

Value Partners Greater China High Yield Bond Fund



A Sub-Fund of Value Partners Ireland Fund ICAV
A UCITS-Compliant Fund¹

NAV per unit : Class A USD Unhedged Acc - USD10.30 | Class A USD Unhedged MDis - USD6.73
Fund size : USD36.6 million



Morningstar Rating™
As at 30-09-2024

September 2024

- Value Partners Greater China High Yield Bond Fund (the "Fund") primarily invests in a portfolio of debt securities issued by corporations or governments and/or government related entities which have their main operations in, or a majority of their income derived from the Greater China Region.
- 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.
- The Fund may invest in high yielding, unrated or below investment grade securities and debt securities issued by special purpose vehicles. The Fund is therefore exposed to higher credit/insolvency risk and default risk.
- The Fund may also invest in contingent convertible bonds ("CoCos") having unique equity conversion, principal write-down or coupon cancellation features which are tailored to the issuing banking institution and its regulatory requirements. In the case such triggers or features are invoked, the Fund may lose some or all of its original investment.
- 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 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.
- You should not make investment decision on the basis of this marketing material alone. Please read the prospectus for details and risk factors.

Investment objective

Value Partners Greater China High Yield Bond Fund aims to provide capital appreciation for Shareholders by investing primarily in a portfolio of debt securities issued by corporations or governments and/or government related entities which have their main operations in, or a majority of their income derived from the Greater China Region.

Commentary

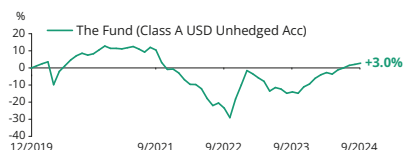
Portfolio review:

September was an eventful month in the global market. First, the market received the long-awaited 50bps rate cut by the Fed. Second, a series of massive and unexpected stimulus and relaxing measures were announced by the Chinese government before China's Oct 1st national day. Both events fueled a strong bull market in Asian credits not seen in recent history. Our portfolio has long been positioned to take advantage of such scenario. Therefore, our positions were little changed and we were happy to let the portfolio ride the uptrend.

Outlook:

As US inflation taming and the Fed's focus now has switched to employment, we expect the Fed to continue to guide the fed fund rate lower throughout the rest of 2024 and well into 2025/26. We view the continuous decline in US rates and the follow-up actions by the Chinese government as positive to Asian credits. We will continue to assess the market and position our portfolio accordingly.

Performance since launch



Performance update

	The Fund (Class A USD Unhedged Acc)
One month	+0.7%
Three months	+2.8%
Year-to-date	+13.7%
One year	+19.9%
Three years	-7.0%
Five years	N/A
Total return since launch	+3.0%
Annualized return since launch [^]	+0.6%

The Fund - Class A USD Unhedged Acc: Monthly performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+1.4%
2020	+1.3%	+1.1%	-13.1%	+8.8%	+3.5%	+3.3%	+2.4%	+1.4%	+1.4%	+0.7%	+2.1%	+2.1%	+11.6%
2021	-1.2%	+0.0%	-0.3%	+0.6%	+0.6%	-1.3%	-1.6%	+2.6%	-1.4%	-6.7%	-4.0%	+0.2%	-12.1%
2022	-2.3%	-4.1%	-3.0%	-0.1%	-2.8%	-6.6%	-5.1%	+1.9%	-3.8%	-7.5%	+15.7%	+10.2%	-9.5%
2023	+9.6%	-1.9%	-2.5%	-2.2%	-6.3%	+2.4%	-1.0%	-2.9%	+0.9%	-0.9%	+4.5%	+1.9%	+0.7%
2024 (YTD)	+3.8%	+2.2%	+1.4%	-0.9%	+2.6%	+1.2%	+1.5%	+0.6%	+0.7%				+13.7%

[^] Annualized return and volatility are calculated from inception based on published NAV. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

Performance is calculated on NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only. Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall. The on-going charges are the fees the Fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, will also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund.

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Geographical exposure ²

China/Hong Kong	54.9%
Indonesia	11.2%
Macao	8.8%
India	6.1%
Japan	3.7%
Mongolia	3.5%
Taiwan	2.0%
Middle East	1.1%
Singapore	1.1%
Others	4.8%
Cash ³	2.8%

Sector exposure ^{2, 4}

Real estate	25.8%
Energy	14.4%
Consumer services	11.2%
Banks	7.8%
Materials	7.4%
Utilities	6.7%
Diversified financials	5.4%
Insurance	4.1%
Capital goods	3.5%
Retailing	2.2%
Automobiles & components	1.7%
Commercial & professional services	1.2%
Software & services	1.0%
Telecommunication services	1.0%
Others	3.8%
Cash ³	2.8%

Credit ratings ⁵

A	6.2%	Investment grade	16.9%
BBB	10.7%	High yield	60.4%
BB	27.4%	Average credit rating ⁶	BB
B & Below	33.0%		
Non-Rated	19.9%		
Cash ³	2.8%		

Currency breakdown

USD	100.0%
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Top holdings ⁷

Name	Sector ⁴	Country/region	%
Mongolian Mining Corp/ Energy Resources LLC 12.5% 9/13/2026	Materials	Mongolia	3.5
ABM Investama Tbk PT 9.5% 8/5/2026	Energy	Indonesia	2.8
Wynn Macau Ltd 5.625% 8/26/2028	Consumer services	Macao	2.7
Champion Path Holdings Ltd 4.85% 1/27/2028	Consumer services	Macao	2.6
China Oil & Gas Group Ltd 4.7% 6/30/2026	Utilities	China/Hong Kong	2.5

