+11.2%	+13.5%	+5.4%

### 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% <sup>2</sup>
2015	+0.9%	+2.5%	+8.7%	+11.9%	+1.4%	-3.3%	-11.0%	-9.0%	-4.0%	+8.8%	-1.3%	+8.7%	+12.1%
2016	-19.0%	-0.7%	+10.8%	-0.1%	-1.9%	+2.2%	+5.1%	+1.4%	+0.8%	+0.9%	+3.5%	-5.4%	-5.3%
2017	+1.1%	+2.7%	+4.8%	+0.7%	+2.4%	+3.8%	+0.5%	+0.6%	+0.7%	+4.0%	+0.8%	+2.0%	+27.1%
2018	+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	+1.0%	+13.3%	+8.0%	-2.0%	-8.0%	+3.4%	+3.8%	-1.3%	-0.5%	+1.5%	+0.7%	+6.0%	+27.4%
2020 (YTD)	-2.3%	-3.2%	-3.8%	+6.8%	-0.9%	+8.8%	+10.7%	+4.9%	-1.7%				+19.5%

<sup>A</sup> Annualized return is calculated from inception based on published NAV.

## Top holdings

Name	Industry <sup>3</sup>	%
Jiangsu Hengrui Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	10.0
China Vanke Co Ltd	Real estate	9.9
China Merchants Bank Co Ltd	Banks	9.4
Kweichow Moutai Co Ltd	Food, beverage & tobacco	9.3
Inner Mongolia Yili Industrial Group Co Ltd	Food, beverage & tobacco	7.3

These securities constitute 46% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020<sup>4</sup>

Price/earnings ratio	14.2 times
Price/book ratio	2.1 times
Portfolio yield	2.6%

	The Fund (Class A RMB (CNH))	CSI 300 Index (Total Return)	SSE Composite Price Index
Annualized volatility (3 years) <sup>5</sup>	17.8%	19.2%	16.7%

Geographical exposure by listing<sup>6</sup>

Shanghai A-shares	57%
Shenzhen A-shares	39%
Cash <sup>7</sup>	4%

Sector exposure<sup>3,6</sup>

Consumer staples	22%
Health care	13%
Real estate	13%
Banks	12%
Consumer discretionary	12%
Industrials	8%
Materials	8%
Energy	6%
Others	2%
Cash <sup>7</sup>	4%

## 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 <sup>8</sup>	15% of profit (High-on-High)
Dealing day	Daily

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung

**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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



**Asia ex-Japan Equity House: Best-in-Class<sup>9</sup>**  
**Greater China Equity House: Outstanding Achiever<sup>9</sup>**  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year)<sup>10</sup>**  
~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>11</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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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 – USD25.99

Fund size : USD85.3 million



Morningstar Rating™  
As at 30-09-2020

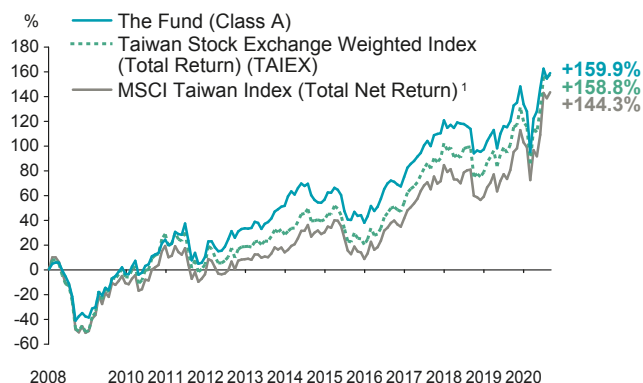
September 2020

- Value Partners Taiwan Fund (The "Fund") invests primarily 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.
- Investing in Taiwan-related companies involves 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.
- 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.
- It is possible that the entire value of your investment could be lost. 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



## Top holdings

Name	Industry <sup>2</sup>	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.8
Chunghwa Telecom Co Ltd	Telecom services	5.0
United Microelectronics Corp	Semiconductors & semiconductor equipment	4.6
ITEQ Corp	Technology, hardware & equipment	4.5
Chicony Electronics Co Ltd	Technology, hardware & equipment	4.4

These securities constitute 28% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020<sup>3</sup>

As at 30 Sep 2020

Price/earnings ratio	12.4 times
Price/book ratio	1.9 times
Portfolio yield	4.7%

## Performance update

	The Fund (Class A)	Taiwan Stock Exchange Weighted Index (Total Return) (TAIEX)	MSCI Taiwan Index (Total Net Return) <sup>1</sup>
Year-to-date	+4.4%	+11.6%	+14.5%
One month	+1.8%	+1.0%	+2.0%
One year	+17.8%	+28.2%	+35.0%
Three years	+29.7%	+42.0%	+47.9%
Five years	+85.4%	+111.8%	+117.6%
Total return since launch	+159.9%	+158.8%	+144.3%
Annualized return since launch <sup>4</sup>	+7.9%	+7.8%	+7.4%

## The Fund – Class A: Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+1.0%	+3.4%	+2.3%	+2.1%	-7.0%	+6.0%	+2.9%	-0.4%	+2.3%	+5.8%	+1.0%	+5.6%	+27.2%
2020 (YTD)	-5.8%	-2.5%	-14.4%	+14.0%	+2.6%	+8.2%	+6.5%	-3.1%	+1.8%				+4.4%

<sup>4</sup> Annualized return is calculated from inception based on published NAV.

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

Taiwan	99%
United States	2%
Cash <sup>6</sup>	-1%

Sector exposure <sup>2, 5</sup>

Information technology	71%
Industrials	10%
Communication services	8%
Banks	3%
Health care	3%
Consumer staples	2%
Insurance	2%
Others	2%
Cash <sup>6</sup>	-1%

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

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung

**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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



**Asia ex-Japan Equity House: Best-in-Class <sup>8</sup>**  
**Greater China Equity House: Outstanding Achiever <sup>8</sup>**  
 ~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year) <sup>9</sup>**  
 ~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>10</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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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 - USD90.67 | Class A2 MDIs USD - USD10.22

Fund size : USD1,793.8 million

★★★★  
Morningstar Rating™  
As at 30-09-2020

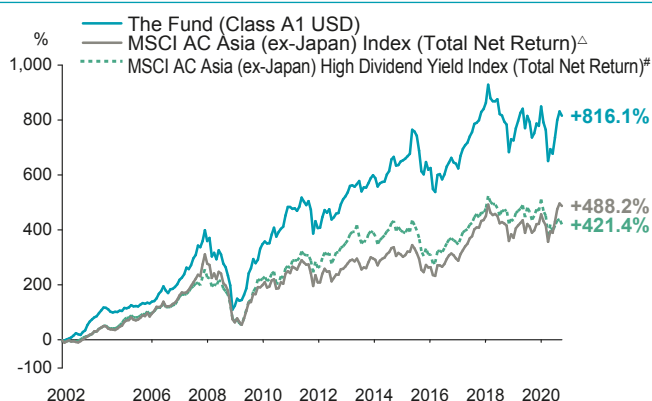
September 2020

- Value Partners High-Dividend Stocks Fund (The "Fund") primarily invests in higher yielding equity and debt securities in the Asian region.
- The Fund may invest in higher-yielding equity and debt 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 equity and debt securities in Asian region.

