
【 For Immediate Release 】

Value Partners Malaysia launches a Shariah China A-Shares 100 ETF

(Hong Kong, 12 July 2021) - Value Partners Group Limited (“Value Partners” or “the Group”, Hong Kong stock code: 806) **is pleased to announce that its wholly-owned subsidiary, Value Partners Asset Management Malaysia Sdn. Bhd.** (“Value Partners Malaysia”), **has launched a Shariah China A-Shares 100 ETF** (the “Shariah China A-Shares ETF”), **the world’s first-ever A-share ETF that tracks the performance of the Dow Jones Islamic Market China A-Shares 100 Index** (“Benchmark Index”).

The Shariah China A-Shares ETF adopts a full replication strategy, in which the ETF will hold every constituent of the Benchmark Index, having substantially the same weightings. The product is also Value Partners Malaysia’s first ETF to be listed on the local bourse.

The Shariah China A-Shares ETF provides investors exposure to Shariah-compliant stocks within the China A-Shares equity universe. With the quantitative criteria adopted by the Benchmark Index, the Shariah China A-Shares ETF provides investors with exposure to China’s new economy, allowing them to participate in the country’s changing dynamics and positive growth trends of the economic structure as China moves toward focusing on becoming a consumption- and services-led economy. China’s new economy includes companies in the technology, consumption, healthcare and 5G space.

The Shariah methodology adopted requires companies to be screened on two levels. The first is a sector-based screen, where companies in the sin sectors (such as alcohol, tobacco, and gambling), pork-related products, conventional financial services, and weapons and defense, are excluded. The second is a quantitative screening of liquidity and total debt, based on specified and approved metrics. Because of these screens, Shariah-compliant companies usually have strong business fundamentals supported by healthy balance sheets.

To meet its investment objective, the Shariah China A-Shares ETF can invest up to 100% of its net asset value (“NAV”) in authorised securities, with an option to invest a maximum of 10% in Islamic collective investment schemes, Islamic money market instruments and/or Islamic deposits.

Ms. Durraini BAHARUDDIN, Managing Director of Value Partners Malaysia said: “Value Partners, co-founded by Dato’ Seri CHEAH Cheng Hye, our Co-Chairman and Co-Chief Investment Officer, is known as a well-recognised China investing expert. We have a long track record of delivering superior investment performance for nearly 30 years and have always strived to provide innovative products to our investors. Our new Shariah China A-Shares ETF is a unique tool for Malaysian investors to capture opportunities in China’s new economy within Shariah principles.”

“We trust that our new ETF will meet the needs of both institutional and individual investors who wish to find value in the China A-shares market,” **Ms. BAHARUDDIN added.**

With the recent inclusion of China A-shares into global indices, the expected increase of foreign participation in the market may also lead to upward asset revaluation.

Mr. Kamal MUSTADZA, Fund Manager of Value Partners Malaysia, said: “We have a positive outlook on foreign capital inflows into Chinese markets and continue to remain optimistic. China's continued efforts of developing and improving market accessibility over the years have made the market too big for investors to ignore.”

The **Shariah China A-Shares 100 ETF** is managed by Value Partners Malaysia and holds physical shares as underlying investments. It is the flagship fund of Value Partners Malaysia’s offering to institutional and individual investors in Malaysia. As one of the leading asset management firms, Value Partners has a solid track record of 28 years of China investing. The Group has built a solid reputation among its peers in the asset management industry and garnered over 240 performance awards since its establishment in 1993.

The Dow Jones Islamic Market China A-Shares 100 Index outperformed the CSI 300 Index by delivering cumulative returns (in MYR) of +49.2%, +80.7% and +118.7% over the 1-, 3- and 5-year periods, respectively, vs. the CSI 300 Index’s +34.4%, +66.2% and +94.7% for the same periods, as of 29 June 2021. The top 3 sectors of the Benchmark Index comprise of industrials (31.5%), healthcare (26.3%) and consumer goods (16.5%).

The listing of the Shariah China A-Shares 100 ETF on Bursa Malaysia

A listing ceremony, co-organised by Bursa Malaysia and Value Partners Malaysia, will be held on Wednesday, 28 July 2021 at 8:30am. Value Partners will share highlights of the event with members of the public. Investors can buy and sell units of the Shariah China A-Shares 100 ETF throughout the trading day, starting 28 July 2021, like any other publicly traded shares, with a minimum board lot size of 100 units. The Shariah China A-Shares ETF will be launched at an initial issue price of MYR2.00 per unit.

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Value Partners’ Shariah China A-Shares 100 ETF - fund facts:

Listing country and exchange	Malaysia, Main Market of Bursa Malaysia
Investment strategy	The manager will track the performance of the Benchmark Index by adopting a full replication strategy, in which it will invest in Shariah-compliant A-Shares that are included in the Benchmark, having substantially the same weightings.
Underlying index	Dow Jones Islamic Market China A-Shares 100 Index
Investment manager	Value Partners Asset Management Malaysia Sdn. Bhd.
Sub-investment manager	Value Partners Hong Kong Limited
Trustee	CIMB Islamic Trustee Berhad
Shariah Adviser	Amanie Advisors Sdn Bhd
Trading currency	MYR Counter: Malaysian Ringgit (MYR)
Website	www.valuepartners-group.com.my

About Value Partners Group Limited

Value Partners, one of Asia’s largest independent asset management firms, seeks to offer world-class investment services and products. The company’s assets under management were US\$13.1 billion as of 31 May 2021. 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 a 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.

About Value Partners Asset Management Malaysia Sdn. Bhd. (“Value Partners Malaysia”)

Value Partners Malaysia, a wholly-owned subsidiary of Value Partners Group Limited (“the Group”), was established in June 2018. Value Partners Malaysia serves as a hub in Southeast Asia for product development, investment and distribution, based on the maturity and dynamism of the market and its regulatory framework. The investment products that Value Partners Malaysia will offer include Southeast Asia-focused Quantitative Investment Solutions (“QIS”), such as exchange-traded funds (“ETFs”), Shariah-compliant funds, as well as alternative investments. Apart from its index-tracking ETFs, its investment products employ a bottom-up approach to stock selection, one that is based on the Value Partners’ value investing discipline and focuses on intensive fundamental research.

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