

# 2024 Final Results

For the year ended 31 December 2024

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# 2024 Key Highlights

## Financial Performance

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- Net profit of HK\$31mn, an improvement from last year's HK\$23mn, mainly from gains derived from proprietary investments
- Disciplined cost control with total expense decreased 7% yoy
- Strong balance sheet with net cash of HK\$1.1bn and house investments of HK\$2.4bn
- Recommended dividend 1.0 HK cent per share

## Business and Strategy Updates

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- Continued strengthening of sales & marketing channels
- Progress in asset class and product themes expansion
- Capturing opportunities from Asia Pacific regions

# Financial Review

# Financial Highlights

## Summary of 2024 result:

- 2024 results continue to be impacted by significant volatility, escalating U.S.-China political tensions, ongoing trade disputes and geopolitical conflicts.
- Despite the challenging environment, the Group is able to report a net profit of HK\$31.2 million, compared with HK\$23.1 million last year. The improved result was mainly driven by investment gains from our proprietary investments and decreased total expenses to compensate for the reduced management fees
- Our AUM declined slightly from US\$5.6 billion as of 31 Dec 2023 to US\$5.1 billion as of 31 Dec 2024, given the strong resilience of our equity funds despite the weak market backdrop and investor sentiment

		2024 <i>(HK\$ million)</i>	2023 <i>(HK\$ million)</i>	% Change
<b>Revenue</b>	<b>Total revenue</b>	466.8	514.9	-9.3%
	<b>Gross management fees</b>	397.4	467.4	-15.0%
	<b>Gross performance fees</b>	12.3	-	-
<b>Cost</b>	<b>Total expenses</b>	361.5	390.3	-7.4%
<b>Earnings</b>	<b>Core operating loss</b>	46.4	35.3	+31.4%
	<b>Net profit</b>	31.2	23.1	+35.1%
	<b>Basic earnings per share (HK cents)</b>	1.7	1.3	+30.8%
<b>Dividend</b>	<b>Total dividend per share (HK cents)</b>	1.0	50.0	
		31 Dec 2024 <i>(US\$ million)</i>	31 Dec 2023 <i>(US\$ million)</i>	% Change
<b>AUM</b>	<b>Assets under management</b>	5,110	5,570	-8.3%

