

# Value Partners Classic Fund

NAV per unit: **A Units - USD497.01** | **B Units - USD219.03** | **C Units - USD27.40**  
Fund size : **USD1,559.7 million**

★★★★  
Morningstar Rating™  
As at 30-09-2021

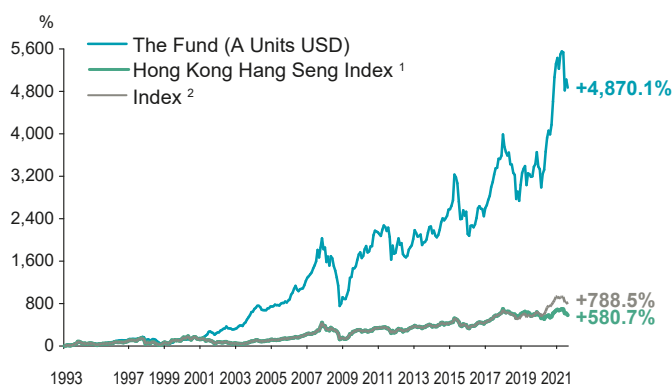
September 2021

- 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	-3.8%	-4.1%	-4.2%	-7.9%	-7.7%
One month	-3.0%	-3.0%	-3.0%	-4.8%	-4.9%
One year	+21.6%	+21.2%	+20.7%	+7.1%	+5.3%
Three years	+49.5%	+47.6%	+47.2%	-2.2%	+31.4%
Five years	+81.7%	+77.7%	+76.1%	+24.4%	+62.4%
Total return since launch	+4,870.1%	+2,090.3%	+174.0%	+580.7%	+788.5%
Annualized return since launch <sup>^</sup>	+14.7%	+12.9%	+8.8%	+7.0%	+8.0%

## The Fund – A Units USD: Monthly performance from 1 Jan 2012 to 30 Sep 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	-7.3%	-1.3%	-10.0%	+8.2%	+2.4%	+9.9%	+6.9%	+3.4%	-1.7%	+4.4%	+10.2%	+9.7%	+37.6%
2021 (YTD)	+4.9%	+2.1%	-3.7%	+5.1%	+1.0%	-0.3%	-12.7%	+4.1%	-3.0%				-3.8%

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

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## NAVs & codes

Classes <sup>3</sup>	NAV	ISIN	Bloomberg
A Units USD	497.01	HK0000264868	VLPARAI HK
B Units USD	219.03	HK0000264876	VLPARBI HK
C Units USD	27.40	HK0000264884	VLPARCI HK
C Units HKD <sup>4</sup>	213.3857	HK0000264884	VLPARCI HK
C Units RMB	18.30	HK0000264926	VLCHCRM HK
C Units AUD Hedged	21.05	HK0000264892	VLCHAUD HK
C Units CAD Hedged	21.12	HK0000264900	VLCHCAD HK
C Units HKD Hedged	18.19	HK0000264934	VLCHCHH HK
C Units NZD Hedged	21.82	HK0000264918	VLCHNZD HK
C Units RMB Hedged	19.21	HK0000264942	VLCHCRH HK
C Units MDis USD	11.81	HK0000360880	VLCCMDU HK
C Units MDis HKD	11.75	HK0000360898	VLCCMDH HK
C Units MDis RMB	11.09	HK0000362241	VLCCMDR HK
C Units MDis RMB Hedged	11.61	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	2.0%	30-9-2021
C Units MDis HKD	0.0194	2.0%	30-9-2021
C Units MDis RMB	0.0197	2.1%	30-9-2021
C Units MDis RMB Hedged	0.0391	4.0%	30-9-2021

**Top holdings**

Name	Industry <sup>8</sup>	% <sup>9</sup>
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.2
Meituan	Retailing	6.3
Tencent Holdings Ltd	Media & entertainment	5.8
China Merchants Bank Co Ltd	Banks	4.9
Techtronic Industries Co Ltd	Capital goods	4.8
Kweichow Moutai Co Ltd	Food, beverage & tobacco	4.4
Innovent Biologics Inc	Pharmaceuticals, biotechnology & life sciences	4.1
AIA Group Ltd	Insurance	3.6
Li Ning Co Ltd	Consumer durables & apparel	3.2
Ping An Bank Co Ltd	Banks	3.0

These securities constitute 49%<sup>9</sup> of the Fund.

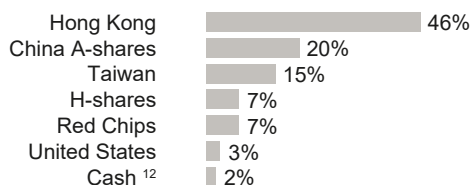
**Portfolio characteristics**

As at 30 Sep 2021<sup>10</sup>

Price/earnings ratio	13.7 times
Price/book ratio	2.3 times
Portfolio yield	2.4%

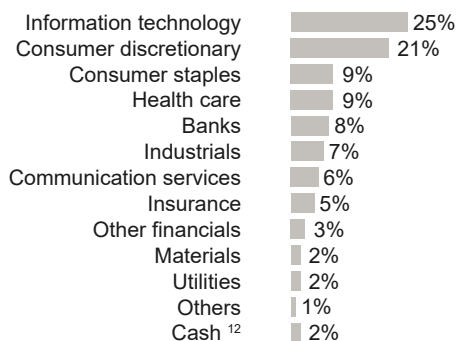
	A Units USD	B Units USD	C Units USD	Hang Seng Index <sup>1</sup>	Index <sup>2</sup>
Annualized volatility (3 years) <sup>11</sup>	22.3%	22.3%	22.3%	18.7%	19.8%

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



Short exposure includes: Hong Kong, -0.9%.

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



Total short exposure is -0.9%.

Short exposure includes: Consumer discretionary, -0.9%.

**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; Yu Chen Jun; Michelle Yu, CFA

**Senior Fund Managers:** Lillian Cao; Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho; Glenda Hsia; Amy Lee, CFA, CAIA; Luo Jing, CFA; Frank Tsui

**Key fund and corporate awards**



**Golden Bull Overseas China Equity Fund (1-Year)<sup>14</sup>**  
 ~ China Securities Journal, The 4th China Overseas Fund Golden Bull Awards 2020

**Asia ex-Japan Equity House: Best-in-Class<sup>15</sup>**  
**Greater China Equity House: Outstanding Achiever<sup>15</sup>**  
 ~ Benchmark Fund of the Year Awards 2018, Hong Kong

**Offshore China Equity (10-year)<sup>16</sup>**  
 ~ Insight & Mandate, Professional Investment Awards 2018

Scan QR code for fund documents<sup>17</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.

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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 is presented to fund products, fund management institutions, and related fund managers who have raised capital from both public and private overseas sectors. The award honors the long-term and stable performance profitability of institutions and fund managers, while also taking into account the fund performance and risk management capability of fund institutions and fund managers in the medium to long-term (one to three years). 15. The award reflects performance up to 30 Sep 2018. 16. The award reflects performance up to 31 Dec 2017. 17. 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.  
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