

# Value Partners Classic Fund

NAV per unit : Class A USD - USD310.19 | Class B USD - USD135.28 | Class C USD - USD16.92  
Fund size : USD854.5 million



★★★★  
Morningstar Rating™  
As at 31-10-2023

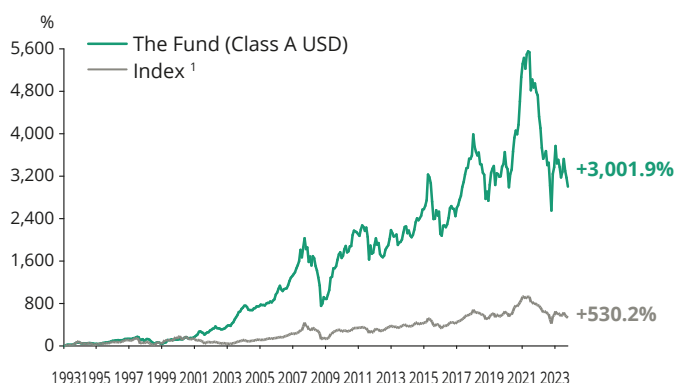
October 2023

- 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

	Class A USD	Class B USD	Class C USD	Index 1
Year-to-date	-10.6%	-11.0%	-11.0%	-6.9%
One month	-5.2%	-5.2%	-5.2%	-3.3%
One year	+17.0%	+16.4%	+16.4%	+21.1%
Three years	-27.3%	-28.3%	-28.6%	-28.0%
Five years	+8.1%	+5.6%	+5.4%	+5.2%
Total return since launch	+3,001.9%	+1,252.8%	+69.2%	+530.2%
Annualized return since launch <sup>^</sup>	+11.9%	+9.9%	+3.8%	+6.2%

## The Fund - Class A USD: Monthly performance from 1 Jan 2014 to 31 Oct 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	+4.9%	+2.1%	-3.7%	+5.1%	+1.0%	-0.3%	-12.7%	+4.1%	-3.0%	+1.6%	-3.2%	-1.3%	-6.6%
2022	-8.3%	-4.9%	-8.9%	-5.4%	+1.7%	+2.3%	-7.0%	+1.3%	-12.2%	-15.0%	+26.0%	+3.9%	-28.1%
2023 (YTD)	+11.5%	-8.5%	+1.9%	-3.8%	-5.7%	+3.2%	+7.2%	-6.1%	-3.9%	-5.2%			-10.6%

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

## NAVs & codes

Classes <sup>2</sup>	NAV	ISIN	Bloomberg
Class A USD	310.19	HK0000264868	VLPARAI HK
Class B USD	135.28	HK0000264876	VLPARBI HK
Class C USD	16.92	HK0000264884	VLPARCI HK
Class C HKD <sup>3</sup>	132.3872	HK0000264884	VLPARCI HK
Class C RMB	12.82	HK0000264926	VLCHCRM HK
Class C AUD Hedged	12.28	HK0000264892	VLCHAUD HK
Class C CAD Hedged	12.68	HK0000264900	VLCHCAD HK
Class C HKD Hedged	11.01	HK0000264934	VLCHCHH HK
Class C NZD Hedged	13.04	HK0000264918	VLCHNZD HK
Class C RMB Hedged	11.54	HK0000264942	VLCHCRH HK
Class C USD MDis	6.88	HK0000360880	VLCCMDU HK
Class C HKD MDis	6.88	HK0000360898	VLCCMDH HK
Class C RMB MDis	7.41	HK0000362241	VLCCMDR HK
Class C RMB Hedged MDis	6.52	HK0000362258	VLCCMRH HK

## Dividend information - Class C MDis<sup>4</sup>

Classes <sup>2</sup>	Dividend per unit <sup>5</sup>	Annualized yield <sup>6</sup>	Ex-dividend date
Class C USD MDis	0.0196	3.4%	31-10-2023
Class C HKD MDis	0.0194	3.4%	31-10-2023
Class C RMB MDis	0.0067	1.1%	31-10-2023
Class C RMB Hedged MDis	0.0063	1.2%	31-10-2023

