

Asia ex-Japan High-Dividend Equity Strategy

Pioneer in value investing since 1993

NGF Boutiques 2023

Lead Portfolio Manager Supported by an Experienced Team



Norman HO, CFA, Senior Investment Director

Investment Focus: Asia ex-Japan Equity

Location: Hong Kong

Experience (industry/VP): 34/27

- Portfolio Manager of the Asia ex-Japan high dividend equity strategy since inception in September 2002
- A senior leader in the Group's investment team, with more than 30 years of asset management and financial industry experience

Senior investment staff have an average of **23 years** of industry experience and an average of **19 years** at Value Partners

Co-Chief Investment Officers

Dato Seri CHEAH (34 / 30)

Louis So (24 / 24)

Senior Investment Directors

Norman HO (34 / 27)

Renee HUNG (25 / 25)

Investment Directors

Michelle Yu (19 / 19)

Jing Luo (18 / 6)

Chen Jun Yu (15 / 13)

Lilian Cao (15 / 8)

Research Team

Located in Hong Kong

Van LIU (11 / 2)

Jingyi ZHANG (6 / <1)

Gilbert WONG (7 / 2)

C Y LAU (1 / 1)

Ken LEE (6 / 1)

Chloe KIM (4 / <1)

Located in Shanghai

Xinyu LIAO (16 / 1)

Gao Xiang ZHENG (7 / 4)

Fan LI (11 / <1)

Xiaoyang FAN (4 / 4)

Xing LIU (9 / 3)

Cloud GAO (4 / 2)

Boyi LI (3 / 2)

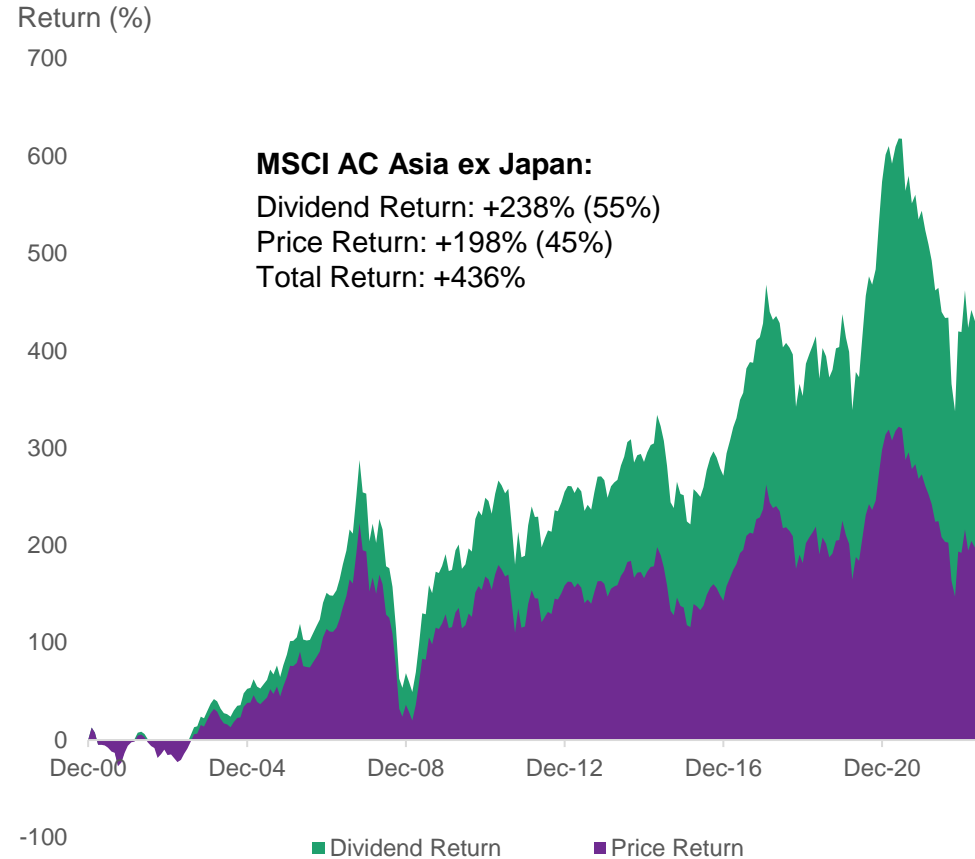
Derek LONG (<1 / <1)

Located in Singapore

Wei Ming ANG (8 / 4)

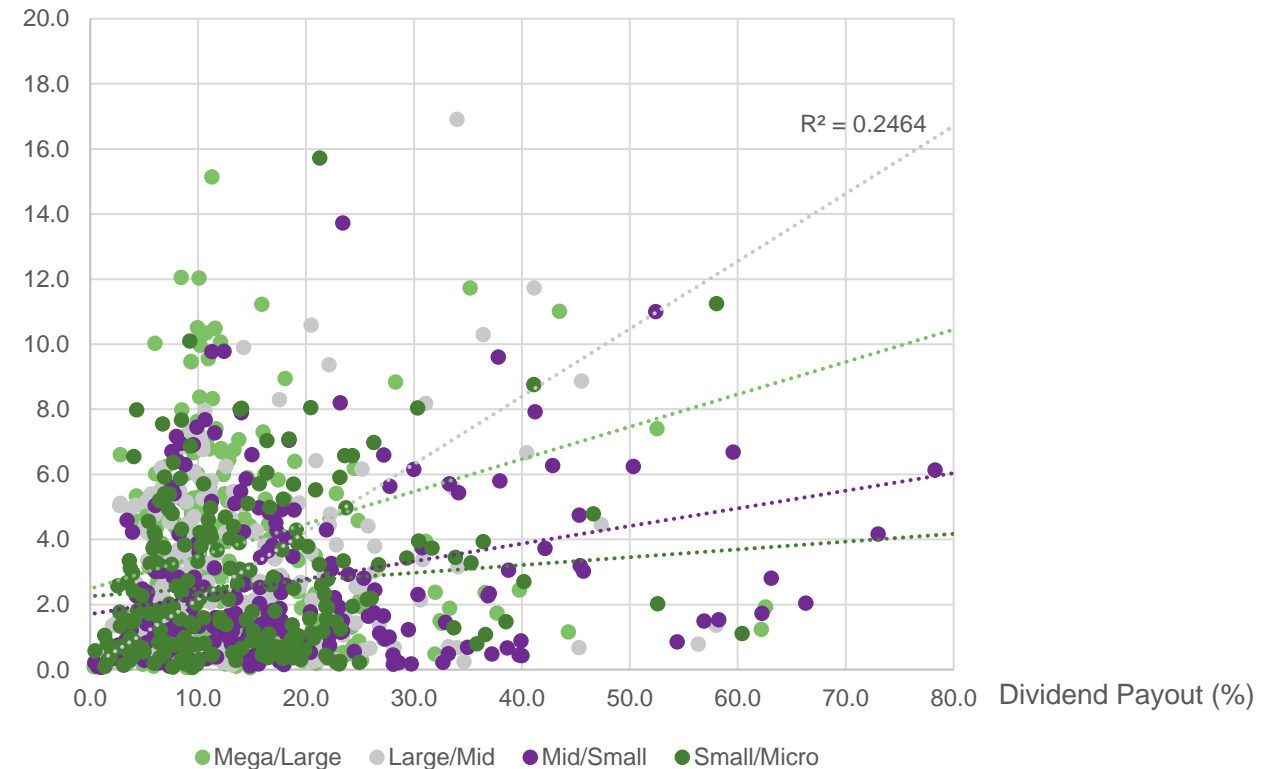
Saieswari VEDULA (4 / 1)

Why Dividends Matter in Asia



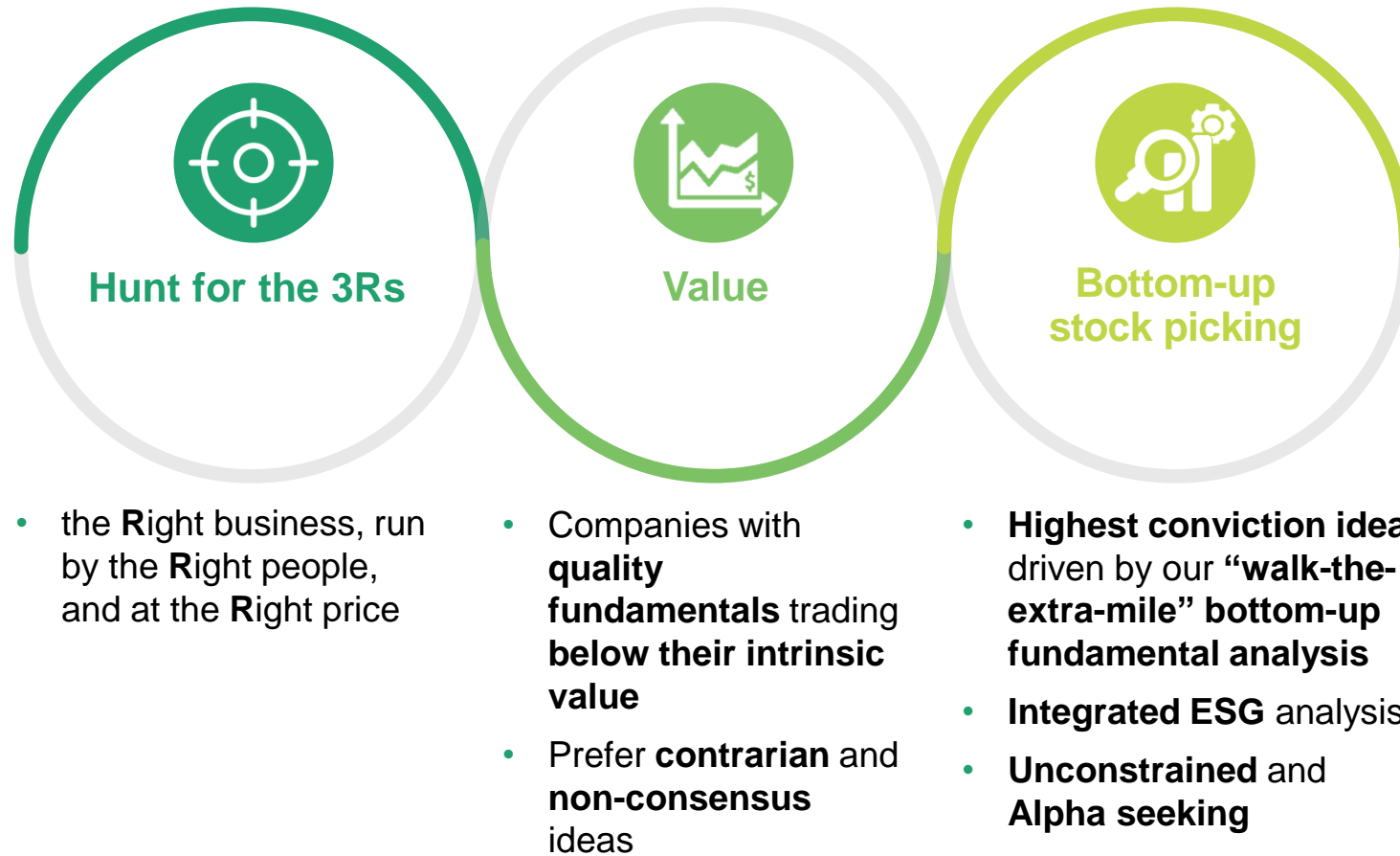
Dividend return represents more than half (55%) the total return of the MSCI AC Asia ex Japan Index, since 2001. The compound effect of dividends provides a significant and steady source of return for investors.

