

【For Immediate Release】

**Value Partners Star Managers Discuss
2021 Market Outlook and Investment Opportunities**

(Hong Kong, 28 January 2021) - Value Partners Group Limited (“Value Partners” or “the Company”) today hosted an investment outlook webinar for global investors to discuss the key investment themes for the year and opportunities that arise across different asset classes in Asia. The webinar featured five star managers, including **Dato’ Seri CHEAH Cheng Hye** and **Mr. Louis SO**, the Co-Chairmen and Co-Chief Investment Officers, **Mr. Gordon IP**, Chief Investment Officer, Fixed Income, **Mr. YU Chen Jun** and **Mr. Frank TSUI**, Senior Fund Managers specializing in Greater China equities.

At the webinar, Dato’ Seri CHEAH explained the theory of Quality Value Investing. Value Partners investment team always stick to the 3Rs investment principle: investing in the ‘Right business’, run by the ‘Right people’ and at the ‘Right price’.

“The theory of Quality Value Investing we adopt in our fund range is beyond a sole focus on stock valuation but emphasizes the importance of picking superior businesses run by people that bring about durable advantages.”

“Today, across the world, we face a deterioration of investment environment arising from market bubbles, distorted valuations and a breakdown of rational economics. Governments and central banks are the key market actors, while wealth distribution is the key policy. As such, the de-rating risks in price-earnings multiples grow as a consequence. We believe quality value investing can be used to evaluate not just single stocks but the entire universe of asset classes and markets. With that in mind, our job at Value Partners is making these judgments correctly and identifying superior brands with robust catalysts. This would also allow us to be in the right markets, meanwhile taking account into the economic, social and political factors.”

Mr. Louis SO highlighted Value Partners’ key investment themes for 2021.

“China’s first-in, first-out case ensured its supply to the world undisturbed, enabling the country to take market share from others. Even better, this is without the help of a significant government stimulus. Such a trajectory makes it the only major economy that showed growth last year. Next to COVID, de-globalization is another issue that China is facing. But China adapts and adjusts to the reality very quickly by refocusing on its domestic market.”

“Thus, our bullish views on China for the long term are unchanged. Our theme selection stays precisely the same as 2020 as these companies are riding on the unstoppable trends in China. They are consumption upgrade, higher education, healthcare and advanced technology.”

Mr. YU Chen Jun talked about the sectors he remains optimistic about, namely alternative fuel vehicles, photovoltaics, and pharmaceutical sectors.

“China has become a strong innovator in some industries and we see huge investment opportunities. After the 2020 rally, the valuation of selected technology and innovation stocks edged up considerably. Our thesis is that the nascent autonomous driving and other advanced technology developments only begin to unfold worldwide. Room for growth is ample for the leading Chinese players to get mature and globalized

in the coming decade. Their promising profit profile may help digest the higher valuations over time. Our positive take on these stocks is unshaken.”

Mr. Frank TSUI mentioned in the past 20 years, a high-dividend strategy has been less volatile compared to the traditional indices; therefore, a high-dividend strategy stands out in times of crisis.

“2020 was extremely harsh on equity dividend strategy. But active management and dynamic allocation have cushioned some of the impacts and guided us through the uncharted tide. By maneuvering among *cyclical high dividend*, *stable high dividend* and *structural growth* stocks, our Asian high dividend equity strategy stands out and beats the regional benchmark by a considerable margin. In 2021, while the low interest rate environment persists, we continue to trust that the time-tested bottom-up stock picking approach would add value to our portfolios.”

Mr. Gordon IP analyzed valuations between high yield bonds and investment grade (IG) bonds, and emphasized Asian high yield would offer better relative value over Asian IG in 2021.

“There are reasons to believe that a gradual shift to higher growth expectation will occur in the coming months, with more references to a taper in the later part of 2021. In the context of Asian bonds, the Asian high yield market, versus its peer with better grades, is currently situated in the cheapest range of valuation of the last five years. Better relative value and room for spread compression for Asian, especially Chinese high yield, form our solid preference for such instruments in 2021. Overall, an investment strategy that focuses on strong income generation and managed volatility is worth considering.”

- **Download our speakers’ biographies [here](#)**

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About Value Partners Group Limited

Value Partners is one of Asia’s largest independent asset management firms that seek to offer world-class investment services and products. The company’s assets under management were US\$14.2 billion as of 31 December 2020. Since its establishment in 1993, the company has been a dedicated value investor in Asia and around the world. In November 2007, Value Partners Group became the first asset management firm to be listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK). In addition to its Hong Kong headquarters, the firm operates in Shanghai, Shenzhen, Kuala Lumpur, Singapore, and London, and maintains representative office in Beijing. Value Partners’ investment strategies cover equities, fixed income, multi-asset, quantitative investment solutions, and alternatives for institutional and individual clients in Asia Pacific, Europe, and the United States. For more information, please visit www.valuepartners-group.com.

Media enquiries:

Teresa Yu
Associate Director, Marketing and Communications
Email: teresayu@vp.com.hk
Tel: (852) 2143 0320

Daphne Duan
Manager, Marketing and Communications
Email: daphneduan@vp.com.hk
Tel: (852) 2143 0449