## Performance since launch



## Performance update

	Class A1 USD	Class A2 MDIs USD	Class A Acc RMB	MSCI AC Asia (ex-Japan) Index (Total Net Return) <sup>Δ</sup>	MSCI AC Asia (ex-Japan) High Dividend Yield Index (Total Net Return) <sup>Δ</sup>
Year-to-date	-3.5%	-3.5%	-5.3%	+5.4%	-14.7%
One month	-1.7%	-1.7%	-2.3%	-1.5%	-3.4%
One year	+7.5%	+7.5%	+1.1%	+17.8%	-5.6%
Three years	+1.8%	+1.6%	+3.0%	+15.4%	-4.5%
Five years	+30.3%	+29.0%	+36.7%	+69.2%	+28.4%
Total return since launch	+816.1%	+51.6%	+49.5%	+488.2%	+421.4%
Annualized return since launch <sup>Λ</sup>	+13.0%	+5.3%	+6.3%	+10.3%	+9.6%

## The Fund – Class A1 USD: Monthly performance from 1 Jan 2011 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+5.3%	+3.1%	+3.3%	+1.6%	-7.5%	+5.1%	-2.4%	-6.3%	+1.8%	+4.2%	-1.0%	+8.0%	+14.9%
2020 (YTD)	-6.1%	-3.0%	-13.1%	+5.8%	-2.1%	+7.5%	+7.7%	+3.5%	-1.7%				-3.5%

<sup>Δ</sup> MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) was used 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.

<sup>Λ</sup> MSCI AC Asia Pacific (ex-Japan) High Dividend Yield Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) High Dividend Yield 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.

<sup>Λ</sup> Annualized return is calculated from inception based on published NAV.

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

## NAVs & codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A1 USD	90.67	HK0000288735	VALASHY HK
Class A1 HKD <sup>2</sup>	702.7016	HK0000288735	VALASHY HK
Class A Acc RMB Hedged	13.07	HK0000288719	VALHAHR HK
Class A Acc RMB Unhedged	14.95	HK0000288727	VALHAUR HK
Class A2 MDIs USD	10.22	HK0000288743	VALHYA2 HK
Class A2 MDIs HKD	9.33	HK0000288784	VALHA2H HK
Class A2 MDIs AUD Hedged	8.45	HK0000288750	VALHA2A HK
Class A2 MDIs CAD Hedged	8.77	HK0000288768	VALHA2C HK
Class A2 MDIs GBP Hedged	8.25	HK0000288776	VALHDSF HK
Class A2 MDIs NZD Hedged	8.80	HK0000288792	VALHA2N HK
Class A2 MDIs RMB Hedged	8.87	HK0000288800	VALHRMB HK
Class A2 MDIs RMB Unhedged	9.29	HK0000288818	VAHYRMB HK
Class A2 MDIs SGD Hedged	9.66	HK0000288867	VALHA2S HK

## Dividend information – Class A2 MDIs<sup>3</sup>

Classes <sup>1</sup>	Dividend per unit <sup>4</sup>	Annualized yield <sup>5</sup>	Ex-dividend date
Class A2 MDIs USD	0.0360	4.2%	30-9-2020
Class A2 MDIs HKD	0.0329	4.2%	30-9-2020
Class A2 MDIs AUD Hedged	0.0298	4.2%	30-9-2020
Class A2 MDIs CAD Hedged	0.0302	4.1%	30-9-2020
Class A2 MDIs GBP Hedged	0.0282	4.1%	30-9-2020
Class A2 MDIs NZD Hedged	0.0322	4.4%	30-9-2020
Class A2 MDIs RMB Hedged	0.0386	5.2%	30-9-2020
Class A2 MDIs RMB Unhedged	0.0336	4.3%	30-9-2020
Class A2 MDIs SGD Hedged	0.0335	4.2%	30-9-2020

## Top holdings

Name	Industry <sup>6</sup>	%
Alibaba Group Holding Ltd	Retailing	7.8
Samsung Electronics Co Ltd	Technology, hardware & equipment	6.8
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	6.6
China Construction Bank Corp	Banks	3.6
China Life Insurance Co Ltd	Insurance	3.4
China Yongda Automobiles Services Holdings Ltd	Retailing	3.0
Tencent Holdings Ltd	Media & entertainment	3.0
China Telecom Corp Ltd	Telecom services	2.5
HKBN Ltd	Telecom services	2.4
Qingdao Port International Co Ltd	Transportation	2.3

These securities constitute 41% of the Fund.

## Portfolio characteristics

As at 30 Sep 2020<sup>7</sup>

Price/earnings ratio	8.4 times
Price/book ratio	1.0 times
Portfolio yield	4.6%
Yield to maturity/put	N/A

	Class A1 USD	Class A2 MDIs USD	Class A Acc RMB	MSCI AC Asia (ex-Japan) Index (Total Net Return) <sup>-</sup>	MSCI AC Asia (ex-Japan) High Dividend Yield Index (Total Net Return) <sup>+</sup>
Annualized volatility (3 years) <sup>8</sup>	18.0%	18.0%	14.6%	18.2%	16.8%

Geographical exposure by listing<sup>9</sup>

Hong Kong	33%
H-shares	20%
Taiwan	16%
South Korea	14%
India	5%
Red Chips	5%
Others	5%
Cash <sup>10</sup>	2%

Sector exposure<sup>6,9</sup>

Information technology	24%
Consumer discretionary	16%
Communication services	10%
Industrials	10%
Other financials	10%
Real estate	10%
Banks	5%
Consumer staples	3%
Health care	3%
Insurance	3%
Utilities	3%
Others	1%
Cash <sup>10</sup>	2%

## 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 Class A2 MDIs - aim at monthly distribution, subject to Manager's discretion
Dividend policy <sup>3</sup> :	

## Fee structure

	Class A1	Class A2 MDIs	Class A Acc
Minimum subscription	USD10,000 or HKD equivalent <sup>2</sup>	USD10,000 / HKD80,000 / AUD10,000 / CAD10,000 / GBP10,000 / RMB60,000 / NZD10,000 / SGD10,000	RMB60,000
Minimum subsequent subscription	USD5,000 or HKD equivalent <sup>2</sup>	USD5,000 / HKD40,000 / AUD5,000 / CAD5,000 / GBP5,000 / RMB30,000 / NZD5,000 / SGD5,000	RMB30,000
Subscription fee		Up to 5%	
Management fee		1.25% p.a.	
Performance fee <sup>11</sup>		15% of profit (High-on-high principle)	
Redemption fee		Nil	
Dealing day		Daily	

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

## Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards



Asia ex-Japan Equity House: Best-in-Class<sup>12</sup>

Greater China Equity House: Outstanding Achiever<sup>12</sup>

~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year)<sup>13</sup>

~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>14</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fts@vp.com.hk](mailto:fts@vp.com.hk).

\* © Morningstar 2020. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. 1. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 2. 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. 3. 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. 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. Classification is based on Global Industry Classification Standard (GICS). 7. The profile is based on market consensus forecast as derived from FactSet and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. "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. 8. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 9. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 10. Cash includes receivables and payables (except cash for collaterals and margins). 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 Sep 2018. 13. The award reflects performance up to 31 Dec 2017. 14. For Hong Kong investors only. Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Hong Kong Limited does not guarantee the accuracy or completeness of the information provided by third parties. Investors should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.

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

NAV per unit: Class P Acc USD - USD15.35 | Class P MDis USD - USD7.09

Fund size : USD3,695.3 million

September 2020

- 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

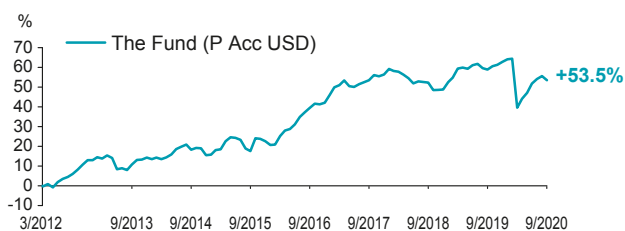
#### Portfolio review:

In September, the Asian credit markets started the month on a weak tone as a lack of positive news failed to send the market higher. The market rattled as the negative headlines of the Chinese property developer Evergrande surfaced in public media towards the end of the month and the selloff intensified. For the month, lower-rated credits, especially Chinese developers, underperformed while the benchmark BB-rated names fared better. The market recovered in the last two trading days of the month. The Fund was actively increasing its liquidity by taking profits on names that have almost run their courses. We also have taken advantage of the selloff to acquire good names with attractive pricing.