## Top holdings

Name	Industry <sup>7</sup>	% <sup>8</sup>
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & semiconductor equipment	9.4
Tencent Holdings Ltd	Media & entertainment	9.1
PDD Holdings Inc	Retailing	6.8
Meituan	Consumer services	6.3
Kweichow Moutai Co Ltd	Food, beverage & tobacco	6.1
Ping An Insurance (Group) Co of China Ltd	Insurance	5.9
China Merchants Bank Co Ltd	Banks	3.4
SIIC Environment Holdings Ltd	Utilities	3.4
Beijing Tong Ren Tang Chinese Medicine Co Ltd	Pharmaceuticals, biotechnology & life sciences	3.3
AIA Group Ltd	Insurance	3.1

These securities constitute 57% of the Fund.

## Portfolio characteristics

As at 31 Oct 2023<sup>9</sup>

Price/earnings ratio	11.9 times
Price/book ratio	1.8 times
Portfolio yield	3.3%

	Class A USD	Class B USD	Class C USD	Index <sup>1</sup>
Annualized volatility (3 years) <sup>10</sup>	27.3%	27.3%	27.3%	25.1%

## Geographical exposure by listing<sup>8</sup>

Hong Kong	28%
Taiwan	23%
China A-shares	18%
H-shares	14%
Red Chips	8%
United States	8%
Cash <sup>11</sup>	1%

## Sector exposure<sup>7, 8</sup>

Information technology	27%
Consumer discretionary	24%
Communication services	11%
Insurance	10%
Consumer staples	7%
Health care	7%
Banks	4%
Industrials	3%
Utilities	3%
Real estate	2%
Others	1%
Cash <sup>11</sup>	1%

## Fund facts

Manager:	Value Partners Hong Kong Limited
Base currency:	USD
Trustee and Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	1 Apr 1993
	- Class A USD
	15 May 1996
	- Class B USD
	15 Oct 2009
	- Class C USD
	17 Mar 2014
	- Class C AUD/CAD/NZD Hedged
	28 Oct 2015
	- Class C RMB Hedged
	30 Nov 2015
	- Class C HKD Hedged
	1 Dec 2015
	- Class C RMB
	16 Oct 2017
	- Class C USD/HKD/RMB/RMB Hedged MDIs
Dividend Policy <sup>4</sup> :	Class C MDIs – aim at monthly distribution, subject to Manager's discretion
Dealing frequency:	Daily redemption (Class A & B) Daily dealing (Class C)

Class A, B and C are invested in the same fund, Class A and B were no longer issued from 12 Apr 2002 and 15 Oct 2009 respectively. Only Class C is currently available.

## Fee structure & Subscription information

	Class A	Class B	Class C
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>12</sup>	15% of profit (High-on-high principle)		
Redemption fee	Nil		

## Senior investment staff

### Co-Chairmen & Co-Chief Investment Officers:

Cheah Cheng Hye; Louis So

Deputy Chief Investment Officer, Equities: Yu Chen Jun

Senior Investment Directors: Norman Ho, CFA; Renee Hung

Investment Directors: Lillian Cao; Kelly Chung, CFA; Luo Jing, CFA;

Michelle Yu, CFA

Senior Fund Managers: Frank Tsui

## Key fund and corporate awards



### Golden Bull Overseas China Equity Fund (1-Year)<sup>13</sup>

~ China Securities Journal, The Overseas Fund Golden Bull Fund Awards 2020 & 2021

### Asia ex-Japan Equity House: Best-in-Class<sup>14</sup>

Greater China Equity House: Outstanding Achiever<sup>14</sup>  
~ Benchmark Fund of the Year Awards 2018, Hong Kong

### Offshore China Equity (10-year)<sup>15</sup>

~ Insight & Mandate, Professional Investment Awards 2018



Scan QR code<sup>16</sup>:

Fund documents

Fund notices

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 [jis@vp.com.hk](mailto:jis@vp.com.hk).

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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.

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