ROE (%) **Dividend Payout vs ROE conditional on Market Cap**



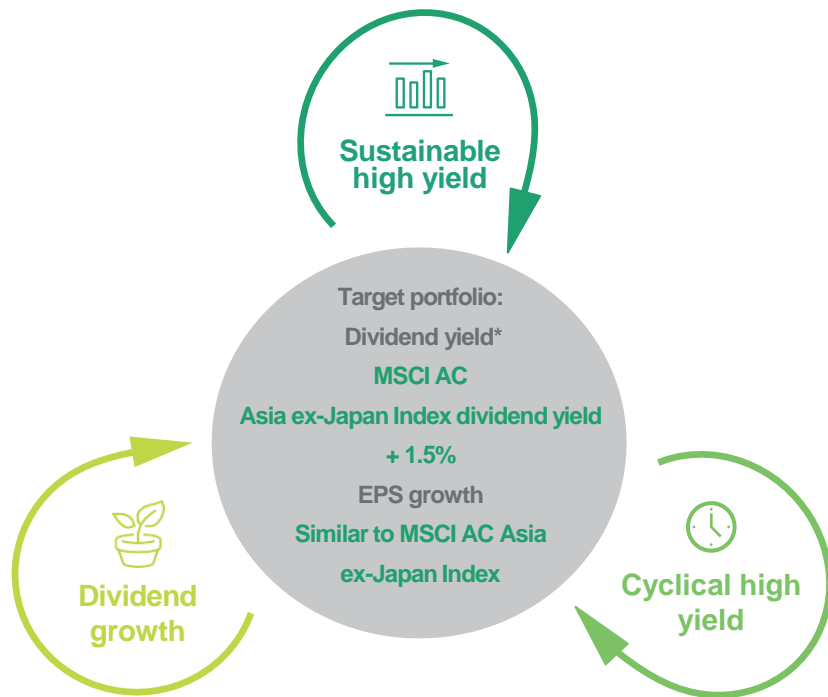
There is a significant positive correlation between Dividend Payout Ratio and Return on Equity (ROE) in the mid to large cap space in Asia – presenting an attractive universe to hunt for high quality companies.

Core Investment Principles



Our Approach to Dividend-based Total Return Investing

Proven, 3-sleeves approach to delivering income and growth



Sustainable High Yield

- Long track record of relatively stable dividends, tend to be large-cap and/or mature businesses
- Defensive sectors and/or defensive business models
- Healthy balance sheet, positive free cash-flow, stable earnings
- Return expectation: 6-8% dividend yield, single digit EPS growth, no P/E de-rating or re-rating
- Example: Telecom, utilities, large banks, pharmaceuticals, consumer staples, conglomerates



Cyclical High Yield

- Industry leaders in cyclical sectors, tend to be mid-cap and/or younger companies
- Typical entry close to trough of business cycle, expect the companies to emerge stronger in the up-cycle
- Financially strong enough to maintain dividends, with attractive yield given depressed share price
- Return expectation: 2-4% dividend yield, EPS rebound, P/E re-rating
- Example: Consumer discretionary, industrial, energy, material, technology



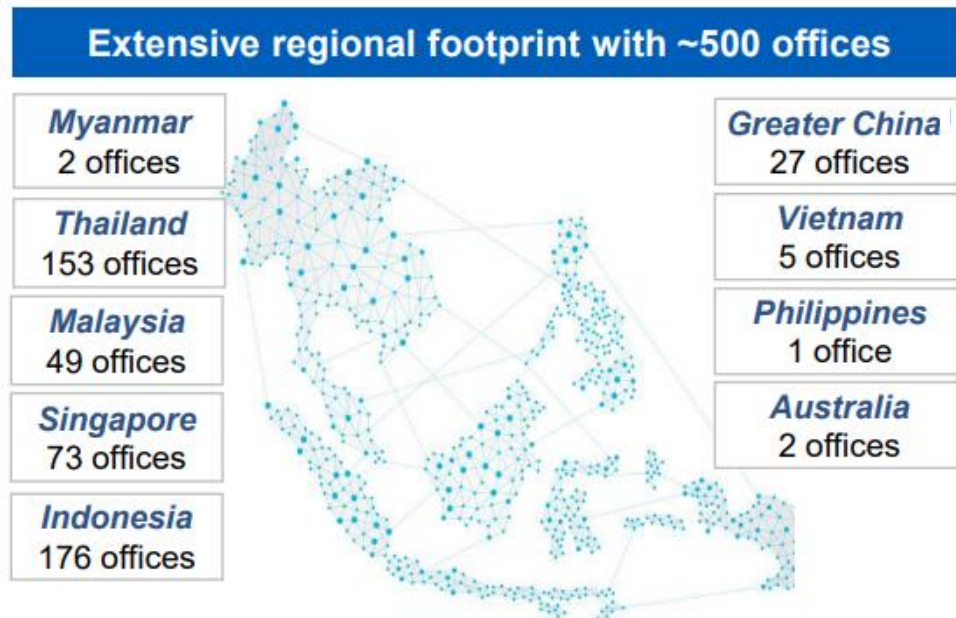
Dividend Growth

- Structural growth sectors, or companies with specific structural growth attributes
- Dividend is low, due to low payout ratio. Valuation has to be reasonable.
- High probability that DPS will increase, either due to fast earnings growth or increasing payout ratio
- Return expectation: 0-2% dividend yield, double digit EPS growth, increase in dividend payout ratio
- Example: Internet, advanced technology

Sustainable High Yield Example: UOB Group (UOB SP)

Tapping retail business expansion and digitalisation to support a higher ROE

- UOB is one of the largest banking groups in the ASEAN region, headquartered in Singapore, and with a diversified geographical exposure across the ASEAN states.
- The “higher for longer” interest environment is supportive of UOB sustaining a 13% ROE (versus 10-12% in the historical range).
- An increasing market share of retail business (driven by initiatives like the acquisition of Citi’s retail franchise in some ASEAN markets), as well as growth from low-capital-usage and high-return businesses like wealth management and transaction banking, provide additional support to UOB’s ROE profile.
- Leveraging its popular banking APP, ‘UOB TMRW’, the company has increased digital engagement with customers and improved cost efficiency.
- With a healthy and stable credit quality (1.6% NPL ratio and 99% NPA coverage), as well as a strong capital position (13.6% CET1), we believe UOB is in a very comfortable position to further grow its DPS.



Source: Company presentation

	2021	2022	2023E	2024E	3Y CAGR
EPS Growth (%)	-	13.0%	28.7%	3.8%	14.7%
P/E (x)	12.3	10.9	8.4	8.1	-
DPS Growth (%)	-	21.2%	43.3%	4.0%	21.8%
ROE (%)	10.2%	11.1%	13.2%	13.0%	-
Dividend yield	3.4%	4.1%	5.9%	6.1%	-

Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results.

Cyclical High Yield Example: Kia Motor (000270 KR)

Well placed to improve shareholder returns

- Kia Motor is one of the largest automakers in Korea, with a strong sales presence in Asia, Europe and North America.
- Following a complete product and image revamp, the company has been gaining market share in the US and Europe for the past 3 years. This has resulted in higher average selling prices, lower dealer incentives and higher second-hand prices, combining to deliver an increasing operating margin.
- Ongoing production recovery supports YoY volume growth, while a healthy order backlog, with an elevated SUV mix, keeps the strong margin profile intact.
- One of the highest margin EV Original Equipment Manufacturer's globally and showing strong EV shipment growth (guidance: +58% YoY in 2023). The 'teaser' on EV9 (large SUV EV launched in 2Q23) appears to have been well received by the market.
- Valuation is undemanding, while management's guidance of KRW500bn/annum share buyback for the next five years, plus 50% cancellation, confirms signs of improving shareholder returns.



Source: Company website.