#### Outlook:

With less than a month until the U.S. presidential election day, although Democratic nominee Joe Biden seems leading in the poll and has a high chance of winning the election, investors should not feel complacent about the market. A clear Biden win could give a short-term support to the market as a major uncertainty eliminated. However, the market landscape remains unclear and we expect volatility to remain elevated. As we navigate through the time of great uncertainty, we urge investors to stay cautious. We will stick to our strategy to focus on strong income generation and liquidity management in the foreseeable future.

### Performance since launch



### Performance update

	The Fund (P Acc USD)
Year-to-date	-5.7%
One month	-1.3%
One year	-3.4%
Three years	+0.0%
Five years	+30.5%
Total return since launch	+53.5%
Annualized return since launch <sup>^</sup>	+5.2%

### The Fund – P Acc USD: Monthly performance from 27 Mar 2012 to 30 Sep 2020

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	+2.5%	+1.5%	+3.0%	+0.3%	-0.4%	+1.1%	+0.4%	-1.4%	-0.4%	+1.1%	+0.4%	+0.9%	+9.4%
2020 (YTD)	+0.8%	+0.2%	-15.1%	+3.2%	+2.1%	+3.2%	+1.5%	+1.0%	-1.3%				-5.7%

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

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## Top holdings

Name	Sector <sup>4</sup>	Country / region	%
Panda Green Energy Group Ltd 8% 01/20/2022	Utilities	China/Hong Kong	2.5
Persephone Co. Pty Ltd. Note 11% due Oct 2021	Real estate	Australia	1.8
Fantasia Holdings Group Co Ltd 11.75% 04/17/2022	Real estate	China/Hong Kong	1.7
Kaisa Group Holdings Ltd 11.25% 04/09/2022	Real estate	China/Hong Kong	1.6
Mongolian Mining Corp/ Energy Resources LLC 9.25% 04/15/2024	Materials	Mongolia	1.5
Yango Justice International Ltd 9.5% 04/03/2021	Real estate	China/Hong Kong	1.5
Redsun Properties Group Ltd 11.5% 03/04/2021	Real estate	China/Hong Kong	1.5
Tongfang Aqua Ltd 6.8% 01/10/2022	Technology, hardware & equipment	China/Hong Kong	1.4
Fantasia Holdings Group Co Ltd 15% 12/18/2021	Real estate	China/Hong Kong	1.4
Vedanta Holdings Mauritius II Ltd 13% 08/21/2023	Energy	India	1.3

## Portfolio characteristics

	The Fund (P Acc USD)
Annualized volatility (3 years) <sup>5</sup>	10.1%
Average duration	1.6 years
Yield to worst <sup>6</sup>	15.1%
Number of bond issuers	135

Geographical exposure <sup>7</sup>

China/Hong Kong	81.0%
Indonesia	7.7%
Australia	3.6%
Mongolia	1.6%
India	1.5%
Others	2.6%
Cash <sup>8</sup>	2.0%

Sector exposure <sup>4,7</sup>

Real estate	61.4%
Diversified financials	14.6%
Energy	6.3%
Transportation	3.4%
Materials	3.3%
Utilities	3.1%
Media	2.1%
Technology, hardware & equipment	1.5%
Others	2.3%
Cash <sup>8</sup>	2.0%

## Credit ratings

BBB	0.5%		
BB	10.3%		
B & Below	63.6%	Investment grade	0.5%
Non-Rated <sup>9</sup>	23.6%	High yield	73.9%
Cash <sup>8</sup>	2.0%	Average credit rating <sup>10</sup>	B

## Currency breakdown

USD	89.2%
CNY	3.5%
HKD	3.1%
AUD	2.7%
IDR	1.2%
SGD	0.2%
EUR	0.1%

## 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 <sup>2</sup> :	MDis – Aim at Monthly distribution, subject to Manager's discretion

## Fee structure (Class A and Class P)

Minimum subscription	HK\$80,000/USD10,000 or equivalent
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  
**Senior Investment Directors:** Norman Ho, CFA; Renee Hung  
*Fixed income investment team:*  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Senior Fund Managers:** Elaine Hu; Edwin Kam, CFA

## Key awards



**Best USD High Yield (5-Year) <sup>11</sup>**  
~ Refinitiv, Lipper Fund Awards 2020 – Hong Kong

**Best Asian High Yield  
(for both 3-Year and 5-Year periods) <sup>12</sup>**  
~ Insight & Mandate, Professional Investment  
Awards 2020

**Best Total Return – Greater China Fixed Income  
(for both 3-Year and 5-Year periods) <sup>13</sup>**  
~ HKCAMA & Bloomberg, Offshore China Fund  
Awards 2019

Scan QR code for fund documents<sup>14</sup>:



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

1. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 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. 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. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 6. 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. 7. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 8. Cash includes receivables and payables (except cash for collaterals and margins). 9. Including bonds whose issuers do not seek credit ratings (Greater China Paper 13.6%; Equity-linked Investments 4.0%; Loan 3.5%; Others 2.5%). 10. 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. 11. The award reflects performance up to 31 Dec 2019. 12. The award reflects performance up to 31 Dec 2019. 13. The award recognizes the best performing mutual funds/private funds from various categories. 14. For Hong Kong investors only.

The views expressed are the views of Value Partners Hong Kong Limited ("VPHK") only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Investors should note investment involves risk and past performance is not indicative of future results. Investors should refer to the explanatory memorandum for details and risk factors in particular those associated with investment in Greater China markets in the Asian region, non-investment grade and unrated 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 Fund Series

## Value Partners Asian Total Return Bond Fund

NAV per unit: Class A Acc USD - USD11.18 | Class A MDis USD - USD9.78  
Fund size : USD112.0 million

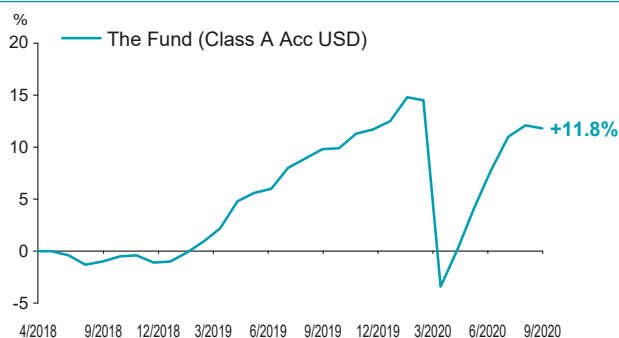
September 2020

- 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)
Year-to-date	-0.6%
One month	-0.3%
Three months	+3.7%
Six months	+15.7%
One year	+1.7%
Total return since launch	+11.8%
Annualized return since launch ^	+4.6%

### NAVs & Codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A Acc USD Unhedged	11.18	HK0000402450	VPATAU HK
Class A Acc HKD Unhedged	11.03	HK0000402351	VPATANU HK
Class A Acc RMB Unhedged	9.82	HK0000402419	VPATARU HK
Class A Acc SGD Hedged	9.82	HK0000402435	VPATASA HK
Class A MDis USD Unhedged	9.78	HK0000402468	VPATAUM HK
Class A MDis AUD Hedged	9.59	HK0000402328	VPATAAH HK
Class A MDis CAD Hedged	9.77	HK0000402344	VPATACM HK
Class A MDis HKD Unhedged	9.65	HK0000402369	VPATAHU HK
Class A MDis NZD Hedged	9.54	HK0000402385	VPATANH HK
Class A MDis RMB Hedged	9.64	HK0000402401	VPATAHM HK
Class A MDis RMB Unhedged	10.60	HK0000402427	VPATARM HK
Class A MDis SGD Hedged	9.54	HK0000402443	VPATASH HK

### Dividend information – Class MDis <sup>2</sup>

Classes <sup>1</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
Class A MDis USD Unhedged	0.0411	5.0%	30-9-2020
Class A MDis AUD Hedged	0.0403	5.0%	30-9-2020
Class A MDis CAD Hedged	0.0404	5.0%	30-9-2020
Class A MDis HKD Unhedged	0.0405	5.0%	30-9-2020
Class A MDis NZD Hedged	0.0413	5.2%	30-9-2020
Class A MDis RMB Hedged	0.0477	5.9%	30-9-2020
Class A MDis RMB Unhedged	0.0463	5.2%	30-9-2020
Class A MDis SGD Hedged	0.0395	5.0%	30-9-2020