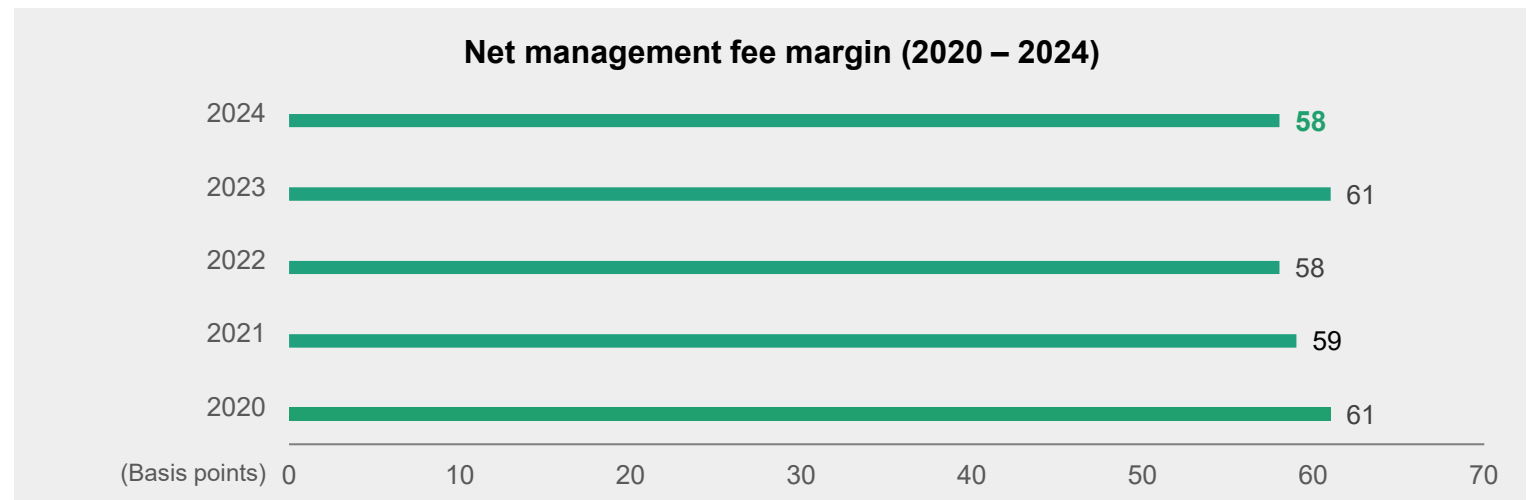
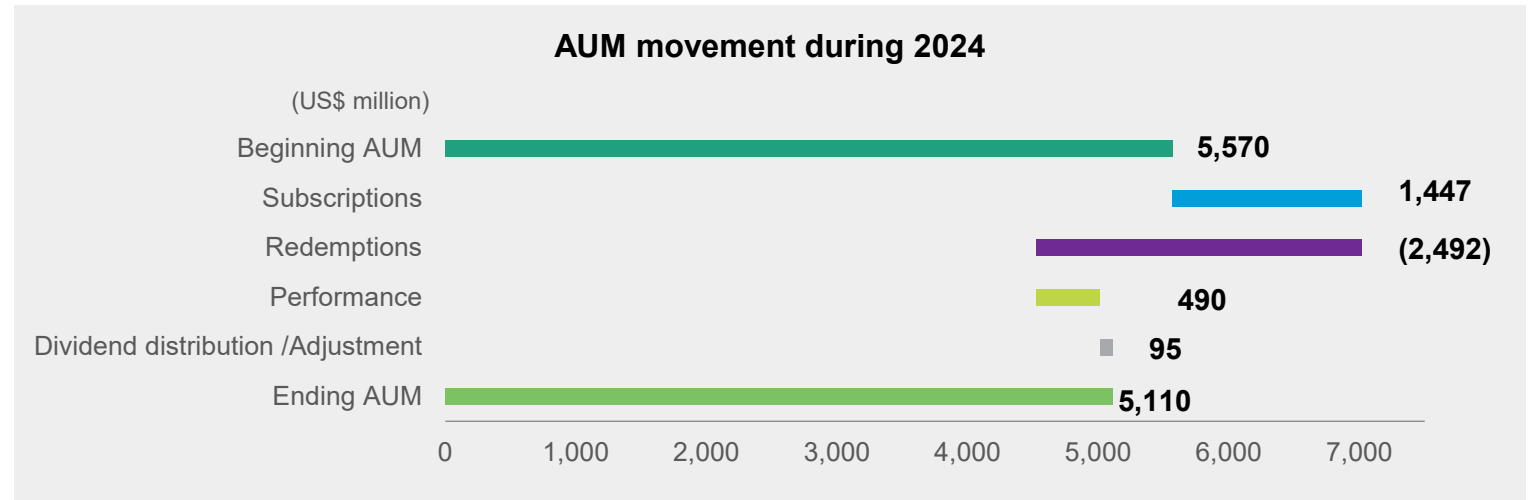
# Assets under Management (“AUM”)

## Key reasons for AUM movement:

- Managed to achieve gross subscription of US\$1,447 million despite the challenging market, recorded continuous net inflow in VP USD Money Market Fund, Value Gold ETF, VP Japan REIT Fund and new PE healthcare fund
- Net outflow of US\$1,045 million, mainly from the termination of a few institutional investment mandates focusing on China assets and active equity strategies

## Fee margin:

- The net management fee margin for 2024 is 58 bps, reflecting the successful launch of the VP USD Money Market Fund. Although this fund has relatively lower fee margin compared to other existing public funds, it represents a strategic addition to our product strategy