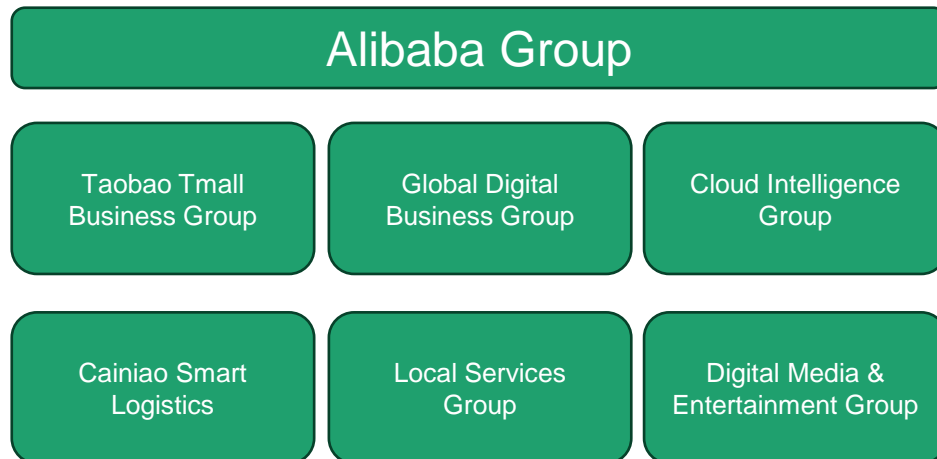
	2021	2022	2023E	2024E	3Y CAGR
EPS Growth (%)	-	13.8%	68.0%	-3.3%	22.7%
P/E (x)	6.8	6.0	3.6	3.7	-
DPS Growth (%)	-	16.7%	37.1%	2.3%	17.8%
ROE (%)	14.7%	14.6%	20.9%	17.4%	-
Dividend yield	3.7%	4.4%	6.0%	6.1%	-

Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results.

Dividend Growth Example: Alibaba (9988 HK)

The e-commerce giant entering a new era

- Alibaba is the largest e-commerce player in China, with a robust ecosystem that covers logistics, cloud services, international e-commerce, local consumer services, as well as digital media and other innovation initiatives.
- Despite strong competition from new entrants and short-form video service providers, Alibaba's core e-commerce business has started to stabilise. Its initiatives to streamline other businesses and improve efficiency, have driven it to post 14% YoY revenue growth and 43% non-GAAP profit growth in 2Q2023.
- Meanwhile, it has announced a US\$40bn share buyback scheme and unveiled a sweeping reorganisation plan to unlock shareholder value, including distribution of the cloud business to existing shareholders in the form of stock dividends.
- However, the latest management changes (including the unexpected, full exit of Daniel Zhang from Alicloud) and the sluggish retail sales environment in China, have continued to cast some shadows over the outlook and exerted downward pressures on its share price.



	FY22	FY23	FY24E	FY25E	3Y CAGR
EPS Growth (%)	-	3.5%	21.1%	10.2%	11.4%
P/E (x)	12.2	11.8	9.8	8.9	-
DPS Growth (%)	-	-	-	-	-
ROE (%)	12.7%	13.2%	12.8%	12.6%	-
Dividend yield	-	-	-	-	-

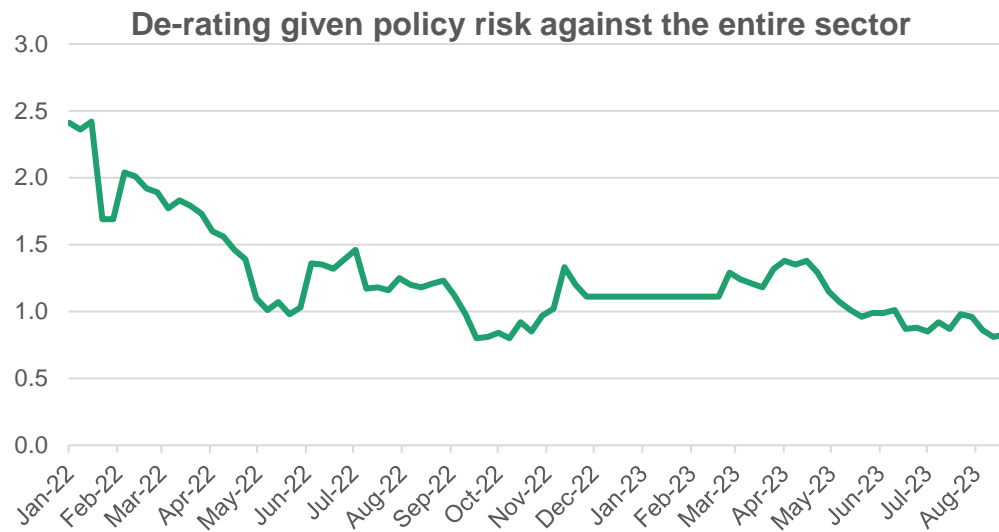
Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results.

Source: Company website.

Lessons Learnt: Yuhua Education (6169 HK)

Impacted by policy change and bond refinancing

- The company is a leading private educational services group in China, operating private universities, high schools and schools providing compulsory education.
- The regulatory requirement for private primary and middle schools to be classified as “not-for-profit schools” negatively affected the company, forcing it to carve out the related schools.
- The subsequent decline in share price, made it difficult for the company to roll over its convertible bonds and led it to restructure these, thus creating a large potential dilution of its share capital.
- Despite the stable private university business, the aforementioned factors negatively affected the company’s business operations and financial management, and hence its capability to pay dividends.
- We exited the position at a loss due to the significant policy risk facing the sector. This has led us to pay even stronger attention and undertake even more detailed analysis on policy risks and the implications of such risks on a company’s financials.



Source: Company website.

Any security(s) mentioned above is for illustrative purpose only, not a recommendation to invest or divest.

	FY21	FY22	FY23E	FY24E	3Y CAGR
EPS Growth (%)	-	33.3%	-18.8%	-14.2%	-2.4%
P/E (x)	2.6	2.0	2.4	2.8	-
DPS Growth (%)	-	-	-	-	-
ROE (%)	22.3%	23.6%	19.5%	12.2%	-
Dividend yield	19.6%	-	-	-	-

Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results.

Asia ex-Japan High-Dividend Equity Strategy

Representative account portfolio characteristics

Characteristics	Portfolio	Index ¹
Average Weighted Market Cap (US\$m)	90,675	116,221
Median Market Cap (US\$m)	5,622	7,118
P/E (LTM)	7.18	14.00
P/E (NTM Estimate)	7.09	14.15
Price/Sales	0.44	1.28
Price/Cash Flow	2.83	7.13
Price/Book	0.75	1.52
Dividend Yield (%) ²	5.33	2.50
ROE	13.72	14.55
Historic 3 YR EPS Growth (%)	15.2	21.5

	Portfolio
Tracking Error ⁴	11.6%
Active Weight ⁵	83.0%
Positions	83

	Top holdings	Industry ³	Listing	Portfolio	Index
1	Samsung Electronics Co Ltd	Technology Hardware & Equipment	South Korea	6.8	4.9
2	China Telecom Corp Ltd	Telecommunication Services	H-shares	5.3	-
3	Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & Semiconductor Equipment	Taiwan	5.0	7.2
4	China State Construction International Holdings Ltd	Capital Goods	Red Chips	3.1	0.1
5	China Construction Bank Corp	Banks	H-shares	3.0	-
6	Sinopharm Group Co Ltd	Pharmaceuticals, Biotechnology & Life Sciences	H-shares	3.0	0.1
7	China Railway Construction Corp Ltd	Capital Goods	H-shares	2.8	0.1
8	Samsung Engineering Co Ltd	Capital Goods	South Korea	2.4	0.1
9	Alibaba Group Holding Ltd	Retailing	H-shares	2.3	3.4
10	China Merchants Bank Co Ltd	Banks	H-shares	2.3	0.4

Data as at 31 July 2023. Sources: Value Partners, HSBC Institutional Trust Services (Asia) Limited and Bloomberg.

This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.

1. Benchmark index refers to MSCI AC Asia ex Japan Index. Index is for reference only.

2. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio.

3. Classification is based on Global Industry Classification Standard (GICS).

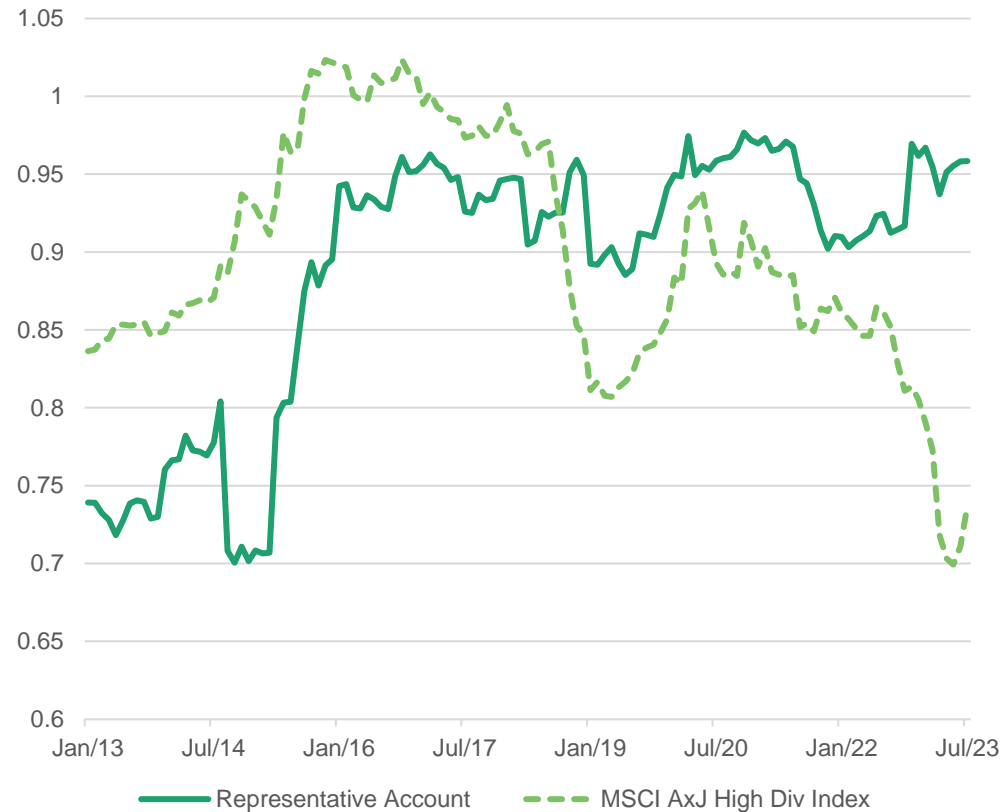
4. Calculation benchmark for tracking error: MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index.