### The Fund – Class A Acc USD: Monthly performance from 9 Apr 2018 to 30 Sep 2020

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	+1.1%	+1.2%	+2.5%	+0.8%	+0.4%	+1.9%	+0.8%	+0.8%	+0.1%	+1.3%	+0.4%	+0.7%	+12.6%
2020 (YTD)	+2.0%	-0.3%	-15.6%	+3.6%	+4.1%	+3.5%	+3.0%	+1.0%	-0.3%				-0.6%

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

## Top holdings

Name	Sector <sup>4</sup>	Country / region	%
Scentre Group Trust 2, 4.75% 09/24/2080	Real estate	Australia	4.4
Brooge Petroleum and Gas Investment Co FZE 8.5% 09/24/2025	Energy	Middle East	3.6
Shimao Property Holdings Ltd 4.6% 07/13/2030	Real estate	China	2.9
BOC Aviation Ltd 2.625% 09/17/2030	Capital goods	Singapore	2.7
Sri Rejeki Isman Tbk PT 7.25% 01/16/2025	Consumer durables & apparel	Indonesia	2.7

## Portfolio characteristics

The Fund (Class A Acc USD)	
Annualized volatility <sup>^</sup>	11.6%
Average duration	5.3 years
Yield to worst <sup>5</sup>	6.2%
Number of bond issuers	63

Geographical exposure <sup>6</sup>

China	39.7%
Australia	8.1%
Japan	4.6%
Singapore	4.5%
Indonesia	4.4%
Hong Kong	3.5%
Taiwan	3.3%
India	2.9%
Philippines	2.8%
Others	12.4%
Cash <sup>7</sup>	13.8%

Sector exposure <sup>4, 6</sup>

Real estate	31.0%
Diversified financials	10.7%
Energy	6.3%
Capital goods	6.1%
Retailing	5.7%
Pharmaceuticals, biotechnology & life sciences	4.5%
Materials	3.9%
Semiconductors & semiconductor equipment	3.3%
Consumer durables & apparel	2.7%
Banks	2.4%
Insurance	1.9%
Telecommunication services	1.7%
Others	6.0%
Cash <sup>7</sup>	13.8%

## Credit ratings

AA	3.3%
A	10.8%
BBB	31.7%
BB	9.5%
B & Below	21.1%
Non-Rated	9.8%
Cash <sup>7</sup>	13.8%
Investment grade	45.8%
High yield	30.7%
Average credit rating <sup>8</sup>	BBB-

## Currency breakdown

USD	96.8%
EUR	2.2%
HKD	1.0%

## 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
	11 March 2020
	Class A Acc SGD Hedged
	Class A MDis SGD Hedged
	30 July 2020
	Class A Acc RMB Unhedged
Dividend policy <sup>2</sup> :	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  
**Senior Investment Directors:** Norman **Ho**, CFA; Renee **Hung**  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Senior Fund Managers:** Elaine **Hu**; Edwin **Kam**, CFA

## Key fixed income awards



**CIO of the Year in Asia (Fixed Income) <sup>9</sup>**  
**CIO of the Year (Fixed Income, Hong Kong) <sup>9</sup>**  
**Winner: Mr. Gordon Ip**  
 ~ *Insight & Mandate, Professional Investment Awards 2020*

**Fund Manager of the Year**  
**(Fixed Income High Yield, Greater China) <sup>10</sup>**  
**Winner: Mr. Gordon Ip**  
 ~ *The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019*

**Top Investment House in Asian G3 Bonds <sup>11</sup>**  
**Top Investment House in Asian Local Currency Bond <sup>11</sup>**  
 (both for the Hedge Fund category)  
 ~ *The Asset Benchmark Research Awards 2019*

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



Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

1. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 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. 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. 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. 6. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 7. Cash includes receivables and payables (except cash for collaterals and margins). 8. 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. 9. The award reflects performance up to 31 Dec 2019. 10. The award recognizes fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. 11. The Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. 12. For Hong Kong investors only.

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 emerging markets, non-investment grade and unrated debt securities. 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 Fixed Maturity Bond Fund 2022

NAV per unit: USD9.94 (Class A MDis USD)

Fund size : USD25.9 million

September 2020

- Value Partners Asian Fixed Maturity Bond Fund 2022 (The "Fund") invests primarily in a buy-and-hold portfolio of fixed income securities in Asia over an investment period of 3 years from the Fund launch date on 22 November 2019 up to the Fund's maturity date, which is expected to be on or around 18 November 2022 ("Maturity Date").
- The duration of the Fund is limited (i.e. up to the Maturity Date) and will be terminated automatically at maturity. Neither income, return nor capital of the Fund is guaranteed or protected. There are risks that investors may not recoup the original amount invested in the Fund during the investment period as well as at the Maturity Date.
- The issuers of fixed income instruments may repay principal before the maturity of the instruments. Prepayments may cause losses on instruments purchased at a premium. Unscheduled prepayments for fixed income instruments issued at par may result in a loss equal to any unamortised premium. Repayment of principal before the Fund's maturity as well as the re-investment of cash proceeds from the sale of fixed income instruments where a potential deterioration of credit profiles is anticipated by the Manager create out of market risk and the uncertainty of gaining access to fixed income instruments delivering similar yield to maturity resulting in lower interest income and returns to the Fund.
- In case of substantial redemptions within a short period of time, the Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Fund may immediately increase the ongoing charges of the Fund and may have an adverse impact on investors' return. Substantial redemptions may render the size of the Fund to shrink significantly and trigger the Fund to be early terminated.
- The Fund is subject to early termination risk. Upon the termination of the Fund, all the assets of the Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant unitholders. Investors should note that the amount distributed to them may be less than the amount of their initial investment.
- The Manager may at its discretion extend the Initial Offer Period ("IOP") (4 November 2019 to 21 November 2019) or not to issue any units. If the Manager decides not to proceed with the launch, any subscription monies shall be promptly returned to investors in full (without any interest) less any applicable bank charges, after the close of the IOP. The Fund will also be closed to subsequent subscriptions after the IOP and no subsequent subscription to the Fund will be accepted.
- The Fund is subject to geographical concentration risks, the value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Asia (in particular China) market.
- Investors should note the emerging markets risk, currency and foreign exchange risk, and concentration risk and risks relating to fixed income instruments: (a) credit/counterparty risk; (b) interest rates risk; (c) volatility and liquidity risk; (d) credit rating downgrading risk; (e) credit ratings risk; (f) sovereign debt risk; (g) valuation risk.
- Financial derivative instruments may be used for hedging. The use of derivatives may become ineffective and the Fund may suffer significant losses.
- 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

The Fund targets to provide investors with stable income and total return by investing in a portfolio of fixed income securities in Asia over an investment period of approximately 3 years from the close of initial offer period up to the maturity date. The Fund is not a guarantee or capital protected product.