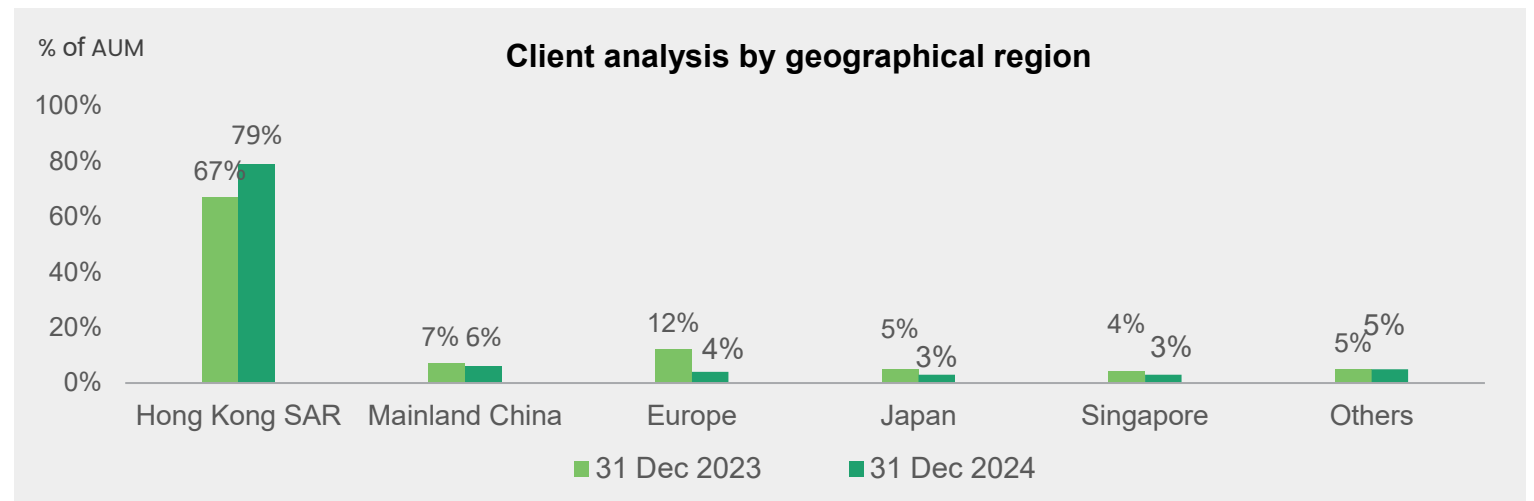
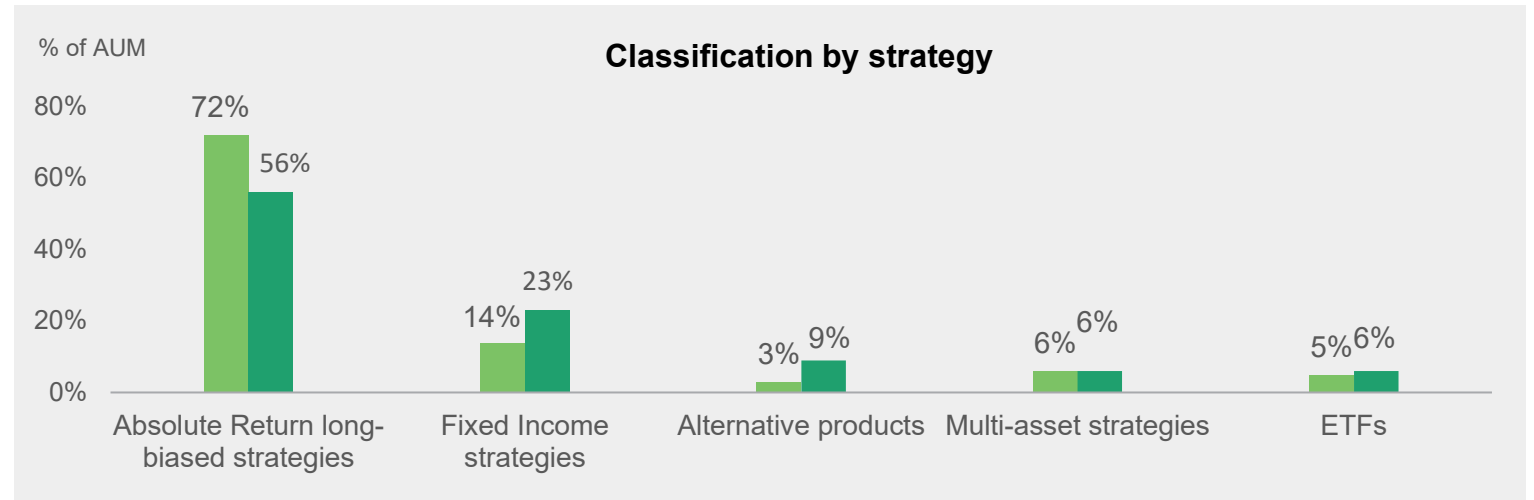
# AUM Analysis

