

# Value Partners Greater China High Yield Income Fund



NAV per unit : Class P USD Acc - USD10.39 | Class P USD MDis - USD3.30  
Fund size : USD474.8 million

★★★★  
Morningstar Rating™\*  
As at 31-08-2024

CIES Eligible<sup>△</sup>

August 2024

- 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

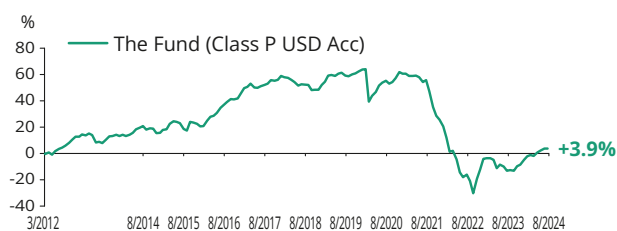
### Portfolio Review:

Strong rally in US Treasury drove all risk assets higher in August, thanks to the Fed's further signaling of a rate cut later this year. Benchmark 10-year US Treasury declined below the 4% mark and rallied hard to as low as 3.8% before ending the month around 3.9% area. The Asia credit markets benefited, with investment grade bonds, which are more interest rate sensitive, outperformed. As our fund was in good position for such market condition, there was little changed. Our trading in the new issue market added incremental performance to our portfolio performance.

### Outlook:

It has become more likely the market will see at least one interest rate cut from the Fed in 2024. A soft landing scenario in US has also appeared to be increasingly likely. With inflation being controlled and labor market remains healthy, we see this scenario as constructive to credits in general. We will continue to pay close attention to the global inflation outlook as well as the Chinese economy and will position our portfolio accordingly.

## Performance since launch



## Performance update

	Class P USD Acc	Class A RMB Hedged Acc
Year-to-date	+13.4%	+11.3%
One month	+0.0%	-0.2%
One year	+19.4%	+16.4%
Three years	-33.5%	-35.7%
Five years	-34.9%	-34.9%
Total return since launch	+3.9%	-5.8%
Annualized return since launch <sup>△</sup>	+0.3%	-0.6%

## The Fund - Class P USD Acc: Monthly performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+0.8%	+0.2%	-15.1%	+3.2%	+2.1%	+3.2%	+1.5%	+1.0%	-1.3%	+0.7%	+1.9%	+3.0%	-0.3%
2021	-0.7%	-0.1%	-1.0%	+0.0%	+0.1%	-0.7%	-2.4%	+1.1%	-5.6%	-8.1%	-4.9%	-2.3%	-22.5%
2022	-4.0%	-7.2%	-9.5%	+0.6%	-6.3%	-10.5%	-4.2%	+2.3%	-5.7%	-11.9%	+15.9%	+8.7%	-30.2%
2023	+9.2%	+0.5%	+0.0%	-1.2%	-6.7%	+3.0%	-1.6%	-3.3%	+0.6%	-0.7%	+3.9%	+1.4%	+4.3%
2024 (YTD)	+3.9%	+2.8%	+1.1%	-0.9%	+3.0%	+1.3%	+1.6%	+0.0%					+13.4%

<sup>△</sup> The Fund is one of the eligible collective investment schemes for the purpose of the New Capital Investment Entrant Scheme (New CIES) in Hong Kong with effect from 1 March 2024.