### Top holdings

Name	Sector <sup>1</sup>	Country / region	%
Pertamina Persero PT 4.875% 05/03/2022	Energy	Indonesia	3.8
Bangkok Bank PCL/ Hong Kong 3.875% 09/27/2022	Banks	Thailand	3.7
GC Treasury Center Co Ltd 4.25% 09/19/2022	Materials	Thailand	3.7
Hongkong Land Finance Cayman Islands Co Ltd/The 4.5% 06/01/2022	Real estate	China/Hong Kong	3.7
Nan Fung Treasury Ltd 4.5% 09/20/2022	Real estate	China/Hong Kong	3.7
Huarong Finance II Co Ltd 3.625% 11/22/2021	Diversified financials	China/Hong Kong	3.6
ICICI Bank Ltd/Dubai 3.25% 09/09/2022	Banks	India	3.6
Fantasia Holdings Group Co Ltd 15% 12/18/2021	Real estate	China/Hong Kong	3.4
Ronshine China Holdings Ltd 8.75% 10/25/2022	Real estate	China/Hong Kong	3.0
Times China Holdings Ltd 5.75% 04/26/2022	Real estate	China/Hong Kong	2.9

### Sector exposure <sup>1, 2</sup>

Real estate	37.6%
Banks	16.3%
Diversified financials	9.2%
Energy	8.2%
Utilities	6.9%
Capital goods	5.6%
Materials	5.2%
Automobiles & components	4.4%
Food, beverage & tobacco	1.6%
Transportation	1.2%
Government	1.1%
Cash <sup>3</sup>	2.7%

Average duration 1.6 years

Yield to worst <sup>4</sup> 3.6%

Number of positions 44

### Geographical exposure <sup>2</sup>

China	47.0%
Korea	10.9%
Hong Kong	10.2%
Thailand	10.1%
Indonesia	6.7%
India	5.1%
Malaysia	1.6%
Singapore	1.6%
United States	1.6%
Japan	1.4%
Sri Lanka	1.1%
Cash <sup>3</sup>	2.7%



Dividend information – Class MDis <sup>5</sup>

Classes <sup>6</sup>	Ex-dividend date	Dividend amount / unit	Initial offer price	Annualized yield based on Initial offer price <sup>7</sup>
Class A Units MDis AUD Hedged	30-9-2020	0.0233	10	2.8%
Class A Units MDis HKD Unhedged	30-9-2020	0.0300	10	3.6%
Class A Units MDis RMB Hedged	30-9-2020	0.0350	10	4.2%
Class A Units MDis RMB Unhedged	30-9-2020	0.0300	10	3.6%
Class A Units MDis USD Unhedged	30-9-2020	0.0300	10	3.6%

## Credit ratings

AA	4.9%
A	24.1%
BBB	38.6%
BB	6.7%
B & Below	23.0%
Cash <sup>3</sup>	2.7%

Investment grade 67.6%

High yield 29.7%

Average credit rating <sup>8</sup> BBB-

## Fund codes

Classes <sup>6</sup>	ISIN	Bloomberg
Class A Units MDis AUD Hedged	HK0000541752	VPAAMAH HK
Class A Units MDis HKD Unhedged	HK0000541778	VPAAMHU HK
Class A Units MDis RMB Hedged	HK0000541794	VPAAMRH HK
Class A Units MDis RMB Unhedged	HK0000541802	VPAAMRU HK
Class A Units MDis USD Unhedged	HK0000541810	VPAAMUU HK

## Fund facts

Manager:	Value Partners Hong Kong Limited
Administrator:	HSBC Institutional Trust Services (Asia) Limited
Initial offer price:	USD10/AUD10/HKD10/RMB10
Launch date:	22 November 2019
Tenor:	3 years
Expected maturity date:	18 November 2022
Base currency:	USD
Share classes issued:	MDis USD/HKD/AUD Hedged/ RMB Hedged/RMB Unhedged
Dividend policy:	Class A Units MDis – Aim at monthly distribution, subject to Manager's discretion

## Fee structure

Minimum subscription	USD10,000 or equivalent
Subscription fee	Up to 5% of the subscription amount
Management fee	0.8% per annum
Swing pricing policy	Max. 3% (swing price) for net flow larger than 1% of AUM (swing factor)
Redemption frequency	Daily

## Senior investment staff

## Co-Chairmen &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis SoSenior Investment Directors: Norman Ho, CFA; Renee Hung

Fixed income investment team:

Chief Investment Officer, Fixed Income: Gordon Ip, CFASenior Fund Managers: Elaine Hu; Edwin Kam, CFA

## Key fixed income awards

CIO of the Year in Asia (Fixed Income) <sup>9</sup>CIO of the Year (Fixed Income, Hong Kong) <sup>9</sup>

Winner: Mr. Gordon IP

~ Insight &amp; Mandate, Professional Investment Awards 2020

Fund Manager of the Year

(Fixed Income High Yield, Greater China) <sup>10</sup>

Winner: Mr. Gordon IP

~ The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019

Top Investment House in Asian G3 Bonds <sup>11</sup>Top Investment House in Asian Local Currency Bond <sup>11</sup>

(both for the Hedge Fund category)

~ The Asset Benchmark Research Awards 2019

Source: HSBC Institutional Trust Services (Asia) Limited, 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. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

1. Classification is based on Bloomberg industry group. 2. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 3. Cash includes receivables and payables (except cash for collaterals and margins). 4. 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. 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. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 7. Annualized yield based on Initial offer price of MDis Class is calculated as follows: (Latest dividend amount/Initial offer price) 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 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. 9. The award reflects performance up to 31 Dec 2019. 10. The award recognizes fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. 11. The Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. 12. For Hong Kong investors only.

Investors should note that investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets, non-investment grade and unrated bonds. 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 in Hong Kong. Issuer: Value Partners Hong Kong Limited.

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

# Value Partners Multi-Asset Fund

NAV per unit: Class A Acc USD - USD10.93

Fund size : USD60.6 million

September 2020

- 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.

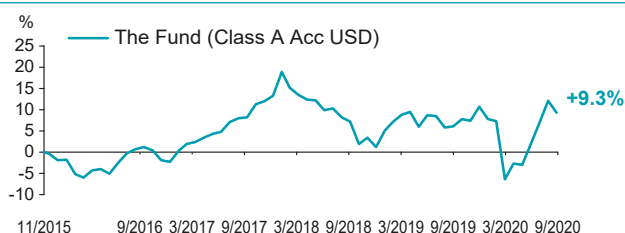
## Investment objective

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.

## NAVs & codes

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
Class A Acc USD	10.93	HK0000269149	VPMAAUS HK
Class A Acc HKD	10.77	HK0000269156	VPMAHKD HK
Class A USD MDis	8.45	HK0000408119	VPMAUMD HK
Class A HKD MDis	8.34	HK0000408127	VPMAHMD HK
Class A AUD (Hedged) MDis	8.18	HK0000408135	VPMAAHM HK

## Performance since launch <sup>1</sup>



## Dividend information – Class MDis <sup>3</sup>

Classes <sup>2</sup>	Dividend amount / unit	Annualized yield <sup>4</sup>	Ex-dividend date
Class A USD MDis	0.0278	3.9%	30-9-2020
Class A HKD MDis	0.0274	3.9%	30-9-2020
Class A AUD (Hedged) MDis	0.0268	3.9%	30-9-2020

## Performance update <sup>1</sup>

	The Fund (Class A Acc USD)
Year-to-date	-1.3%
One month	-2.5%
One year	+3.0%
Three years	+1.0%
Five years	N/A
Total return since launch	+9.3%
Annualized return since launch <sup>^</sup>	+1.8%

## The Fund – Class A Acc USD: Monthly performance from 13 Oct 2015 to 30 Sep 2020

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	+3.9%	+1.9%	+1.6%	+0.6%	-3.2%	+2.5%	-0.2%	-2.5%	+0.3%	+1.6%	-0.4%	+3.1%	+9.4%
2020 (YTD)	-2.6%	-0.5%	-12.8%	+4.0%	-0.3%	+4.9%	+5.0%	+4.9%	-2.5%				-1.3%

<sup>^</sup> Annualized return is calculated from inception based on published NAV.