## AUM by Strategy:

- **Equities:** Continuous inflow to the VP Japan REIT Fund were offset by the termination of institutional investment mandates focusing on China assets
- **Fixed income:** Net inflow mainly from the VP USD Money Market Fund, which had become a favored choice for investors seeking capital preservation and attractive returns
- **Alternative Funds:** Succeed in launching a healthcare private equity fund in 2024 with secured new investment commitment, we will continue to explore new alternative product offerings to maximize returns for investors

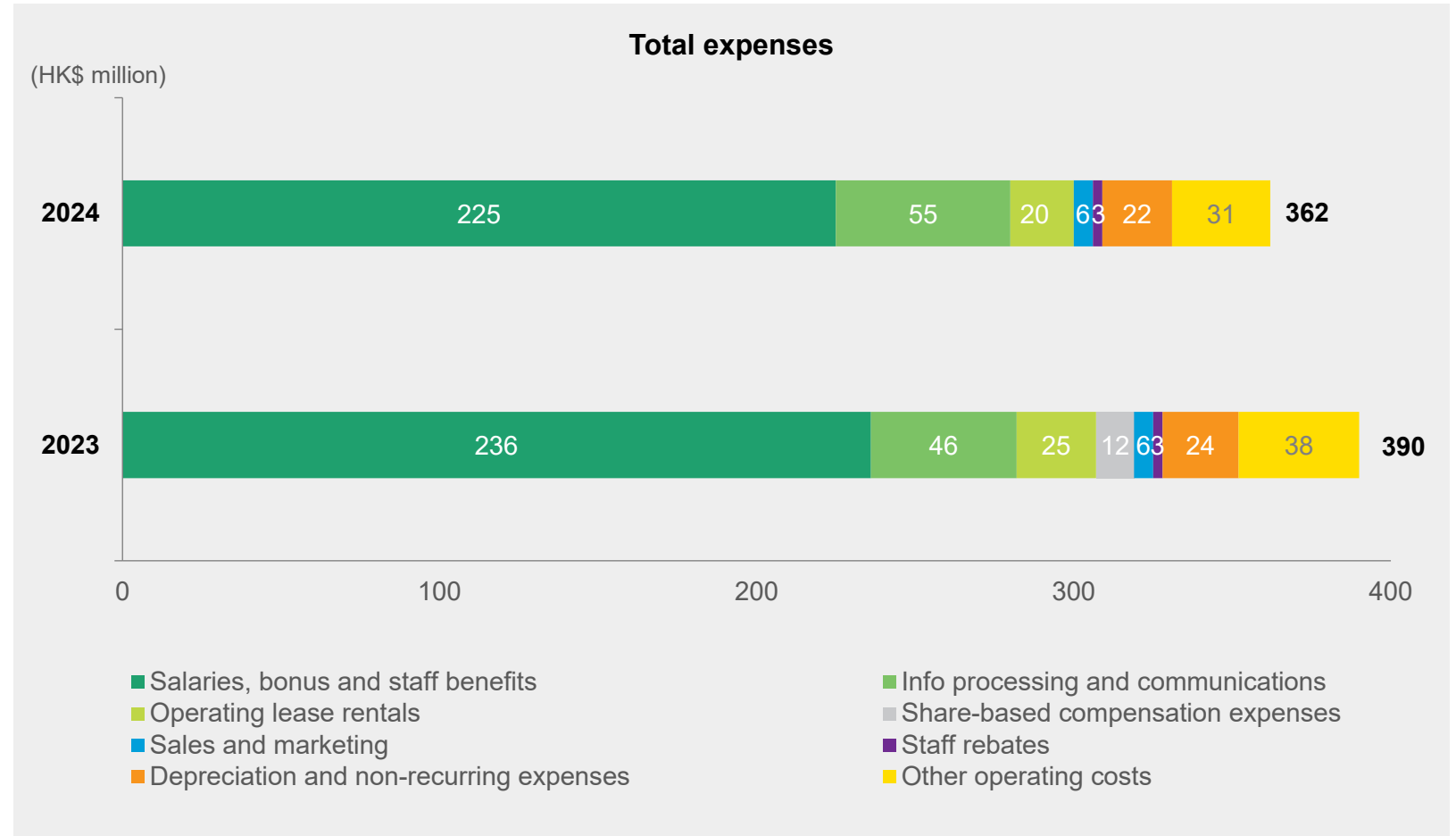
## AUM by Geography:

