

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD57.30

Fund size : USD141.2 million



★★★★★
Morningstar Rating™*
As at 30-09-2024



September 2024

- Chinese Mainland Focus Fund (The "Fund") invests primarily in investments which are related to mainland China.
- The Fund invests in China-related companies 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 China-related companies. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
- Investing in China exposes the Fund to additional risks including currency repatriation risk, uncertainty of taxation policies and risk associated with StockConnects, RQFII Quota, SME board, ChiNext market and/or the STAR board. The Fund may also expose to RMB currency and conversion risk.
- Investing in small/mid-capitalization securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- It is possible that the entire value of your investment could be lost. 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 medium to long-term capital appreciation by investing primarily in investments which are related to mainland China. The Fund will focus primarily on mainland China and at least 70% of the Fund latest available NAV will be on investments related to mainland China at all times. The Fund may also invest, on an ancillary basis (up to 30% of the Fund latest available NAV), in other markets where opportunities can be identified.

NAVs & codes

Classes ²	NAV	ISIN	Bloomberg
Class A USD	57.30	KYG9317Q1120	VAPAICM KY
Class A HKD	5.58	KYG9317Q2037	VACMFHA KY
Class A AUD Hedged	5.13	KYG9317Q2110	VACMFAA KY
Class A RMB Hedged	7.36	KYG9317Q2862	VACMFAR KY

Performance since launch



Performance update

	The Fund (Class A USD)	MSCI China Index (Total Net Return) ¹
Year-to-date	+8.6%	+29.3%
One month	+20.8%	+23.9%
One year	+10.3%	+23.9%
Three years	-33.6%	-15.8%
Five years	+14.3%	+4.3%
Total return since launch	+473.0%	+443.6%
Annualized return since launch [^]	+8.7%	+8.5%

The Fund – Class A USD: Monthly performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2015	-0.5%	+1.6%	+6.4%	+19.4%	+3.3%	-6.8%	-13.0%	-12.9%	+0.3%	+7.9%	-1.5%	+1.8%	+1.7%
2016	-19.9%	-0.8%	+9.8%	-1.9%	-2.7%	-0.4%	+7.0%	+3.5%	+1.4%	-0.9%	+2.4%	-5.0%	-10.3%
2017	+7.9%	+3.2%	+3.5%	+1.8%	+2.8%	+4.9%	+9.8%	+3.2%	+2.2%	+4.9%	+3.0%	+1.9%	+61.2%
2018	+9.4%	-7.0%	-4.8%	-2.7%	+5.6%	-8.2%	-2.9%	-8.8%	-0.8%	-11.8%	+6.7%	-5.2%	-28.3%
2019	+9.6%	+7.0%	+2.1%	+1.6%	-12.0%	+10.6%	+0.5%	-4.8%	+3.4%	+4.4%	-0.0%	+11.8%	+36.6%
2020	-4.4%	+8.0%	-8.1%	+8.5%	+3.6%	+11.7%	+14.8%	+2.1%	-3.4%	+5.2%	+5.1%	+16.5%	+73.6%
2021	+4.1%	-2.9%	-9.0%	+5.8%	+1.5%	+1.7%	-11.6%	+0.4%	-4.6%	+4.7%	-2.6%	+0.0%	-13.2%
2022	-13.1%	-1.6%	-14.9%	-4.8%	+4.7%	+8.6%	-6.1%	-3.8%	-13.2%	-10.6%	+17.9%	+5.4%	-31.5%
2023	+9.2%	-8.2%	+0.2%	-4.1%	-8.9%	+4.6%	+6.1%	-5.5%	-6.3%	-1.9%	+6.2%	-2.6%	-12.5%
2024 (YTD)	-15.7%	+12.2%	-0.7%	+3.3%	-0.4%	-2.1%	-2.6%	-2.5%	+20.8%				+8.6%

[^] 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.

[^] Annualized return is calculated from inception based on published NAV.

Top holdings

Name	Industry ³	%
Tencent Holdings Ltd	Media & entertainment	8.0
Meituan	Consumer services	7.7
Xiaomi Corp	Technology, hardware & equipment	7.6
Alibaba Group Holding Ltd	Retailing	7.3
JD.com Inc	Retailing	5.3
AIA Group Ltd	Insurance	4.4
Ping An Insurance (Group) Co of China Ltd	Insurance	4.0
PDD Holdings Inc	Retailing	3.6
China Merchants Bank Co Ltd	Banks	3.0
Trip.com Group Ltd	Consumer services	2.6

These securities constitute 54% of the Fund.

Portfolio characteristics

As at 30 Sep 2024

Price/earnings ratio	12.7 times	
Price/book ratio	1.7 times	
Portfolio yield	1.8%	
	The Fund (Class A USD)	MSCI China Index (Total Net Return)¹
Annualized volatility (3 years) ⁴	29.3%	32.7%

Geographical exposure by listing⁵

Hong Kong	53%
H-shares	18%
United States	14%
China A-shares	13%
Others	1%
Cash ⁶	1%

Sector exposure^{3, 5}

Consumer discretionary	37%
Communication services	13%
Information technology	12%
Industrials	11%
Insurance	9%
Materials	4%
Banks	3%
Health care	3%
Real estate	3%
Consumer staples	2%
Other financials	2%
Cash ⁶	1%

Fund facts

Manager:	Value Partners Limited
Base currency:	USD
Trustee:	HSBC Trustee (Cayman) Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Launch date:	27 Nov 2003
	- Class A USD
	1 Mar 2021
	- Class A HKD
	- Class A AUD Hedged
	23 Feb 2022
	- Class A RMB Hedged
Dealing Frequency:	Daily

Fee structure & Subscription information

	Class A
Minimum subscription	USD10,000 or equivalent
Minimum subsequent subscription	USD5,000 or equivalent
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee ⁷	15% of profit (High-on-high principle)
Redemption fee	Nil

Senior investment staff

Co-Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer, Equities: Yu Chen Jun
Senior Investment Directors: Norman Ho, CFA; Renee Hung
Chief Investment Officer, Multi Assets: Kelly Chung, CFA
Investment Directors: Lillian Cao; Luo Jing, CFA; Michelle Yu, CFA
Senior Fund Manager: Frank Tsui, CESA
Fund Managers: Wei Ming Ang, CFA; Van Liu

Key awards



Best Total Return – Greater China Equity (5-Year, 2nd Runner-up)⁸
 ~ HKCAMA & Bloomberg, Offshore China Fund Awards 2020

Best China Equity Fund (10-year)⁹
 ~ Thomson Reuters Lipper Fund Awards 2018

Scan QR code for fund documents¹⁰:



Source: Value Partners, HSBC Institutional Trust Services (Asia) Limited, FactSet 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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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 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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