5. Calculation benchmark for active weight: MSCI AC Asia ex Japan Index.

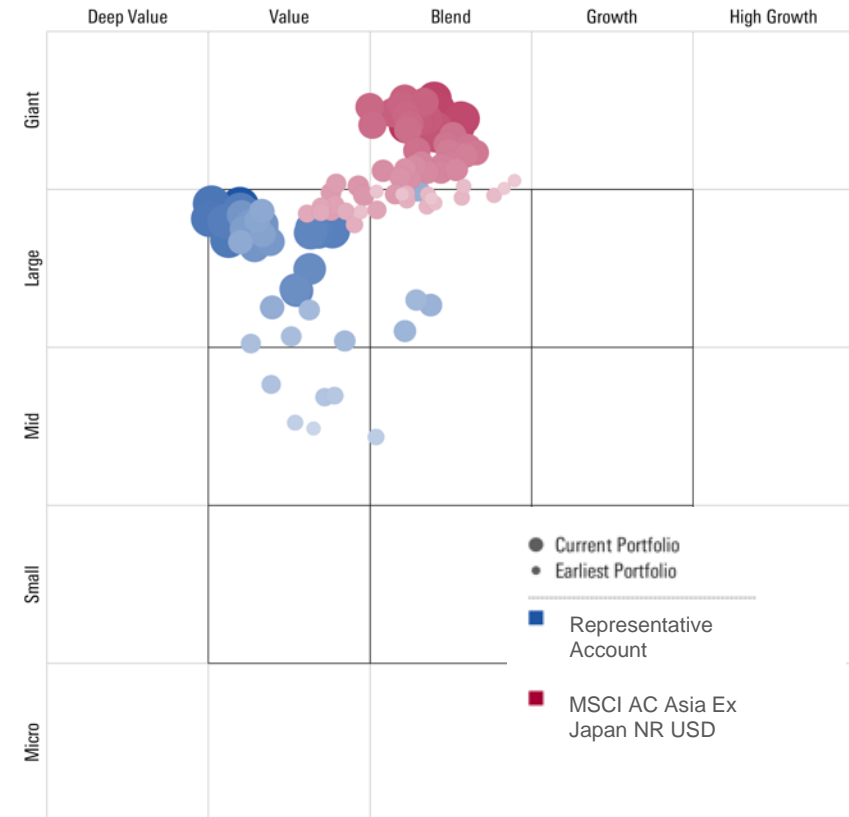
Consistent Risk and Style Exposures

Low beta, large & mid-cap focus with a value style

Ex-post Market Beta (Rolling 3-year, Monthly)
Relative to MSCI AC ex-Japan Index



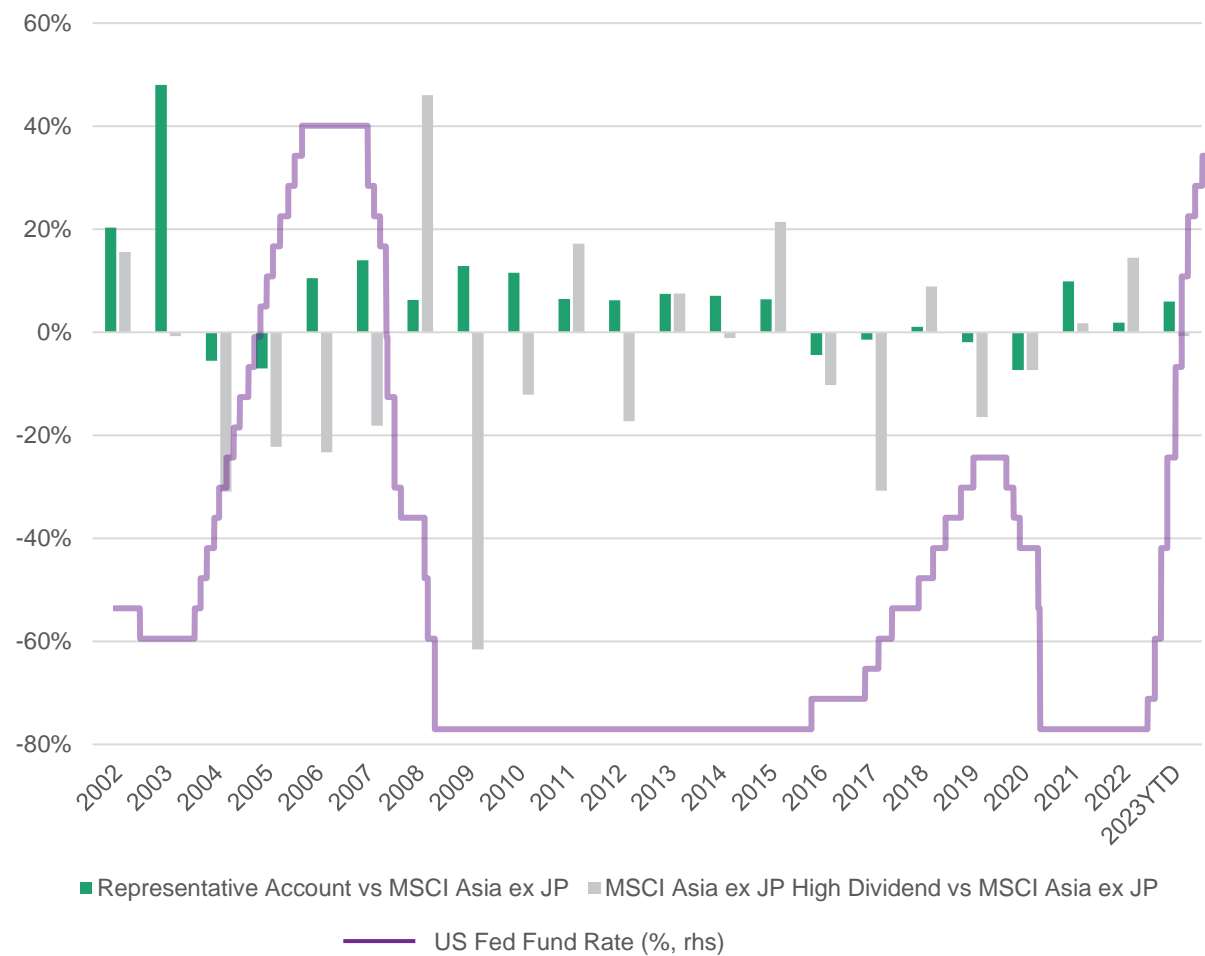
Consistent Value Style Since Inception
Relative to MSCI AC Asia ex-Japan Index



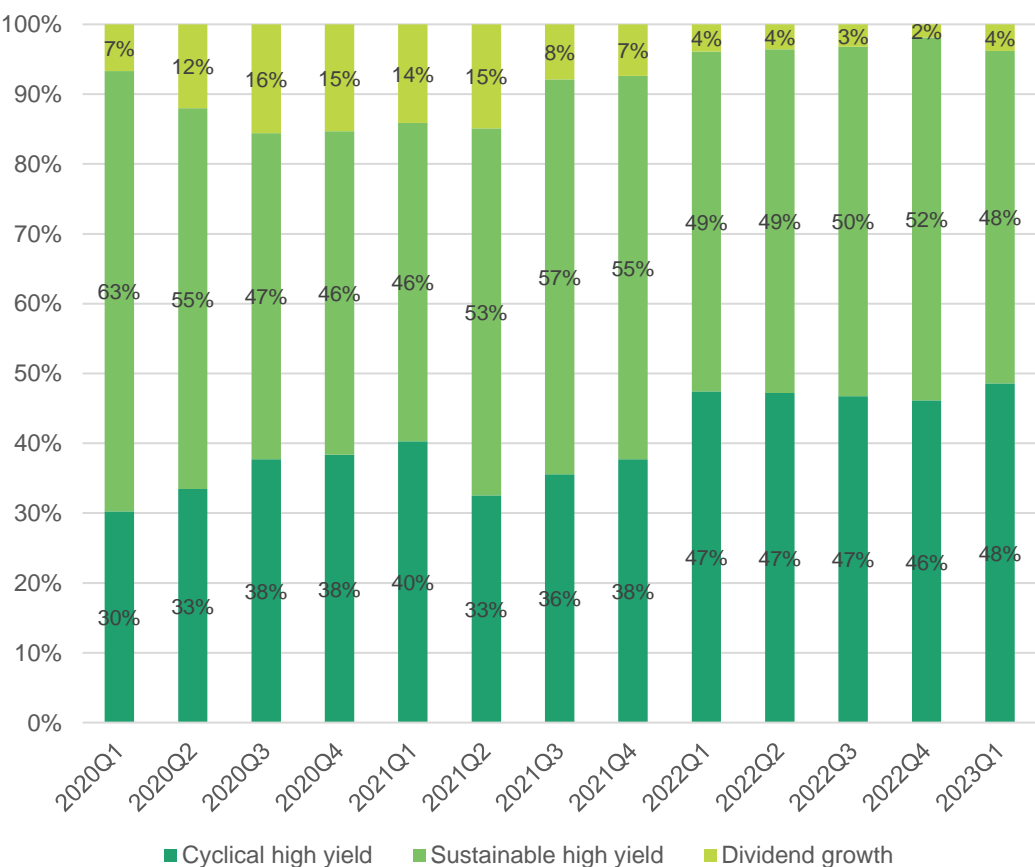
Understanding and Managing Challenging Environments