- Hong Kong remains our biggest client segment, followed by Mainland China and Europe
- The percentage of European clients has adjusted due to the termination of a European institutional investment mandate focusing on China strategy



# Expense Analysis

- Total expenses decreased by 7%, mainly on reduced staff costs as well as savings in rental expenses and other operating expenses, offset by increased information and communications expenses
- Increased information and communications expenses are attributable to higher IT costs for continuous operation system enhancement and technological upgrade. Higher market data costs due to inflation from global vendors
- Continue to exercise stringent cost control while keep investing in key growth areas for our long-term strategic plans

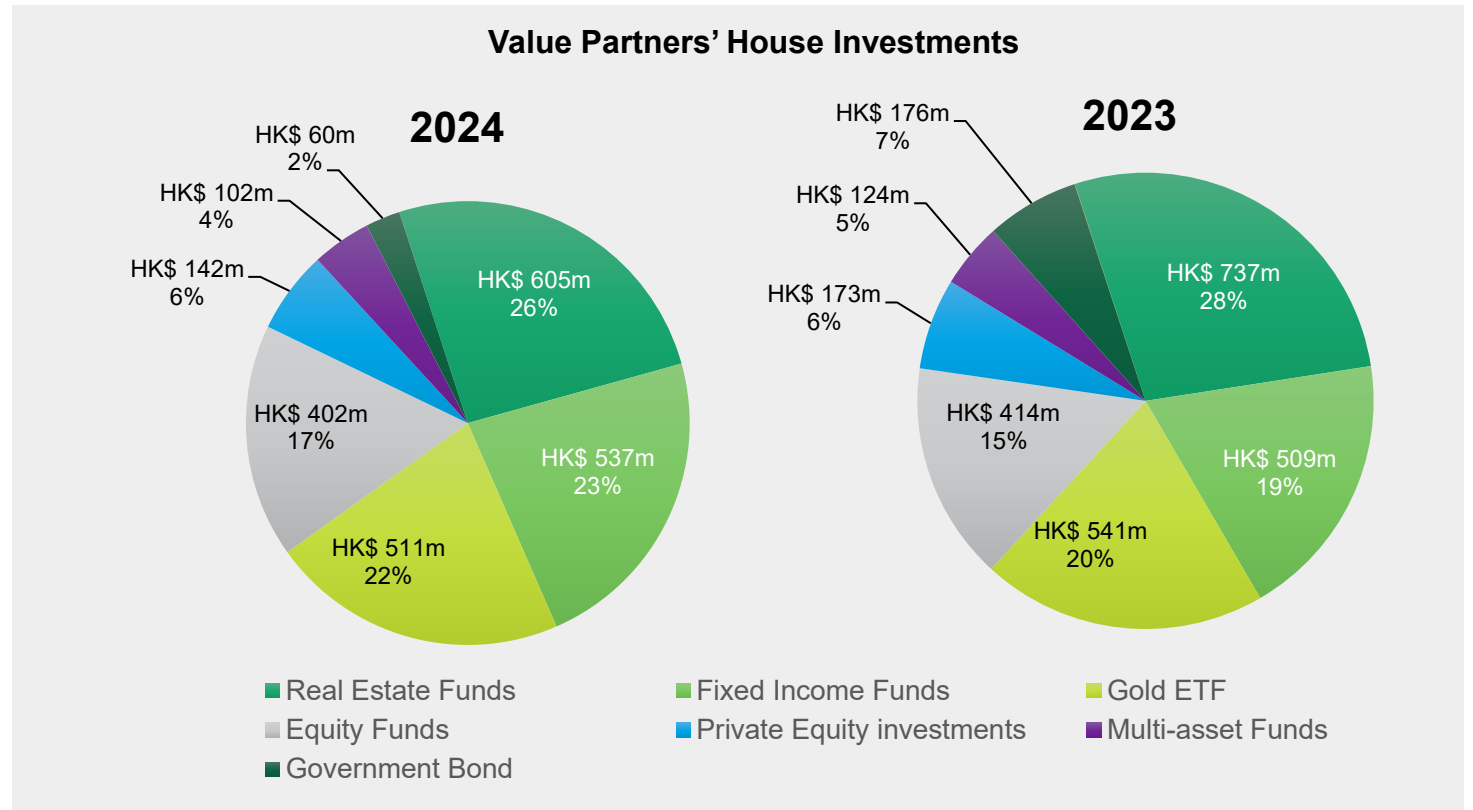




# Strong Balance Sheet and Cash Deployment Strategy

- Continue to maintain a strong balance sheet with cash-rich position and zero debt
- Majority of investments represented seeding investments into our own managed funds
- Continue to deploy cash to seed and incubate new products as we continue to expand our product suite to capture new investor demands and alignment of interest with fund investors
- Keep investing in high quality assets to increase investment returns under manageable risk framework

(HK\$ million) As at 31 December	2024	2023	2022	2021	2020
<b>Net Assets</b>	3,560	3,543	4,494	5,265	5,418
<b>Cash &amp; cash equivalents</b>	1,077	1,559	1,666	1,666	1,974
<b>Investments</b>	2,403	2,740	2,666	3,461	2,417



# Business and Strategy Updates

# Value Partners' Key Business Goals



## Deepening Cross-Border Connectivity to Fulfil Investors' Needs Across Markets

- We actively participated in and continuously benefited from the deepened connect schemes with our qualified funds
- Further leverage on our distribution partners' strong network in mainland China to offer more cross-border investment products to onshore and offshore clients



## Enhancing Investment Research Capabilities and Diversifying Product Offerings

- Deeply aware of the importance of fiduciary responsibility and are committed to continuously enhancing our investment capabilities with higher standards
- Continue to strengthen our investment research capabilities through technology integration, while strategically focusing our resources on core businesses to diversify product offerings