## Top holdings – equities

Holdings	Industry <sup>5</sup>	Country/Region	%
Meituan Dianping	Consumer discretionary	China	6.2
Alibaba Group Holding Ltd	Consumer discretionary	China	4.5
JD.com Inc	Consumer discretionary	China	2.5
Innovent Biologics Inc	Health care	China	2.3
AIA Group Ltd	Financials	Hong Kong	2.0

## Top holdings – fixed income

Holdings	Sector <sup>5</sup>	Country/Region	%
Scentre Group Trust 2 4.75% 09/24/2080	Real estate	Australia	0.9
Brooge Petroleum and Gas Investment Co FZE 8.5% 09/24/2025	Energy	Middle East	0.7
Shimao Group Holdings Ltd 4.6% 07/13/2030	Real estate	China	0.6
Vedanta Holdings Mauritius II Ltd 13% 08/21/2023	Materials	India	0.6
BOC Aviation Ltd 2.625% 09/17/2030	Capital goods	Singapore	0.5

## Portfolio characteristics

## As at 30 Sep 2020

Portfolio yield <sup>6</sup>	4.1%
The Fund (Class A Acc USD)	
Annualized volatility (3 years) <sup>7</sup>	11.8%

Equities – by country/region<sup>8</sup>

China	50.4%
Hong Kong	7.6%
Singapore	1.7%

Fixed income – by region<sup>8</sup>

Greater China	29.0%
Emerging Markets ex Greater China	5.4%

By asset class<sup>8</sup>

Equities	59.7%
Fixed income	34.4%
Other assets	3.7%
Cash and others	2.2%

## 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 &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

## Key corporate awards

Asia ex-Japan Equity House: Best-in-Class<sup>9</sup>Greater China Equity House: Outstanding Achiever<sup>9</sup>

~ Benchmark Fund of the Year Awards 2018, Hong Kong

Offshore China Equity (10-year)<sup>10</sup>

~ Insight &amp; Mandate, Professional Investment Awards 2018

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. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

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. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 3. 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. 4. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the Fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 5. Classification is based on Global Industry Classification Standard (GICS). 6. Portfolio yield is based on market consensus forecast as derived from FactSet and Bloomberg and is the weighted average of the total dividend yield of all securities in the portfolio. 7. Volatility is a measure of the theoretical risk in terms of standard deviation, based on monthly return over the past 3 years. 8. Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure. 9. The award reflects performance up to 30 Sep 2018. 10. The award reflects performance up to 31 Dec 2017. 11. For Hong Kong investors only.

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.

Scan QR code for fund documents<sup>11</sup>:

# Value Partners Fund Series

## Value Partners Asian Income Fund

NAV per unit: Class A USD Acc - USD11.36 | Class A USD MDis - USD9.76

Fund size : USD77.1 million

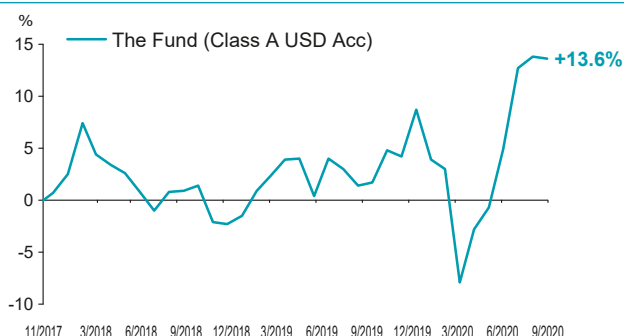
September 2020

- 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)
Year-to-date	+4.5%
One month	-0.2%
Three months	+8.3%
Six months	+23.3%
One year	+11.7%
Total return since launch	+13.6%
Annualized return since launch ^	+4.5%

### NAVs & codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	11.36	HK0000352374	VPUSUAU HK
Class A AUD Hedged MDis	9.41	HK0000352259	VPAAHMU HK
Class A CAD Hedged MDis	9.53	HK0000352267	VPACHMU HK
Class A HKD Unhedged MDis	9.69	HK0000352291	VPAHUMU HK
Class A NZD Hedged MDis	9.48	HK0000352309	VPANHMU HK
Class A RMB Hedged MDis	9.62	HK0000352317	VPARHMU HK
Class A RMB Unhedged MDis	10.03	HK0000352325	VPARUMU HK
Class A USD Unhedged MDis	9.76	HK0000352382	VPAUHMU HK
Class A HKD Unhedged Acc	11.29	HK0000352283	VPAHUAU HK

### The Fund – Class A USD Acc: Monthly performance from 13 Nov 2017 to 30 Sep 2020

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	+2.4%	+1.4%	+1.6%	+0.1%	-3.5%	+3.6%	-1.0%	-1.6%	+0.3%	+3.0%	-0.6%	+4.3%	+10.4%
2020 (YTD)	-4.4%	-0.9%	-10.6%	+5.5%	+2.2%	+5.6%	+7.4%	+1.0%	-0.2%				+4.5%

<sup>^</sup> Annualized return and volatility are calculated from inception based on published NAV. 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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Email: fis@vp.com.hk | www.valuepartners-group.com

### Dividend information – Class MDis <sup>2</sup>

Classes <sup>1</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
Class A AUD Hedged MDis	0.0379	4.8%	30-9-2020
Class A CAD Hedged MDis	0.0375	4.7%	30-9-2020
Class A HKD Unhedged MDis	0.0388	4.8%	30-9-2020
Class A NZD Hedged MDis	0.0388	4.9%	30-9-2020
Class A RMB Hedged MDis	0.0455	5.7%	30-9-2020
Class A RMB Unhedged MDis	0.0422	5.0%	30-9-2020
Class A USD Unhedged MDis	0.0390	4.8%	30-9-2020

### Top holdings – equities

Holdings	Industry <sup>4</sup>	Country / region	%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	Taiwan	5.2
MediaTek Inc	Semiconductors & semiconductor equipment	Taiwan	2.8
Samsung Electronics Co Ltd	Technology, hardware & equipment	South Korea	2.7
Shimao Group Holdings Ltd	Real estate	Hong Kong	2.6
Genius Electronic Optical Co Ltd	Technology, hardware & equipment	Taiwan	2.5

### Top holdings – fixed income

Holdings	Sector <sup>4</sup>	Country / region	%
Vedanta Holdings Mauritius II Ltd 13% 08/21/2023	Materials	India	2.1
Tongfang Aqua Ltd 6.8% 01/10/2022	Information technology	China	2.0
eHi Car Services Ltd 5.875% 08/14/2022	Industrials	China	1.4
Fortune Star BVI Ltd 6.85% 07/02/2024	Industrials	China	1.4
New Metro Global Ltd 7.5% 12/16/2021	Real estate	China	1.4



## Portfolio characteristics

As at 30 Sep 2020

Portfolio yield <sup>5</sup>	5.3%
<b>The Fund (Class A USD Acc)</b>	
Annualized volatility <sup>^</sup>	11.7%

Asset type by geography (%) <sup>6</sup>

	Equities	Fixed Income	Total
China	-	22.4	22.4
Hong Kong	21.2	-	21.2
Taiwan	19.9	-	19.9
H-shares	8.6	-	8.6
Singapore	8.1	-	8.1
Red Chips	5.0	-	5.0
South Korea	4.8	-	4.8
India	-	4.7	4.7
China A-shares	2.8	-	2.8
Australia	-	1.3	1.3
United States	0.8	-	0.8
Indonesia	-	0.7	0.7
Cash <sup>7</sup>	-	-	-0.3
Total	71.2	29.1	100.0

Asset type by sector (%) <sup>4</sup>

	Equities	Fixed Income	Total
Real estate	13.2	16.3	29.5
Information technology	22.8	2.0	24.8
Consumer discretionary	12.6	2.0	14.6
Banks	7.2	-	7.2
Industrials	3.8	2.8	6.6
Communication services	4.6	1.3	5.9
Materials	1.2	2.1	3.3
Financial	1.7	1.3	3.0
Insurance	1.9	-	1.9
Health care	1.4	-	1.4
Energy	-	1.3	1.3
Consumer staples	0.8	-	0.8
Cash <sup>7</sup>	-	-	-0.3
Total	71.2	29.1	100.0

## Credit ratings of fixed income

BBB	1.3%	Investment grade	1.3%
BB	12.7%	High yield	24.5%
B & Below	11.8%	Average credit rating <sup>9</sup>	BB-
Non-rated <sup>8</sup>	3.3%		

## 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 &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

Fixed income investment team:

Chief Investment Officer, Fixed Income: Gordon Ip, CFA

Senior Fund Managers: Elaine Hu; Edwin Kam, CFA

## Key fixed income awards

CIO of the Year in Asia (Fixed Income) <sup>10</sup>CIO of the Year (Fixed Income, Hong Kong) <sup>10</sup>

Winner: Mr. Gordon IP

~ Insight &amp; Mandate, Professional Investment Awards 2020

Fund Manager of the Year

(Fixed Income High Yield, Greater China) <sup>11</sup>

Winner: Mr. Gordon IP

~ The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019

Top Investment House in Asian G3 Bonds <sup>12</sup>Top Investment House in Asian Local Currency Bond <sup>12</sup>  
(both for the Hedge Fund category)

~ The Asset Benchmark Research Awards 2019

Scan QR code for fund documents<sup>13</sup>:

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fi@vp.com.hk](mailto:fi@vp.com.hk).

1. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 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. 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. Portfolio yield is based on market consensus forecast as derived from FactSet and Bloomberg and is the weighted average of the total dividend yield of all securities in the portfolio. 6. Equities are classified by country of listing and fixed income securities are classified by country of risk. 7. Cash: -0.3%, includes receivables and payables (except cash for collaterals and margins). 8. Including bonds whose issuers do not seek credit ratings. 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 performance up to 31 Dec 2019. 11. The award recognizes fund managers who have consistently generated outperformance for their clients over the past five years, demonstrating superior asset selection and allocation skills. 12. The Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. 13. 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 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



NAV per unit: Class A USD Acc - USD14.11 | Class A USD MDis - USD13.86  
Fund size : USD13.5 million

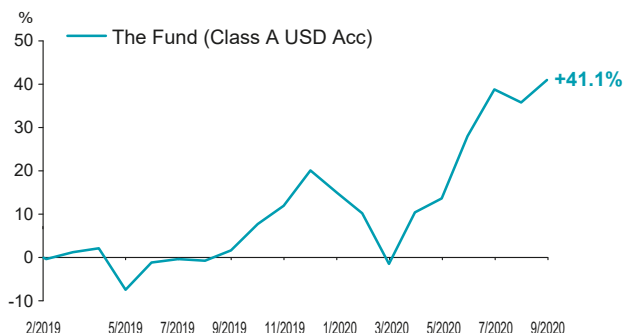
September 2020

- 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 since launch



### Performance update

#### The Fund (Class A USD Acc)

Year-to-date	+17.4%
One month	+3.8%
Three months	+10.1%
Six months	+43.1%
One year	+38.7%
Total return since launch	+41.1%
Annualized return since launch ^	+24.1%

### NAVs & codes

Classes <sup>1</sup>	NAV	ISIN	Bloomberg
Class A AUD Hedged MDis	13.33	HK0000475878	VPAIAAH HK
Class A CAD Hedged MDis	13.64	HK0000475886	VPAIACH HK
Class A HKD Unhedged Acc	13.94	HK0000475902	VPAIOAU HK
Class A HKD Unhedged MDis	13.70	HK0000475910	VPAIAHU HK
Class A NZD Hedged MDis	13.26	HK0000475928	VPAIANH HK
Class A RMB Hedged MDis	13.80	HK0000475936	VPAIARH HK
Class A SGD Hedged Acc	13.89	HK0000475944	VPAIASH HK
Class A SGD Hedged MDis	13.68	HK0000475951	VPASIAH HK
Class A USD Unhedged Acc	14.11	HK0000475969	VPASIAU HK
Class A USD Unhedged MDis	13.86	HK0000475977	VPASAUU HK

### The Fund – Class A USD Acc: Monthly performance from 26 Feb 2019 to 30 Sep 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019	N/A	-0.3%	+1.6%	+0.9%	-9.4%	+6.8%	+0.8%	-0.4%	+2.4%	+6.0%	+3.9%	+7.3%	+20.2%
2020 (YTD)	-4.3%	-4.1%	-10.6%	+12.1%	+2.9%	+12.7%	+8.4%	-2.2%	+3.8%				+17.4%

<sup>^</sup> Annualized return and volatility are calculated from inception based on published NAV. 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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### Dividend information – Class MDis <sup>2</sup>

Classes <sup>1</sup>	Dividend amount / unit	Annualized yield <sup>3</sup>	Ex-dividend date
Class A AUD Hedged MDis	0.0114	1.0%	30-9-2020
Class A CAD Hedged MDis	0.0165	1.5%	30-9-2020
Class A HKD Unhedged MDis	0.0189	1.7%	30-9-2020
Class A NZD Hedged MDis	0.0123	1.1%	30-9-2020
Class A RMB Hedged MDis	0.0249	2.2%	30-9-2020
Class A SGD Hedged MDis	0.0164	1.4%	30-9-2020
Class A USD Unhedged MDis	0.0190	1.6%	30-9-2020

### Top holdings – equities

Holdings	Sector <sup>4</sup>	Geography	%
Alibaba Group Holding Ltd	Retailing	United States/ Hong Kong	9.7
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	Taiwan	8.7
Samsung Electronics Co Ltd	Technology, hardware & equipment	South Korea	5.9
Nexon Co Ltd	Media & entertainment	Japan	5.5
Hugel Inc	Pharmaceuticals, biotechnology & life sciences	South Korea	5.3

These equities constitute 35% of the Fund.

### Top holdings – fixed income

Holdings	Sector <sup>4</sup>	Geography	%
SoftBank Group Corp 5.125% 09/19/2027	Telecommunication services	Japan	3.7
Lenovo Perpetual Securities Ltd 5.875% 04/24/2025	Technology, hardware & equipment	China	1.6
Lenovo Perpetual Securities Ltd 5.375% PERP 09/16/2066	Technology, hardware & equipment	China	1.5

These fixed income securities constitute 7% of the Fund.

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## Portfolio characteristics

## As at 30 Sep 2020

Portfolio yield <sup>5</sup>	2.8%
The Fund (Class A USD Acc)	
Annualized volatility <sup>^</sup>	22.0%

Asset type by geography (%) <sup>6</sup>

	Equities	Fixed Income	Total
Taiwan	37.3	-	37.3
Japan	18.4	3.7	22.1
South Korea	15.4	-	15.4
Hong Kong	14.3	-	14.3
United States	5.0	-	5.0
China	-	3.1	3.1
Cash <sup>7</sup>	-	-	2.8
Total	90.4	6.8	100.0

Asset type by sector (%) <sup>4</sup>

	Equities	Fixed Income	Total
Semiconductors & semiconductor equipment	29.9	-	29.9
Technology, hardware & equipment	21.4	3.1	24.5
Retailing	14.2	-	14.2
Media & entertainment	7.8	-	7.8
Pharmaceuticals, biotechnology & life sciences	6.3	-	6.3
Health care equipment & services	6.1	-	6.1
Telecommunication services	-	3.7	3.7
Food, beverage & tobacco	2.8	-	2.8
Consumer durables & apparel	1.9	-	1.9
Cash <sup>7</sup>	-	-	2.8
Total	90.4	6.8	100.0

## Credit ratings of fixed income

BB	3.7%	Investment grade	0.0%
Non-rated <sup>8</sup>	3.1%	High yield	3.7%
		Average credit rating <sup>9</sup>	BB

## 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 <sup>1</sup>	HKD/USD unhedged, AUD/CAD/NZD/RMB/SGD hedged <sup>1</sup>
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 &amp; Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Senior Investment Directors: Norman Ho, CFA; Renee Hung

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; Luo Jing, CFA; Frank Tsui; Yu Chen Jun

Fixed income investment team:

Chief Investment Officer, Fixed Income: Gordon Ip, CFA

Senior Fund Managers: Elaine Hu; Edwin Kam, CFA

## Key corporate awards

CIO of the Year in Asia (Fixed Income) <sup>10</sup>CIO of the Year (Fixed Income, Hong Kong) <sup>10</sup>

Winner: Mr. Gordon IP

~ Insight &amp; Mandate, Professional Investment Awards 2020

Top Investment House in Asian G3 Bonds <sup>11</sup>Top Investment House in Asian Local Currency Bond <sup>11</sup>

(both for the Hedge Fund category)

~ The Asset Benchmark Research Awards 2019

Asia ex-Japan Equity House: Best-in-Class

Greater China Equity House: Outstanding Achiever

~ Benchmark Fund of the Year Awards 2018, Hong Kong <sup>12</sup>Scan QR code for fund documents <sup>13</sup>:

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email [fis@vp.com.hk](mailto:fis@vp.com.hk).