Dynamic allocation across 3-sleeves helps mitigate style relative risks

Relative Performance of Representative Account & High Dividend Index



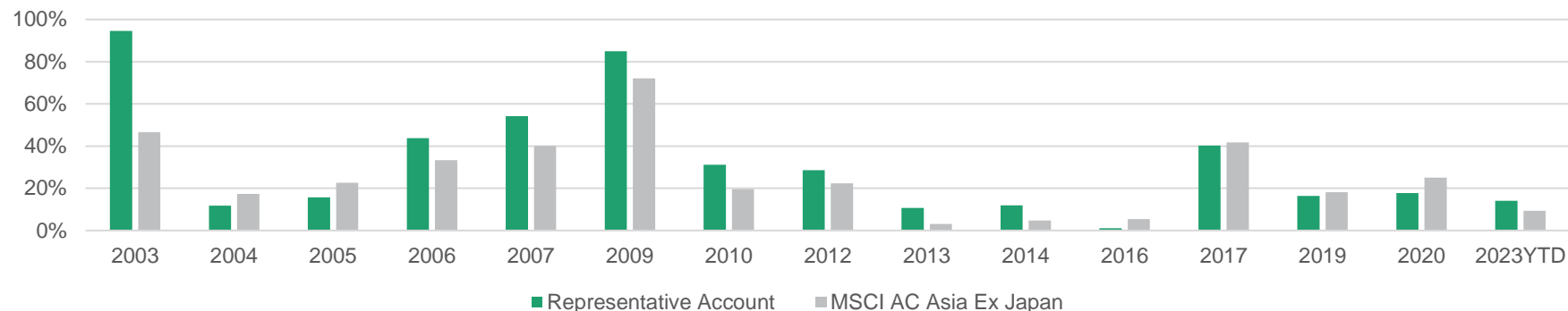
Active allocation across sleeves



Source: Morningstar, data as at 30 June 2023.
This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.

Delivering Strong “All-weather” Performance

Up Markets



Up Markets:

of years: 15

of outperforming years: 9

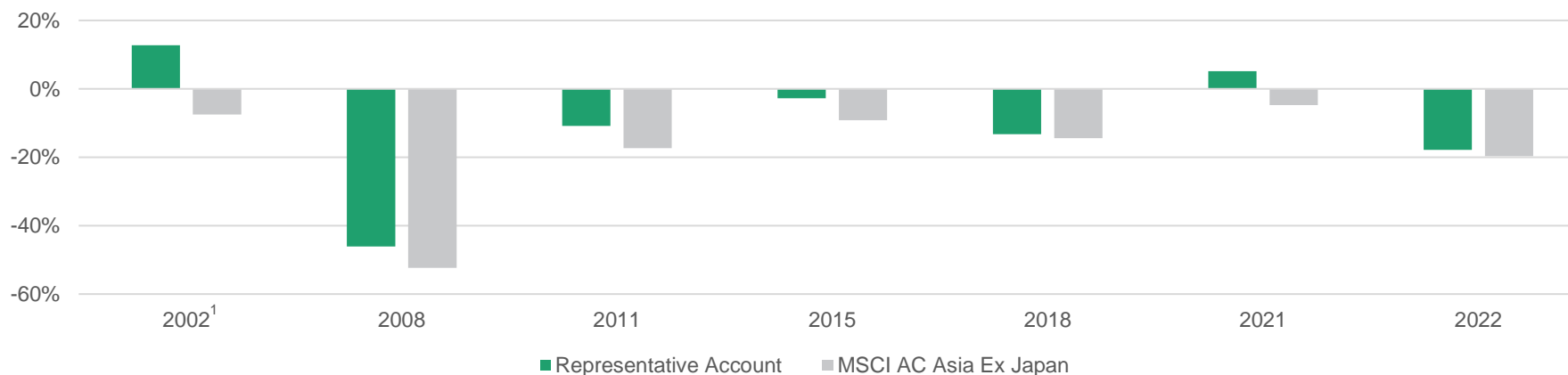
% outperformance in up markets: 60%

Average Portfolio Return: +32%

Average Market Return: +25%

Upside Capture Ratio: 125%

Down Markets



Down Markets:

of years: 7

of outperforming years: 7

% outperformance in down markets: 100%

Average Portfolio Return: -10%

Average Market Return: -18%

Downside Capture Ratio: 58%

Data as of 31 July 2023. Source: Morningstar. Representative account performance is gross of all fees.
 This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.
 1. Inception Date: 2 September 2002.
 Past performance is not indicative of future results.

Summary

1



Dividend based total return strategy capturing investment opportunities across the Asia ex-Japan equity market

- Primarily allocated to high-dividend stocks providing a sustainable high yield and/or a cyclical high yield and selectively allocated to stocks with a visible dividend growth trajectory over the coming years
- Relatively low beta strategy given strong dividend and value focus
- “True to label” with strong style consistency since inception

2



Active, fundamental research driven bottom-up stock picking

- Unconstrained, benchmark agnostic style with high active share of 83%¹
- Diversified, all cap portfolio comprising 85-100 holdings
- Dividend yield of 5.5%*

3



Consistent and proven track record under the same portfolio manager

- Managed by Norman Ho since inception on 2nd September 2002
- Annualised excess returns of +6.5% per annum versus the MSCI AC Asia (ex-Japan) Index² and +5.1% per annum versus the MSCI AC Asia (ex-Japan) High Dividend Yield Index³ since inception, with stock selection being the key performance driver
- Strategy assets under management of c.US\$1.6bn in a Hong Kong domiciled Fund, and shortly to be launched as an Article 8 Fund in Value Partner’s Dublin ICAV (Q1 2024)

Source: Value Partners and HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in USD, NAV to NAV, with dividends reinvested and gross of all fees. Please refer to performance details on slide 26. Data as at 31 July 2023. This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.

1. MSCI AC Asia ex Japan Index is used as the calculation benchmark for active share.

2. MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in Investment profile. Please refer to performance details on slide 26.

3. MSCI AC Asia Pacific (ex-Japan) High Dividend Yield Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) High Dividend Yield Index (Total Net Return) due to a change in investment profile. MSCI (Total Net Return) Indices takes into account of dividend reinvestment after deduction of withholding tax. Please refer to performance details on slide 26.

* Annualised yield is calculated as follows: (Latest dividend amount/NAV as at ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only, and that there is no guarantee as to the actual frequency and/or amount of dividend payments.

Appendix

Corporate Introduction



Founded in 1993, Value Partners is a **regional expert with three decades of investment experience in Greater China and Asia** and today is one of Asia's leading asset managers with AuM of US\$6.2 billion¹



Commitment to Value Investing, where the “ideals of value investing are implemented and transmitted to future generations”



Well-resourced investment team, with **over 50 investment professionals pursuing a fundamental investment approach** focusing on Greater China and Asian investments



Ambition to being a market leader in the integration of ESG analysis within Greater China and Asian portfolios



Headquartered in Hong Kong, with offices in Shanghai, Shenzhen, Kuala Lumpur, Singapore, London, and a representative office in Beijing, providing localised investment research and client servicing



Diversified client base across client types (e.g. global institutions, family offices, private banks) and geographies (Greater China, Australia, UK and continental Europe)

Independent asset manager

Value Partners is listed on the Hong Kong Stock Exchange since 22 November 2007. (Stock code: 806 HK)

Shareholding structure¹:

- 44.4% - Management and co-founders
- 55.6% - Public shareholders





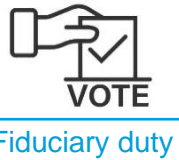


Investment management is our core business and our compensation structure is closely aligned to investment performance