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

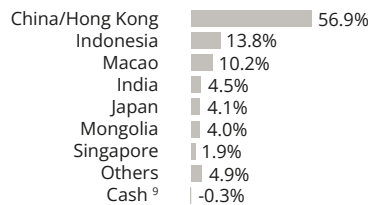
Top holdings <sup>3</sup>

Name	Sector <sup>4</sup>	Country / region	%
Mongolian Mining Corp/Energy Resources LLC 12.5% 09/13/2026	Energy Materials	Mongolia	3.5
Wynn Macau Ltd 5.625% 08/26/2028	Consumer services	Macao	3.5
ABM Investama Tbk PT 9.5% 08/05/2026	Energy	Indonesia	3.1
Studio City Co Ltd 7% 02/15/2027	Consumer services	Macao	2.6
CAS Capital No 1 Ltd 4% PERP	Telecommunication services	China/Hong Kong	2.3
Hilong Holding Ltd 9.75% 11/18/2024	Energy	China/Hong Kong	2.3
Gajah Tunggal Tbk PT 8.95% 06/23/2026	Automobiles & components	Indonesia	2.2
Elect Global Investments Ltd 4.1% PERP	Real estate	China/Hong Kong	2.1
Japfa Comfeed Indonesia Tbk PT 5.375% 03/23/2026	Food, beverage & tobacco	Indonesia	2.0
China Oil & Gas Group Ltd 4.7% 06/30/2026	Utilities	China/Hong Kong	1.9

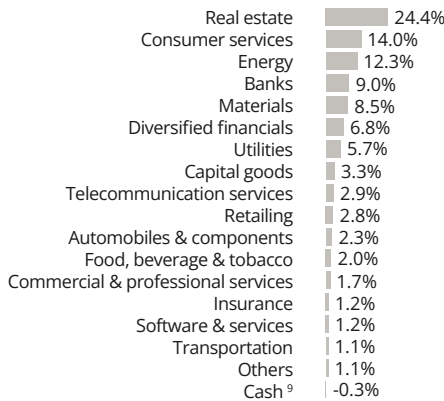
Portfolio characteristics

	Class P USD Acc	Class A RMB Hedged Acc
Annualized volatility (3 years) <sup>5</sup>	19.8%	19.3%
Weighted modified duration <sup>6</sup>		2.7 years
Yield to worst <sup>7</sup>		18.7%
Number of bond issuers		111

Geographical exposure <sup>8</sup>



Sector exposure <sup>4, 8</sup>



Credit ratings <sup>10</sup>

A	4.3%	Investment grade	15.6%
BBB	11.3%	High yield	64.7%
BB	34.5%	Average credit rating <sup>11</sup>	BB
B & Below	30.2%		
Non-Rated	20.0%		
Cash <sup>9</sup>	-0.3%		

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 respective currencies 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).  
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 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.

Currency breakdown



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:	27 Mar 2012
	- Class P USD/HKD Acc & MDIs
	23 Sep 2013
	- Class A AUD/CAD/NZD Hedged MDIs
	26 Sep 2014
	- Class P SGD Hedged MDIs
	5 Feb 2015
	- Class A EUR Hedged MDIs
	14 Apr 2015
	- Class A GBP Hedged MDIs
	16 Jul 2018
	- Class A EUR Hedged Acc
	11 Apr 2022
	- Class A RMB Hedged Acc & MDIs
	- Class A RMB MDIs

Dealing frequency: Daily

Fee structure & Subscription information

	Class A and Class P	Class A RMB
Minimum subscription	HK\$80,000/USD10,000 or equivalent	RMB60,000
Minimum subsequent subscription	HK\$40,000/USD5,000 or equivalent	RMB30,000
Subscription fee	Up to 5.0%	
Management fee	1.5% p.a.	
Performance fee	Nil	

Senior investment staff

**Co-Chairman & Co-Chief Investment Officer:** Cheah Cheng Hye  
**Co-Chief Investment Officer:** Louis So  
**Senior Investment Directors:** Norman Ho, CFA; Renee Hung  
**Fixed income investment team:**  
**Chief Investment Officer, Fixed Income:** Gordon Ip, CFA  
**Head of Credit Research & Strategy:** Anna Ho  
**Senior Fund Manager:** Danielle Li

Key awards



- Best Fund Provider - High Yield Bond <sup>12</sup>**  
~ Asian Private Banker Asset Management Awards for Excellence 2021
- Best Total Return - Greater China Fixed Income (5-Year, Winner) <sup>13</sup>**  
~ HKCAMA & Bloomberg, Offshore China Fund Awards 2020
- Best USD High Yield (5-Year) <sup>14</sup>**  
~ Refinitiv, Lipper Fund Awards 2020 (Hong Kong)

Scan QR code <sup>15</sup>:



Fund documents Fund notices