- Embrace AI-driven technology and pioneer investment opportunities emerging from Web 3.0
- Strategically explore Real World Assets (RWA) and other offerings, aiming to provide more diverse investment options to our investors



## Upholding Value Investing and Delivering Stakeholder Value

- Remain anchored in our core philosophy of value investing, prioritizing client interests through rigorous portfolio optimization and enhanced risk management capabilities
- Continue to invest in our greatest asset—our people—by rewarding employees' contribution through equitable incentive program to build a stronger team for sustainable growth

# Value Partners' 3 Key Strategies



**Business Development  
and Client Support**



Product Strategies  
and Solutions



Strategic Initiatives

# Business Development and Client Support

→ Enhancing our client relationships and reach in Hong Kong, mainland China & overseas

→ Empowering clients with suitable products and insights to navigate market volatility



## “Super-connector” role

- Strategically position to utilize Hong Kong’s role as a “super-connector” to mainland China through various cross-border schemes that enable international investors to invest in the mainland China and vice-versa, through our strategic partnership with GF and other local distributors, focusing on cross-border schemes such as Mutual Recognition of Funds scheme (“MRF”), Wealth Management Connect scheme (“WMC”) and Qualified Domestic Limited Partnership (“QDLP”), etc.
- Fully utilize the opportunities from the relaxed sales limit on MRF (from 50% to 80% of the fund’s AUM), and our long-established MRF-equity strategies



## Wealth management segments (mass retail and high-net-worth market)

- Strengthen relationships with distribution partners by providing suitable investment solutions aligned with the market environment, focusing on lower-risk options and income-generating strategies
- Expanded our distribution network to include more banks and distribution partners, both onshore and offshore
- Launched our new J-REIT Fund in April 2024, which was already onboarded by several distribution partners. We expect more partners to onboard the product in the near term
- Continue to build and strengthen our family office coverage in Asia, especially in Hong Kong and Singapore