Investment Process Overview



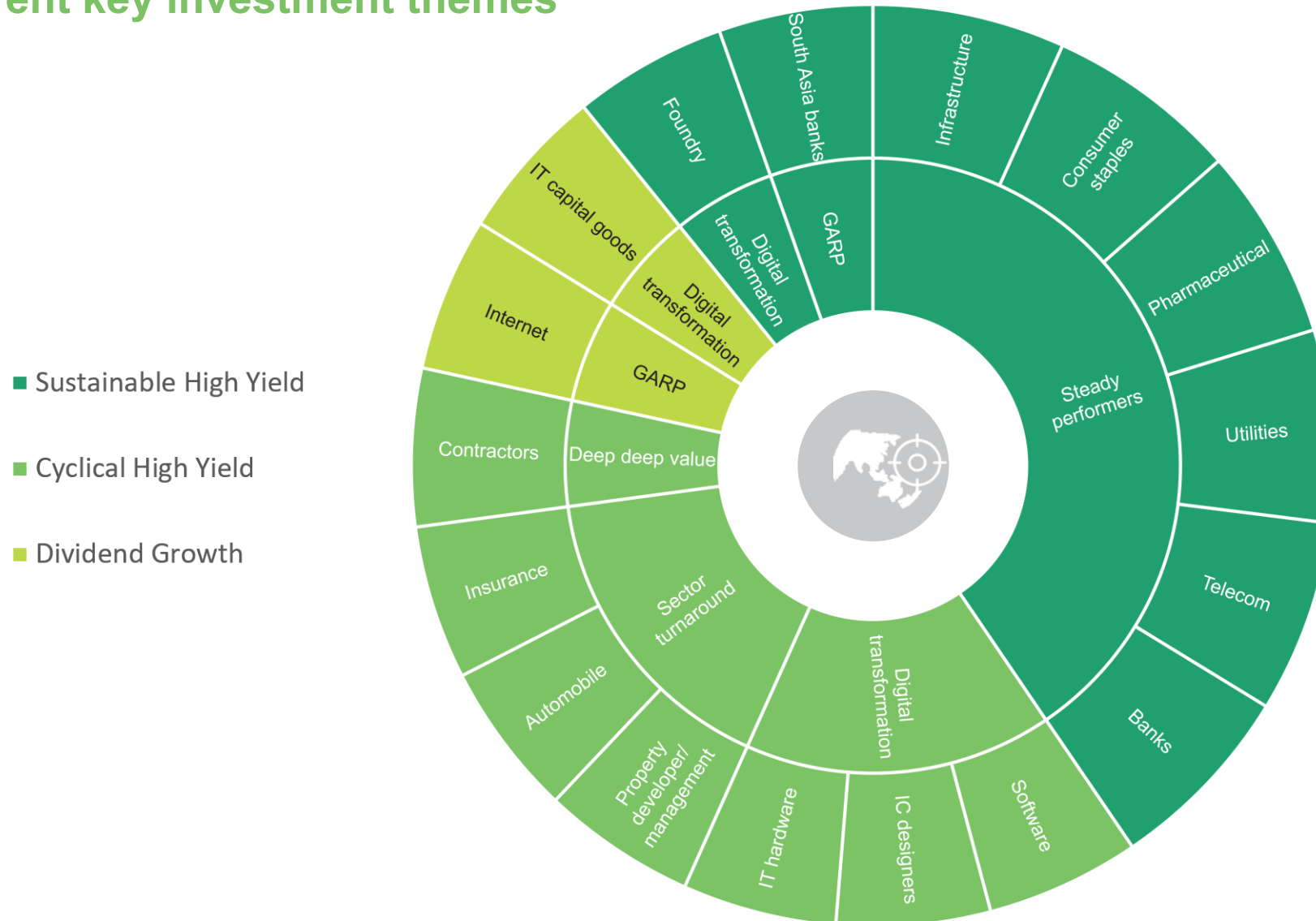
Responsible Investing

ESG analysis is an integral part of the Group’s investment process as we view the Responsible Investing (RI) framework as a crucial step to identify sustainability related Risks and Opportunities. Our RI approach involves four steps:

	What we do	Who’s in charge
1. Risk-based exclusion Initial step	Negative screens  →  ESG investible universe	ESG Analysts
2. Proprietary risk assessment The core pillar of our ESG investment process	 +  Deep dive due diligence	ESG Analysts Investment Team
3. Active Engagement The core pillar of our ESG investment process	  Engagement with investees to address concerns & track progress	
4. Post-trade monitoring Risk management	 Scope of review: <ul style="list-style-type: none"> • RI policy enforcement • Monitor Portfolio ESG scoring on group and portfolio levels 	Risk Team

Asia ex-Japan High-Dividend Equity Strategy

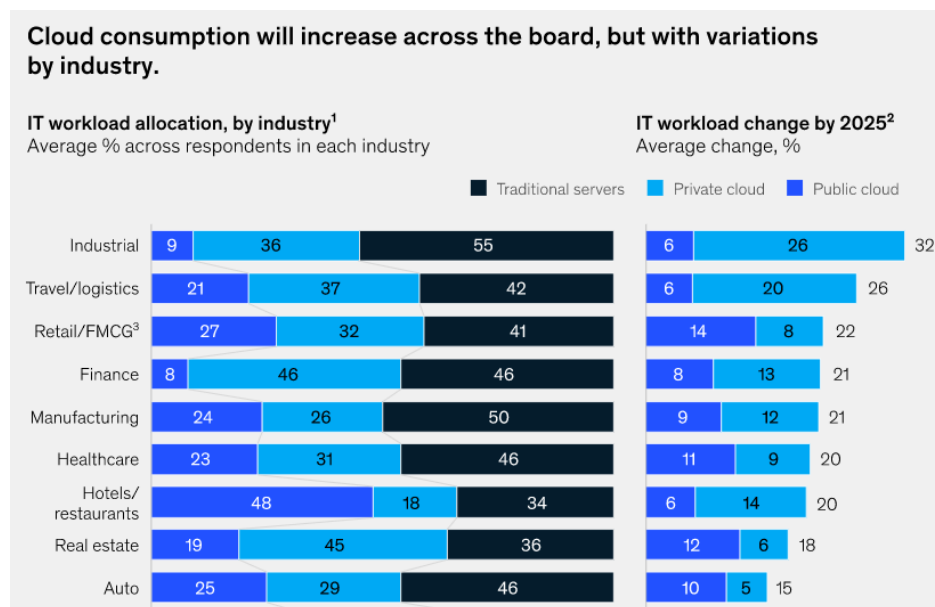
Current key investment themes



Sustainable High Yield Example: China Telecom (728 HK)

Key beneficiary of China's digital transformation

- China Telecom is the second largest mobile services provider in China. The Company's main business includes mobile telecommunications services, wireline and smart family services, and industrial digital services.
- Sustainable and stable dividend track record – with dividend per share growing every year in the last 3 years. Commitment to raise dividend payout ratio to more than 70% in the near future.
- Strong net-cash (balance sheet), peaked 5G capex cycle (reduced costs), strong free-cash-flow to support steady earnings and dividend growth.
- The company should continue to benefit from structural growth factors such as increasing industrial demands for cloud services. The company's cloud service, “e-surfacing Cloud”, is ranked 1st amongst telecom operators and 3rd amongst public cloud service providers in China.



	2021	2022	2023E	2024E	3Y CAGR
EPS Growth (%)	-	6.9%	10.0%	12.0%	9.6%
P/E (x)	12.9	12.0	10.9	9.8	-
DPS Growth (%)	-	17.1%	20.4%	13.6%	16.4%
ROE (%)	6.5%	6.5%	7.0%	7.5%	-
Dividend yield	4.6%	5.3%	6.3%	7.2%	-

Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results.

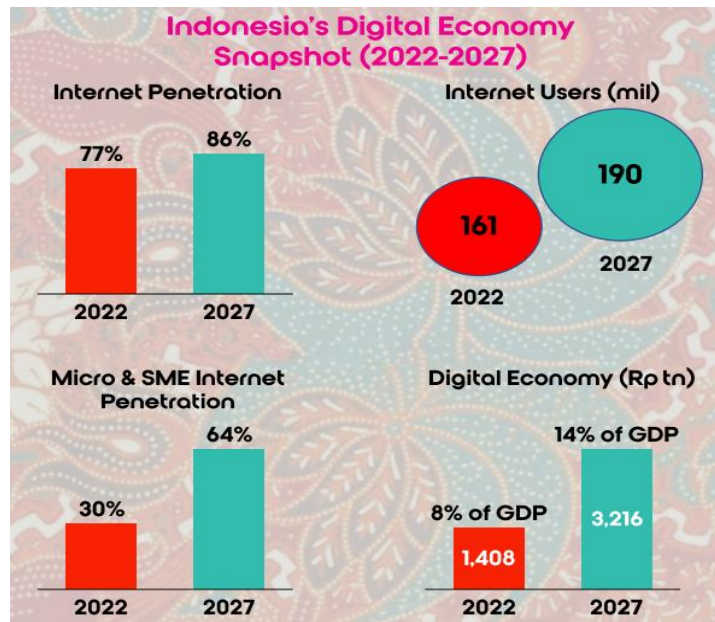
Source: McKinsey China Cloud Survey 2021. 1. Answers to the question: “What percentage of your company's overall IT workload is currently traditional servers, private cloud, and public cloud, respectively?” 2. Answers to the question “What's the expected percentage change in the next three years? Answers extrapolated to 2025.”

Any security(s) mentioned above is for illustrative purpose only, not a recommendation to invest or divest.

Cyclical High Yield Example: Indosat (ISAT IJ)

Tapping the synergies from the merger

- Indosat is the 2nd largest telecom operator in Indonesia, created in 2022 by the merger of the 3rd & 4th largest players, Indosat Ooredoo & Hutchison 3 Indonesia.
- We believe the potential synergies of the merger, including the increased scale and combined spectrum, are being underestimated by the market. The company is on track to achieve its 'average revenue per unit' growth target and its decision to maintain both brands, helps reduce the risk of subscriber attrition.
- The merger has resulted in a more rational competitive environment for the industry. Participants can now focus more on monetising opportunities and enjoy the tailwinds from the expansion of Indonesia's digital economy, which should lead to an increase in customers' data consumption - data usage has already grown by nearly 3.5 times between 2018 and 2022. We also see a measured regulatory environment for the industry.
- The company has reported 10% YoY revenue growth and 24% YoY EBITDA growth for 1H2023; the adjusted earnings (excluding one-offs) were up by 752% YoY, due partly to the low base a year ago.



Strong growth prospects of Indonesia's digital economy provides solid potential for Indosat

	2021*	2022*	2023E	2024E	3Y CAGR
EPS Growth (%)	-	19.1%	137.0%	43.6%	59.4%
P/E (x)*	65.6	55.1	23.3	16.2	-
DPS Growth (%)	-	3.1%	-36.1%	43.5%	-1.9%
ROE (%)*	-	5.2%	11.8%	13.8%	-
Dividend yield	2.5%	2.6%	1.6%	2.3%	-














Source: Bloomberg consensus estimates as of 15 September 2023. Economic forecasts are as of the date specified, and there is no guarantee that these forecasts will be met. Moreover, past performance does not guarantee future results. (* earnings data were adjusted to exclude the one-off gains in 2021/2022, when calculating PE and ROE)














Source: Company presentation.

