



**[For immediate release]**

RISK DISCLOSURE

- Value Partners Japan REIT Fund (the "Fund") invests primarily in real estate investment trusts ("REITs") listed in Japan.
- The Fund is subject to concentration risk as a result of the concentration of its investments in the Japanese real estate sector. The Fund may be more volatile than other broad-based funds.
- Investing in REITs may also involve risks associated with the ownership of real estate, as well as other risks e.g. operation and management risk, interest rate risk, liquidity risk, regulatory risk and leverage risk.
- The Fund may also invest in financial derivative instruments for both hedging and investment purposes. These instruments can be highly volatile and expose investors to increased risk of loss.
- In respect of the distribution units for the Fund, 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 at the Manager's discretion. This 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 of the relevant distribution units.
- The Fund is not authorized by the SFC under the Code on Real Estate Investment Trust but is authorized under the Code on Unit Trusts and Mutual Funds, such authorization does not imply official recommendation. You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.

## Value Partners Launches Japan REIT Fund

### *To Capture Income and Growth Potentials of Japan Real Estate Market*

(Hong Kong, 24 April 2024) – Value Partners Group Limited (together with its subsidiaries, "Value Partners" or "the Group", Hong Kong Stock Code: 806) is pleased to announce the launch of the Value Partners Japan REIT Fund (the "Fund") in Hong Kong. The new Fund aims to provide long-term capital appreciation and income generation through investment in real estate investment trusts ("REITs") listed (including plans for listing) in Japan.

The Fund is the first Hong Kong SFC-authorized\* Japan REITs fund, which helps investors in Hong Kong to capture the attractive income offered in Japanese real estate. The Japan REITs market is the biggest in Asia, with a market capitalization of more than JPY 15 trillion, and provides an average yield of about 4% per annum<sup>1</sup>. The market is also well-diversified across offices, logistics, retail, hotel and residential sectors, allowing investors to construct a diversified income portfolio within the asset class.

In addition to the JPY share class, the Fund provides USD-hedged, HKD-hedged, RMB-hedged and SGD-hedged share classes. As the interest rate remains low in Japan relative to other currencies, investors can enjoy additional income offered by these currency-hedged share classes. For example, the USD-hedged share class allows investors to capture additional income of about 5% per annum arising from the difference between the short-term interest rate of the USD and JPY. The stable and sustainable dividend yields offered by Japan REITs, together with the interest differential of different

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currencies against the Yen, provide investors with an attractive and complementary source of income in today's environment.

Value Partners is also proud to collaborate with Daiwa Asset Management (Daiwa) in the research of Japan REITs to deepen our understanding of the market. With over 20 years of experience in covering and researching the entire Japan REITs market, Daiwa's expertise and experience will certainly enhance our ability to deliver a consistent and attractive investment outcome for our clients.

**Vincent Ching, Head of Intermediaries, Asia Pacific at Value Partners Group**, said, "We are proud to bring the first HKSF-authorized\* Japan REITs fund to the market. The launch of the Fund is a testament to our commitment to bringing innovative and attractive investment solutions to the market. It is also a milestone for us to further diversify our suite of income product offerings to meet investors' needs."

**Ricky Tang, Head of Client Portfolio Management at Value Partners Group**, said, "Japan REITs, on a USD-hedged basis, have provided a strong risk-adjusted return historically and have relatively low correlations with other asset classes. Looking forward, the strong momentum of Japan's economy could provide support for property prices, which could lead to potential capital gains for REITs. Through an allocation to the Value Partners Japan REITs Fund, not only can investors achieve diversification, but they can also capture income and potential growth opportunities brought by the asset class."

To access the fund prospectus, please visit: <https://www.valuepartners-group.com/en/investment-solutions/institutional-funds/value-partners-japan-reit-fund/?country=hk&type=hkri&tab=docs>

#### **Value Partners Japan REIT Fund - key facts:**

Fund name	Value Partners Japan REIT Fund
Issuer and investment manager	Value Partners Hong Kong Limited
Fund Domicile	Hong Kong
Trustee	HSBC Institutional Trust Services (Asia) Limited
Investment strategy	The Fund adopts a top-down approach to sector allocation, and a bottom-up approach to security selection. The Fund managers take multiple inputs to arrive at a view on the sub-sectors in the Japan REITs universe and then determine the relative attractiveness of REITs within the sector.
Launch date	23-04-2024
Base currency	JPY
Other currency class available	Hedged: HKD, RMB, USD, SGD Unhedged: JPY
Initial subscription fee	Up to 5% of the subscription monies
Investment manager fees	1.5% per annum
Dealing frequency	Daily
Website	<a href="https://www.valuepartners-group.com/en/promo/value-partners-japan-reit-fund/">https://www.valuepartners-group.com/en/promo/value-partners-japan-reit-fund/</a>

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**About Value Partners Group Limited**

Value Partners, one of Asia's leading independent asset management firms, seeks to offer world-class investment services and products. Since its establishment in 1993, the Company has been a dedicated, specialist value investor in Greater China and Asia. 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, Singapore and London. Value Partners' investment strategies cover equities, fixed income, multi-asset, alternatives, real estate and quantitative investment solutions, for institutional and individual clients in Asia Pacific, Europe and the United States. Value Partners is one of the leaders in ESG investing in Greater China and is committed to developing its ESG capabilities further. For more information, please visit [www.valuepartners-group.com](http://www.valuepartners-group.com).

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*Source:*

1. *Bloomberg, as of March 31, 2024*

\*SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

*Investment involves risk. This advertisement has not been reviewed by the Securities and Futures Commission in Hong Kong Issuer: Value Partners Hong Kong Limited*