Portfolio characteristics

	The Fund (Class A USD Unhedged Acc)
Annualized volatility [^]	15.5%
Weighted modified duration ⁸	2.8 years
Yield to worst ⁹	10.0%
Number of bond issuers	78

NAVs & Codes

Classes ¹⁰	NAV	ISIN	Bloomberg
Class A USD Unhedged Acc	10.30	IE00BKRQZ838	VPYBAU ID
Class A USD Unhedged MDis	6.73	IE00BKRQZ945	VPYBAMU ID
Class A EUR Hedged Acc	8.59	IE00BKRQZ614	VPYBEAH ID
Class A EUR Hedged MDis	6.67	IE00BKRQZ721	VPYBEAM ID
Class A SGD Hedged Acc	8.91	IE00BKRRJ517	VPGCSAH ID
Class A SGD Hedged MDis	6.70	IE00BKRRJ624	VPYBSMH ID
Class Z RMB Hedged MDis	10.18	IE00BKRR4346	VPGCRZH ID

Dividend information – Class MDis ¹¹

Classes ¹⁰	Dividend amount / unit	Annualized yield	Ex-dividend date
Class A USD Unhedged MDis	0.0552	9.8%	30-9-2024
Class A EUR Hedged MDis	0.0435	7.8%	30-9-2024
Class A SGD Hedged MDis	0.0438	7.8%	30-9-2024
Class Z RMB Hedged MDis	0.0668	7.9%	30-9-2024

Fund facts

Manager:	Carne Global Fund Managers (Ireland) Limited
Investment manager:	Value Partners Hong Kong Limited
Base currency:	USD
Administrator:	HSBC Securities Services (Ireland) DAC
Depository:	HSBC Continental Europe
Launch date:	6 Dec 2019
	– Class A USD Unhedged Acc
	– Class A USD Unhedged MDis
	17 Jun 2021
	– Class A EUR Hedged Acc
	– Class A EUR Hedged MDis
	– Class A SGD Hedged Acc
	– Class A SGD Hedged MDis
	15 May 2023
	– Class Z RMB Hedged MDis
Dealing frequency:	Daily, cutoff time 11:59am Irish time

Fee structure & Subscription information

	Class A	Class V	Class Z
	USD10,000 EUR10,000 RMB60,000 SGD10,000 HKD80,000	USD1,000,000	USD1,000,000 EUR1,000,000 RMB1,000,000
Minimum subscription	Up to 5% of the issue price		
Subscription fee	1.5% p.a.	0.25% p.a.	0.7% p.a.
Management fee	Nil	Nil	Nil
Performance fee	Nil	Nil	Nil
Redemption fee	Currently Nil		

Source: Value Partners, HSBC Institutional Trust Services (Ireland) DAC, FactSet and Bloomberg, data as at the last valuation date of the month as stated above. This is a marketing communication. It is intended for and will be only distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. This document does not constitute an offer to anyone, or a solicitation by anyone, to subscribe for shares of Value Partners Ireland Fund ICAV. Nothing in this document should be construed as advice and is therefore not a recommendation to buy or sell shares. It is not a contractually binding document and not sufficient to make an investment decision. Subscriptions for shares of the Fund can only be made on the basis of its latest Key Investor Information Document, prospectus and supplement together with the latest audited annual report (and subsequent unaudited semi-annual report, if published), copies of which can be obtained, free of charge, from <https://www.valuepartners-group.com/en/>, your financial adviser or your regional contact. An investment in the Fund entails risks, which are fully described in the prospectus. The decision to invest in the Fund must take into account all the characteristics or objectives of the Fund as described in its prospectus/supplement. Our portfolio disclosure policy can be obtained from the Investment Manager upon request to email fis@vp.com.hk. A summary of investor rights can be found here: [Carne-Group-Summary-of-Investor-Rights-1.pdf](#) (carnegroup.com).

1. Value Partners Greater China High Yield Bond Fund is a sub-fund of Value Partners Ireland Fund ICAV (formerly Value Partners Ireland Fund plc), is an umbrella scheme with segregated liability between sub-funds authorised by the Central Bank of Ireland ("Central Bank") as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. The ICAV is authorised and supervised by the Central Bank. Authorisation by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not liable for the performance or default of the ICAV. 2. 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. 3. Cash includes receivables and payables (except cash for collaterals and margins). 4. Classification is based on Global Industry Classification Standard (GICS). 5. The highest credit rating assigned by one of the three major external agencies (S&P, Moody's or Fitch) will be used for fixed income securities. Issuer rating may be used for unrated securities. 6. The weighted average credit rating is derived by taking the weighted average of the credit rating for each underlying bond in the portfolio. Issuer rating may be used for unrated securities. The average credit rating is determined by assigning a sequential integer to all credit ratings from AAA (highest) to D (lowest), taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. As the risk of default increases disproportionately as a bond's rating decreases, the simple weighted average of credit ratings is not a statistical measurement of the portfolio's default risk. 7. Only debt securities including convertible bonds are stated in the top holdings table. 8. The weighted modified duration represents the average modified duration of the underlying bonds weighted by reference to their market value. 9. Investors should note that the Yield to worst figure is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors. A positive yield does not imply a positive return. 10. 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. 11. As dividends may be paid out from capital, this may result in an immediate decrease in the NAV per share/unit and may reduce the capital available for the Fund for future investment and capital growth. Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the manager. The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Positive distribution yield does not imply positive return. Annualized yield of MDis Class is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) x 12. Please refer to the offering document further details including the distribution policy.

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