Any security(s) mentioned above is for illustrative purpose only, not a recommendation to invest or divest.

Asia ex-Japan High-Dividend Equity Strategy

Representative account sector and geographical allocation

Sector exposure ^{1,2}	Portfolio (%)	Index ³ (%)	Deviation from Index ³
Information Technology	19.2	23.2	-4.0% 
Industrials	15.4	7.4	7.9% 
Communication Services	13.2	10.0	3.2% 
Consumer Discretionary	10.2	15.3	-5.2% 
Banks	9.9	12.9	-2.9% 
Other Financials	8.5	3.0	5.5% 
Insurance	7.6	4.6	3.0% 
Utilities	4.6	2.4	2.2% 
Real Estate	4.6	3.4	1.2% 
Health Care	3.0	3.8	-0.8% 
Consumer Staples	0.3	5.0	-4.7% 
Energy	0.0	3.7	-3.7% 
Materials	0.0	5.2	-5.2% 
Cash ⁴	0.0	0.0	0.0%

Geographical exposure ¹	Portfolio (%)	Index ³ (%)	Deviation from Index ³
H Shares	29.7	7.5	22.2% 
South Korea	17.4	14.2	3.1% 
Hong Kong	15.4	23.9	-8.5% 
Red Chips	15.1	1.8	13.3% 
Taiwan	8.3	17.0	-8.7% 
India	7.8	16.3	-8.6% 
Indonesia	0.8	2.2	-1.4% 
Singapore	0.7	3.6	-2.8% 
Philippines	0.4	0.7	-0.3% 
China A Shares	0.4	5.6	-5.2% 
United States	0.4	3.2	-2.8% 
Thailand	0.2	2.3	-2.1% 
Malaysia	0.0	1.6	-1.6% 
Cash ⁴	0.0	0.0	0.0%

Source: Value Partners, MSCI, data as at 31 July 2023. This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.

1. 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.

2. Classification is based on Global Industry Classification Standard (GICS).

3. Index refers to MSCI AC Asia ex-Japan Index. Index is for reference only.

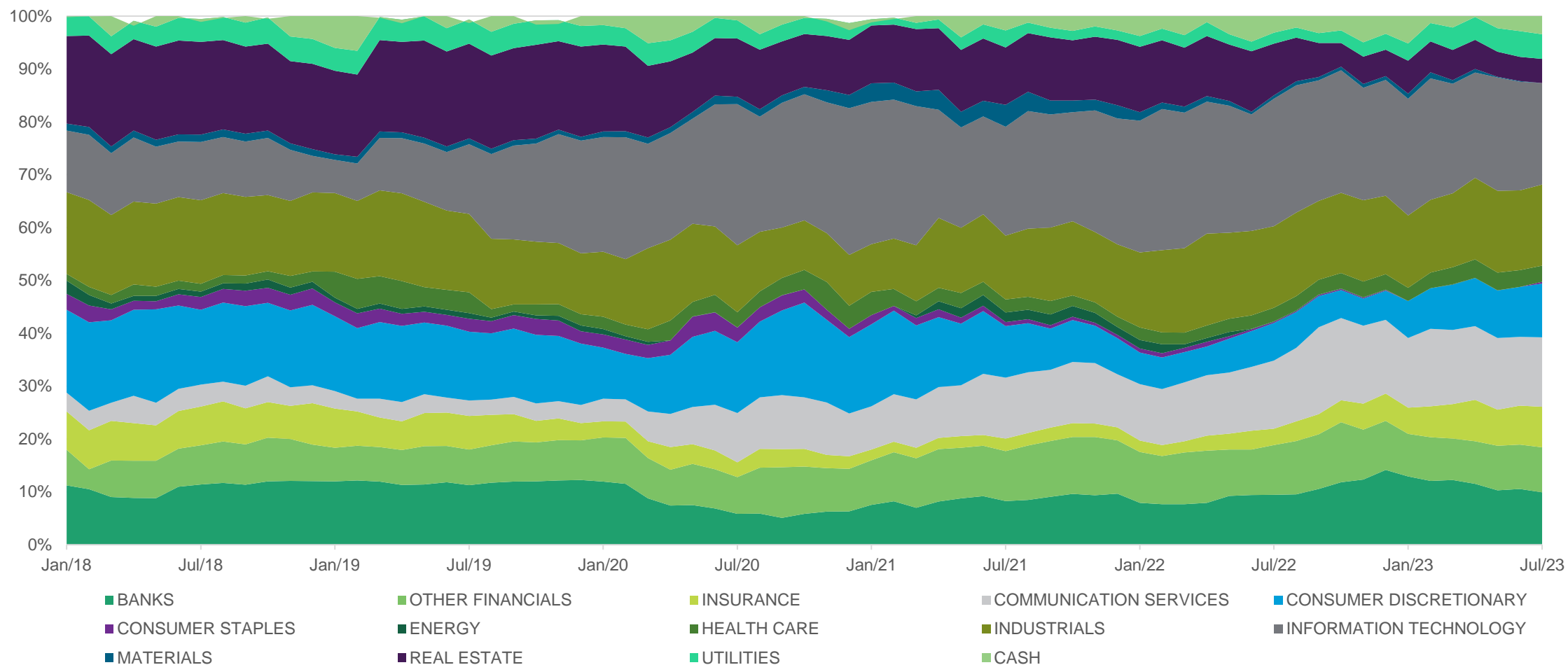
4. Cash includes receivables and payables (except cash for collaterals and margins).

China Market Insights

- **Resilient macro with improving quality:**
 - China's economy is still growing – IMF forecasts China to register 5.2% GDP growth in 2023e (and followed by 4.5% in 2024e).
 - The transition from an investment-driven to consumption-driven economy is making progress - consumption contributed 77% of GDP growth in 1H2023
- **Property market turmoil coming to an end:**
 - The policymakers' stance has turned from suppressive to supportive.
 - Supportive measures launched include: 1) reducing the existing mortgage rate; 2) lowering down payment ratios for 1st and 2nd homes; 3) relaxing the restrictions for home purchases and mortgage applications; 4) accelerating urban redevelopment projects; 5) lowering RRR and interest rates.
- **Boosting private sector confidence:**
 - Platform economy companies are now being encouraged in “leading developments, creating jobs, competition internationally”
 - The stringent regulations on the after-school tutoring have been quietly relaxed
 - Many initiatives have been announced in support of private enterprise, including the establishment of a bureau to boost the private economy
- **Invigorating capital markets:**
 - CSRC has announced plans to revitalise the stock market, including a stamp duty cut and new rules tightening conditions on large shareholders' selling shares when the traded price is lower than its IPO price or NAV per share, or when the company has not declared enough cash dividends in the past three years.
- **Valuations and investor exposures are extremely low:**
 - The Chinese economy is ~20% of global GDP, but the stock market is <5% of the world's total
 - Asian Funds on average have 26% invested in Chinese stocks, 8% below the MSCI benchmark index weight
 - The MSCI China Index is now trading at 10x P/E, which is nearly 1 standard deviation below the past 10-year average of 12x
 - UBS forecasts 17% EPS growth of the MSCI China constituents in 2023e, led by insurance, healthcare and consumer stocks

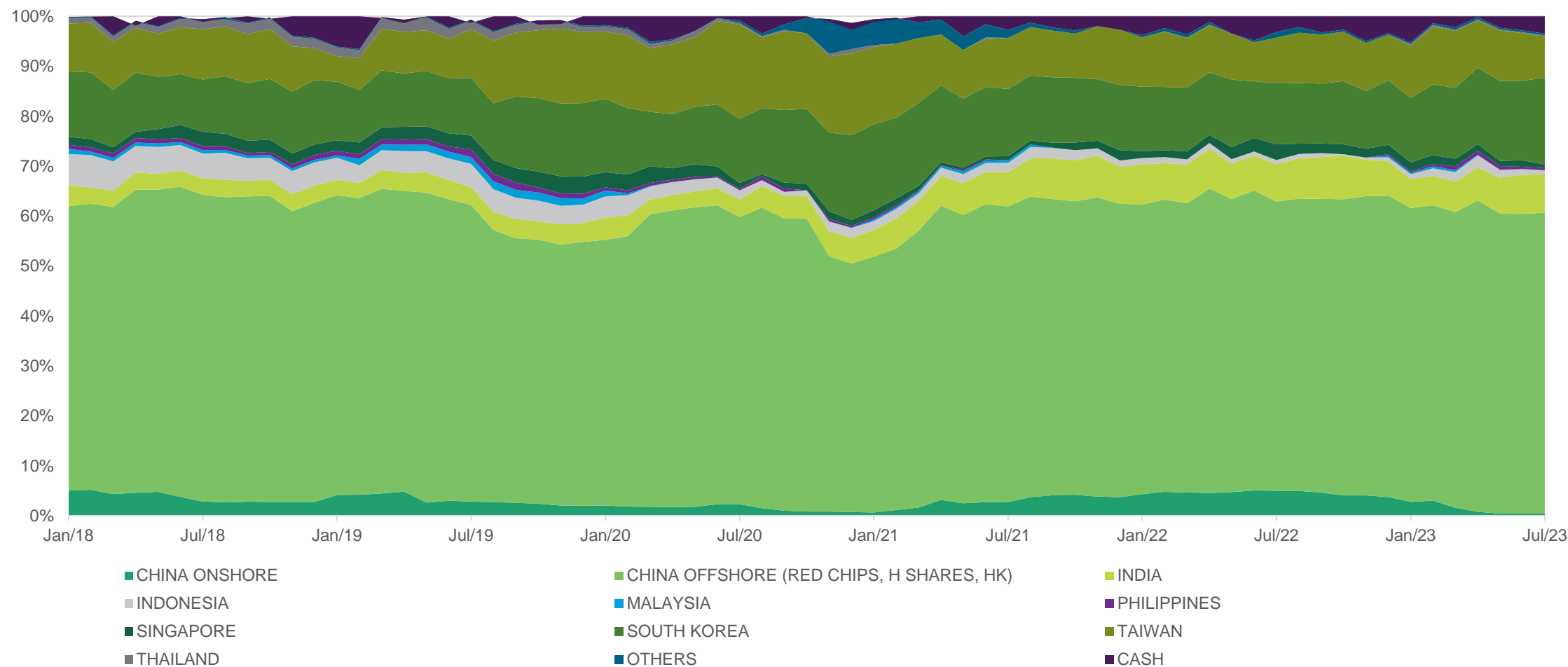
Asia ex-Japan High-Dividend Equity Strategy