## Institutional segment

- Noted noticeable renewed interest from Asia, Europe, and the Middle East in our product offerings for Asia and Greater China, especially in our income-focused products. Investors are starting to show renewed interest in risk assets due to observed market improvements in China, a trend likely to accelerate in 2025
- Successfully launched closed end healthcare private equity fund and capturing new investor commitment
- Given our enhanced brand and better coverage in the institutional space, we are fully equipped to hold more brand-building initiatives and build more mandates



## Ongoing guidance and support to navigate prevailing market environment

- Explore virtual assets and related asset management opportunities, along with recent advancements in Artificial Intelligence (“AI”) tools
- Provided clients with comprehensive insights and commentaries, to help them navigate changing market conditions and identify suitable investments, including income-focused strategies and other asset classes that offer further diversification (e.g., gold)
- Guided them to benefit from attractive valuations in the market and position advantageously for a market recovery

# Value Partners' 3 Key Strategies



Business Development  
and Client Support



**Product Strategies  
and Solutions**



Strategic Initiatives

# Delivering High Quality Products & Solutions



- Set different strategies to meet the changing need of institutional clients and retail clients
- Capture new opportunities given the uprise of new business opportunities from cross-border schemes



## Institutional

- Expand connections with institutional clients and insurance companies for business opportunities in MRFs
- Focus to scale China A Shares High Dividend strategy with a four-year strong track record to help international investors capture opportunities brought by regulatory reform in the country
- Create tailored investment grade-focused fixed income and multi-asset solutions for institutional (insurance) clients in the region
- Establish partnerships with alternative investment solution providers to enrich product and solution offerings for institutional clients in the region and abroad
- Explore new markets in Southeast Asia e.g. Singapore, Malaysia, Thailand and Indonesia where the increasing number of high-net-worth individuals is expected to boost demand for quality asset and wealth management services



