

Chinese Mainland Focus Fund

A Sub-Fund of Value Partners Intelligent Funds

NAV per unit: Class A USD - USD55.37

Fund size : USD138.5 million



★★★★★
Morningstar Rating™*
As at 31-10-2024



October 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.

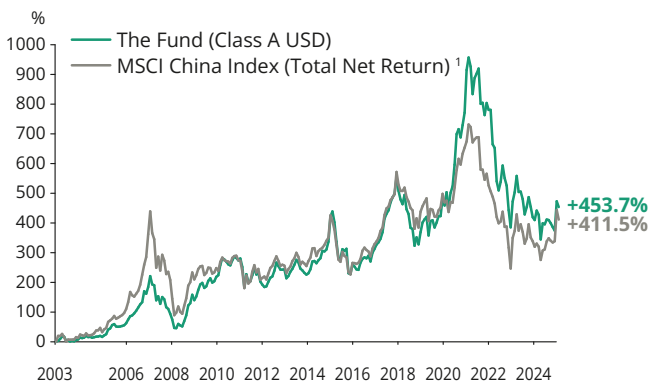
Investment objective

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 | 55.37 | KYG9317Q1120 | VAPAICM KY |
| Class A HKD | 5.40 | KYG9317Q2037 | VACMFHA KY |
| Class A AUD Hedged | 4.96 | KYG9317Q2110 | VACMFAA KY |
| Class A RMB Hedged | 7.10 | KYG9317Q2862 | VACMFAR KY |

Performance since launch



Performance update

| | The Fund (Class A USD) | MSCI China Index (Total Net Return) ¹ |
|---|------------------------|--|
| Year-to-date | +4.9% | +21.7% |
| One month | -3.4% | -5.9% |
| One year | +8.6% | +21.7% |
| Three years | -38.7% | -23.2% |
| Five years | +5.8% | -5.7% |
| Total return since launch | +453.7% | +411.5% |
| Annualized return since launch [^] | +8.5% | +8.1% |

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% | -3.4% | | | +4.9% |

[^] 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 | % |
|---|----------------------------------|-----|
| Xiaomi Corp | Technology, hardware & equipment | 9.2 |
| Trip.com Group Ltd | Consumer services | 7.6 |
| Meituan | Consumer services | 6.9 |
| Tencent Holdings Ltd | Media & entertainment | 6.3 |
| Alibaba Group Holding Ltd | Retailing | 4.9 |
| PDD Holdings Inc | Retailing | 4.6 |
| JD.com Inc | Retailing | 4.5 |
| Ping An Insurance (Group) Co of China Ltd | Insurance | 3.9 |
| China Merchants Bank Co Ltd | Banks | 3.0 |
| AIA Group Ltd | Insurance | 2.8 |

These securities constitute 54% of the Fund.

Portfolio characteristics

As at 31 Oct 2024

| | | |
|--|-------------------------------|---|
| Price/earnings ratio | 11.8 times | |
| Price/book ratio | 1.6 times | |
| Portfolio yield | 2.0% | |
| | The Fund (Class A USD) | MSCI China Index (Total Net Return) ¹ |
| Annualized volatility (3 years) ⁴ | 29.1% | 32.8% |

Geographical exposure by listing ⁵

| | |
|-------------------|-----|
| Hong Kong | 49% |
| H-shares | 20% |
| China A-shares | 14% |
| United States | 14% |
| Others | 1% |
| Cash ⁶ | 2% |

Sector exposure ^{3, 5}

| | |
|------------------------|-----|
| Consumer discretionary | 40% |
| Information technology | 14% |
| Industrials | 11% |
| Insurance | 10% |
| Communication services | 8% |
| Banks | 4% |
| Consumer staples | 3% |
| Materials | 3% |
| Health care | 2% |
| Other financials | 2% |
| Others | 1% |
| Cash ⁶ | 2% |

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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