1. 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 hedged classes may be suitable for investors who wish to reduce the impact of changes in exchange rates between their local currency and the Fund's base currency. 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. 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. Portfolio yield is based on market consensus forecast as derived from FactSet and Bloomberg and is the weighted average of the total dividend yield of all securities in the portfolio. 6. Equities are classified by country of listing and fixed income securities are classified by country of risk. 7. Cash: 2.8%, includes receivables and payables (except cash for collaterals and margins). 8. Including bonds whose issuers do not seek credit ratings. 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 performance up to 31 Dec 2019. 11. The Asset Benchmark Research Awards 2019 judged performance of top investment houses based on the number of votes from top-rated analysts, economists and strategists. 12. The award reflects performance up to 30 Sep 2018. 13. 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 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 Gold ETF

**03081  
HKD****83081  
RMB****09081  
USD**

The only ETF backed by physical gold stored in Hong Kong

**September 2020**

- Value Gold ETF (the "Fund") is a fund listed on the Stock Exchange of Hong Kong Limited ("SEHK"), which aims to provide investment results that closely correspond to the performance of the London Bullion Market Association Gold Price.
- The Fund only invests in bullion and may experience greater volatility due to single economic, market or political occurrences when compared to diversified mutual funds or unit trusts.
- The Fund has adopted a multi counter and units are traded in HKD, RMB and USD on SEHK. The nature of the multi-counter may make investment in the units riskier than in single counter units or shares of an SEHK listed issuer. Investors without RMB or USD accounts may buy and sell HKD traded units only.
- RMB is 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 does not insure its bullion and the Fund and unitholders could suffer a loss if the bullion held by the custodian is lost or damaged.
- As the Fund is not actively managed, the Manager will not adopt a temporary defensive position against any market downturn. Investors may lose part or all of their investment.
- Trading prices of units on the SEHK are subject to market forces and the units may trade at a substantial premium/discount to the net asset value of the Fund.
- You should not make investment decision on the basis of this material alone. Please read the prospectus for details and risk factors.

## Investment objective

The Fund aims to provide investment results that, before fees and expenses, closely correspond to the morning (London time) fixing price of gold per troy ounce quoted in US dollars, published by the London Bullion Market Association (LBMA). The trust is fully backed by physical gold stored in Hong Kong.

## Total Gold in Trust

<b>Gold value (HK\$)</b>	1,643,287,414.69
<b>Gold in kilogram</b>	3,501.65

## Fund performance update

	<b>The Fund</b>	<b>LBMA Gold Price</b>
One month	-3.7%	-3.7%
Three months	+6.2%	+6.4%
Year-to-date	+22.7%	+23.1%
One year	+24.6%	+25.1%
Three years	+43.5%	+45.2%
Five years	+64.2%	+67.8%
Since launch	+35.9%	+41.8%
Since launch (Annualized return)	+3.1%	+3.6%

## Annual return since launch

	<b>The Fund</b>	<b>LBMA Gold Price</b>
2010 (Since launch)	+6.4%	+6.5%
2011	+11.1%	+11.6%
2012	+5.0%	+5.5%
2013	-28.1%	-27.8%
2014	-0.6%	-0.2%
2015	-11.9%	-11.5%
2016	+8.6%	+9.2%
2017	+12.3%	+12.7%
2018	-1.4%	-1.0%
2019	+17.7%	+18.2%
2020 (YTD)	+22.7%	+23.1%

## Award - Value Gold ETF

**Quantitative Top Fund – Precious Metals  
Commodity Category (Best-in-Class)**  
~ Benchmark Fund of the Year Awards 2019,  
Hong Kong<sup>1</sup>

**Commodity ETF House (Best-in-Class)**  
~ Benchmark Fund of the Year Awards 2018,  
Hong Kong<sup>1</sup>



## Fund information

<b>Fund price (NAV)</b>	HK\$44.9524
<b>Fund size</b>	HK\$1,645.3 million
<b>Listing date</b>	HKD Counter - 3 November 2010 RMB Counter - 29 November 2013 USD Counter - 31 March 2017
<b>Stock code</b>	HKD Counter - 03081 RMB Counter - 83081 USD Counter - 09081
<b>Exchange listing</b>	The Stock Exchange of Hong Kong Limited – Main Board
<b>Gold type</b>	Minimum fineness of 99.5% of gold (from the approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold)
<b>Benchmark</b>	LBMA Gold Price
<b>Investment manager</b>	Sensible Asset Management Hong Kong Limited
<b>Sub-investment manager</b>	Value Partners Hong Kong Limited
<b>Metal provider</b>	Heraeus Metals Hong Kong Limited Standard Chartered Bank
<b>Trustee and registrar</b>	HSBC Institutional Trust Services (Asia) Limited
<b>Custodian</b>	HKIA Precious Metals Depository Limited
<b>Auditor</b>	Ernst & Young
<b>Participating dealers</b>	Physical gold delivery/cash settlement – Redford Securities Limited Cash settlement – ABN AMRO Clearing Hong Kong Limited – Chief Securities Limited – Credit Suisse Securities (Hong Kong) Limited – Goldman Sachs (Asia) Securities Limited – Haitong International Securities Company Limited – KGI Asia Limited – Nomura International (Hong Kong) Limited
<b>Market makers</b>	HKD counter: – Flow Traders Hong Kong Limited – Merrill Lynch Far East Limited – SG Securities (HK) Limited RMB counter: – Flow Traders Hong Kong Limited – SG Securities (HK) Limited USD counter: – Flow Traders Hong Kong Limited – SG Securities (HK) Limited
<b>Trading board lot size</b>	HKD Counter - 100 units RMB Counter - 100 units USD Counter - 100 units
<b>Bloomberg ticker</b>	HKD Counter - 03081 HK <Equity> RMB Counter - 83081 HK <Equity> USD Counter - 9081 HK <Equity>
<b>Base currency</b>	HK Dollar
<b>Trading currency</b>	HKD Counter - HK Dollar (HKD) RMB Counter - Renminbi (RMB) USD Counter - US Dollar (USD)
<b>In-kind creation/ redemption unit size (by authorized participants only)</b>	Minimum 300,000 units (or multiples thereof)
<b>Management fee<sup>2</sup></b>	Approximately 0.40% per annum
<b>Dividend policy</b>	None

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 in base currency, NAV to NAV with dividend reinvested and net of fees.

1. BENCHMARK aggregates 12 monthly score sets for each fund between 1 Oct 2018 and 30 Sep 2019, and between 1 Oct 2017 and 30 Sep 2018, respectively. Monthly score sets are calculated by aggregating the 12-monthly rolling one-year, three-and five-year (USD) returns, and by adding a risk score for their risk-adjusted returns. Funds in the final score set with a negative Sortino ratio will be excluded from the assessment for the awards. 2. The management fee is a single flat fee to cover all of the Custodian's fee, Trustee's and Registrar's fees and other costs and expenses. Please refer to the Prospectus for details.

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 prospectus for details and risk factors, particularly those associated with the arrangement in the event that the Fund is delisted. The Fund's prospectus is available and may be obtained from website. Investors should also note that the Fund is different from a typical retail investment fund. Units in the Fund may only be created or redeemed directly by a participating dealer in large unit sizes.

This document has not been reviewed by the Securities and Futures Commission. Issuer: Sensible Asset Management Hong Kong Limited.

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