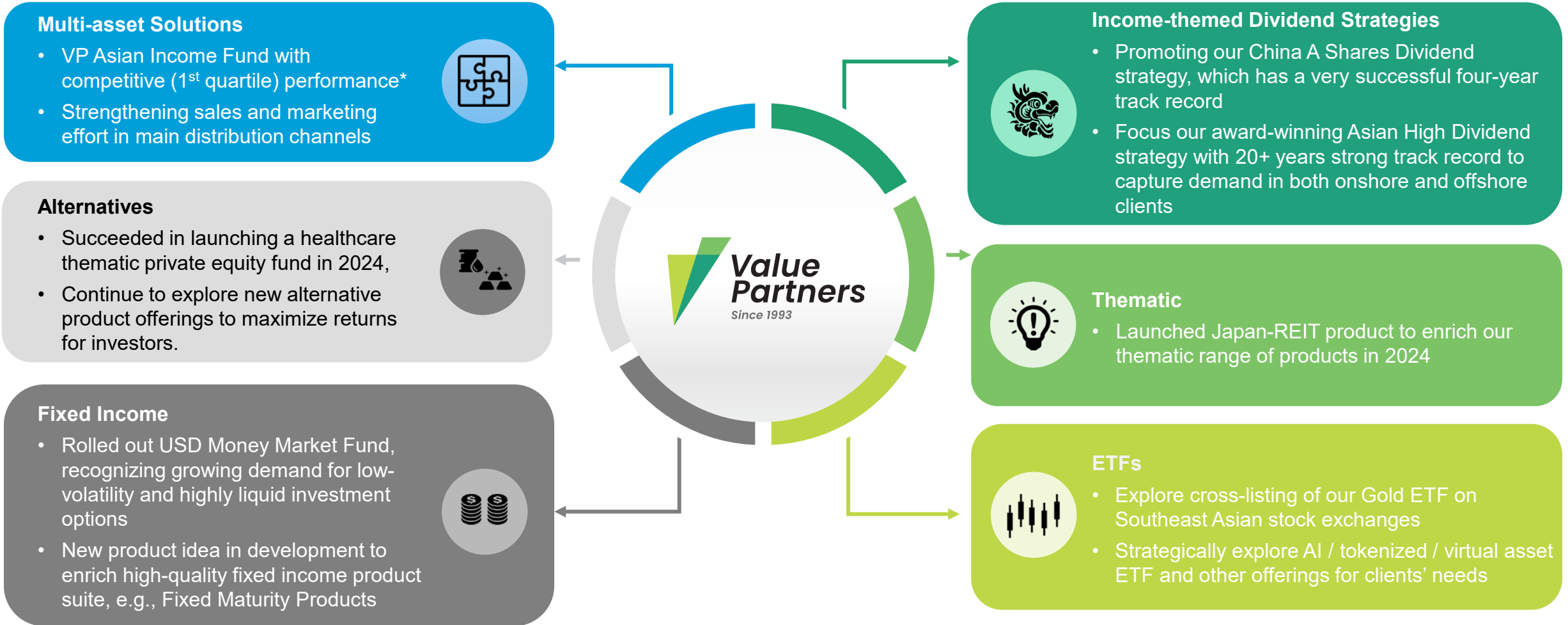
## Intermediaries & ETFs

- Remain strong relationship with local key distributors such as HSBC, AIA, Standard Chartered Bank and Hand Seng Bank etc. to gain more market share
- Launched the first and only SFC-authorized<sup>1</sup> Japan REITs Fund in Hong Kong in partnership with Daiwa Asset Management in April 2024. Focus on scaling the Fund with key distribution partners
- Signed MOU with Daiwa in November 2024 to officially establish a strategic partnership
- Focus on promoting further our income-oriented solutions, including money market, fixed income (Asian Total Return Bond), multi-asset (Asian Income), and equities (High Dividend Equities)
- Strategically explore ETF offerings given the changing asset management landscape with AI and technology advancement

1. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

# Diversification and Growth from Product Suite Expansion

- Focus on our income series and suitably expand alternatives and thematic solutions
- Continued efforts in product development and innovation to cater to investors' evolving needs



Sources: \*Morningstar, for 1-, 2-, 3-, and 5-year periods as of the end of December 2024.



# Value Partners' 3 Key Strategies



Business Development  
and Client Support



Product Strategies  
and Solutions



**Strategic Initiatives**

# Strategic Initiatives Development

- Leverage strategic partnerships to capture a larger share of the region’s “wealth pie”
- Take advantage of Hong Kong’s “super-connector” status in the region

## Leverage strategic partnerships



- **GF Securities**  
(strategic shareholder since 2023)  
– collaboration with GF to expand business potential and tap into larger customer base (e.g., broaden MRF channels, private fund management (“PFM”), and wealth segments in China)
- **Daiwa Asset Management** – execution of a Memorandum of Understanding (“MOU”) with Daiwa in November 2024. This strategic partnership is designed to enhance collaboration in asset management, merging our expertise in the Asian market

## Capture opportunities from cross-border franchises and new onshore policy developments



- MRF proposed enhancements (e.g., relaxing sales limit from 50→80% of fund’s AUM), making it easier to raise more assets from the mainland China
  - Plans of launching our third and fourth MRF products, especially following increased inflows into our current MRF suite
- The new Capital Investment Entrant Scheme (CIES) launched in March 2024
  - We have 17 CIES-eligible funds
- Enhancements to GBA Wealth Management Connect Scheme (WMC 2.0) to include more products
  - We have 11 eligible investment products
- Received approval to roll out a fixed income product through “QDLP” in July 2024, giving more investment options for mainland investors to invest in offshore markets and diversify their portfolios
- Explore opportunities to utilize our “QDIE” license to roll out alternative solutions to Mainland investors

**China Security Journal**  
8<sup>th</sup> Gold Bull Overseas Awards  
One Year Golden Bull Overseas China Equity Fund  
2024

**Asset Benchmark Research**  
- Top Investment House  
- Most Astute Investor  
2024

**China Fund News**  
2<sup>nd</sup> Yin Hua Award (Overseas Fund awards  
1-year China bond and 3-year China equity  
2024

### Bloomberg Businessweek (Chinese Edition)


- Best Performer | Mutual Funds (1 year), Mixed Allocation – Asia Pacific
- Best Performer | Mutual Funds (1 year), Equity – Taiwan

2024

- Outstanding Performer | Mutual Funds (1 year), Mixed Allocation - Asia Pacific
- Best Performer | Mutual Funds (5 years), Mixed Allocation - Asia Pacific
- Outstanding Performer Commodity | ETFs (NAV Tracking Error 1 year), Commodity

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