Representative account sector allocation history



Asia ex-Japan High-Dividend Equity Strategy

Representative account geographical allocation history

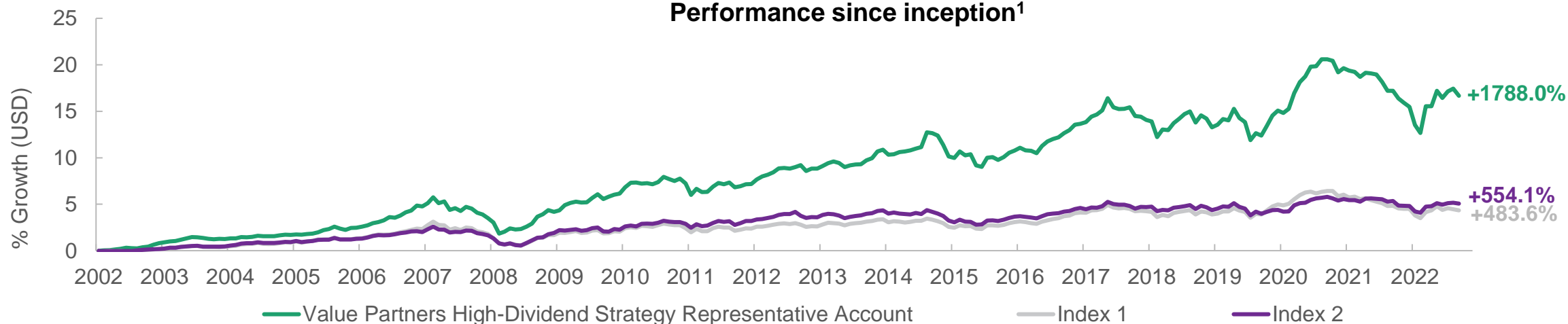


Asia ex-Japan High-Dividend Equity Strategy

Representative account performance

As at 31 July 2023 (% gross return)	YTD	1M	3M	6M	1Y	3Y ann.	5Y ann.	7Y ann.	10Y ann.	15Y ann.	Since inception ¹ ann. return	3Y ann. volatility ²	Since inception ¹ ann. volatility ²	Since inception ¹ Sharpe ratio
Value Partners High-Dividend Equity Strategy Representative Account	14.1	4.8	2.5	3.8	11.7	6.7	4.1	7.3	6.8	9.4	15.1	19.7	19.4	0.8
Index 1 ³	9.3	6.1	7.0	1.0	6.2	0.4	2.0	5.7	4.8	4.6	8.8	19.1	19.7	0.5
Index 2 ⁴	13.1	6.1	6.3	6.8	12.0	6.9	2.7	5.4	3.5	5.9	9.4	16.2	18.1	0.5

Performance since inception¹



Data as at 31 July 2023. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in USD, NAV to NAV, with dividends reinvested. Representative account performance is gross of all fees. This is the only portfolio within the composite. A complete list and description of composites and performance results are available upon request.

1. Inception Date: 2 September 2002.

2. Volatility is a measure of the theoretical risk based on standard deviation, based on monthly return.

3. Index 1 refers to MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in Investment profile.

4. Index 2 refers to MSCI AC Asia Pacific (ex-Japan) High Dividend Yield Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) High Dividend Yield Index (Total Net Return) due to a change in investment profile. MSCI (Total Net Return) Indices takes into account of dividend reinvestment after deduction of withholding tax.

All indices are for reference only. Past performance is not indicative of future results.

Value Partners Asia ex Japan High Dividend Equity Strategy

GIPS compliant presentation

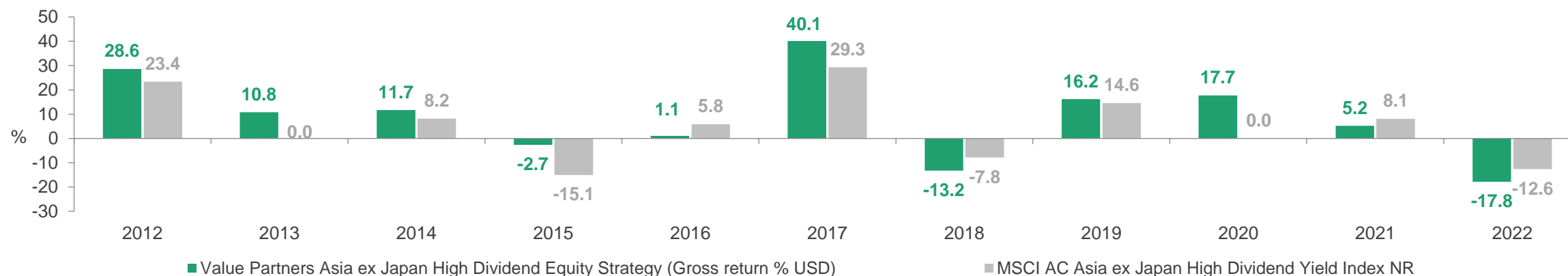
As at 31 July 2023	Gross Return% (USD)	MSCI AC Asia ex Japan High Dividend Yield Index NR
1m	4.8	6.1
3m	2.5	6.3
6m	3.8	6.8
YTD	14.1	13.1
1y	11.7	12.0
3y	21.6	22.0
5y	22.4	14.3
Inception (1 Jan 2012)	157.0	75.4

As at 31 July 2023				
No. of portfolios	1			
Composite AUM (USD Million)	1,636.0			
Firm AUM (USD Million)	6,041.3			
As at 31 July 2023	Gross Return% (USD)	MSCI AC Asia ex Japan High Dividend Yield Index NR	Composite 3 years, 5 years and inception standard deviation	Benchmark 3 years, 5 years and inception standard deviation
3y (Annualised)	6.7	6.9	19.7	16.2
5y (Annualised)	4.1	2.7	19.9	17.2
Inception (Annualised)	8.5	5.0	16.7	15.4

Value Partners Asia ex Japan High Dividend Equity Strategy

GIPS compliant presentation

	Calendar Year							
	Gross Return % (USD)	MSCI AC Asia ex Japan High Dividend Yield Index NR	Composite 3 years standard deviation	Benchmark 3 years standard deviation	# of portfolios	Internal Dispersion (%)	Composite AuM (USD Million)	Firm AuM (USD Million)
2022	-17.8	-12.6	21.4	18.8	1	-	1.8	5.9
2021	5.2	8.1	17.3	17.1	1	-	1.8	9.4
2020	17.7	0.0	19.4	18.3	2	-	1.9	13.2
2019	16.2	14.6	15.0	13.4	3	-	2.5	14.1
2018	-13.2	-7.8	15.2	13.2	4	-	2.6	14.5
2017	40.1	29.3	16.1	15.1	5	-	3.5	16.4
2016	1.1	5.8	16.3	15.5	5	-	3.7	13.1
2015	-2.7	-15.1	14.4	14.0	3	-	4.0	15.3
2014	11.7	8.2	11.0	12.9	3	-	3.0	12.4
2013	10.8	0.0	-	-	3	-	1.9	10.4
2012	28.6	23.4	-	-	2	-	0.9	8.5



Value Partners Asia ex Japan High Dividend Equity Strategy

GIPS compliant presentation



Value Partners Group Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Value Partners Group Limited has been independently verified for the periods 1st January 2012 through 31st December 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The composite creation date is Nov-2017 and the composite inception date is Jan-2012.

1. Value Partners Group Limited manages a broad array of investment strategies. The Firm is defined as Value Partners Group which consists of the wholly owned subsidiaries and joint ventures where investment oversight is performed by Value Partners.
2. The Asia ex Japan High Dividend Equity Composite includes all fee-paying, discretionary Asian equity portfolios managed by Value Partners that invest in the ordinary shares of companies listed in the region of Asia ex Japan. The investment objective is to provide capital appreciation by investing primarily in equity securities in the Asian region which focus on dividend payment to provide long term absolute performance.
3. The composite returns are benchmarked to the MSCI AC Asia ex Japan High Dividend Yield Index (Total Return Net). The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. Investments made by the Firm for the portfolios it manages according to respective strategies may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark. Accordingly, investment results and volatility will differ from those of the benchmark.
4. Valuations and portfolio total returns are computed and stated in US Dollar. The Firm consistently values all portfolios each month on a trade date basis. Accrual accounting is used for all interest and dividend income. Past performance is not an indication of future results.
5. Internal dispersion is calculated using the equal-weighted standard deviation of the annual return of those portfolios that were included in the composite for the entire year, but is not appropriate for less than five portfolios.
6. The three-year annualised standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented where there is less than 36 months. The standard deviation is not presented for 2012 through 2013 because monthly composite and benchmark return were not available.
7. Gross-of-fee performance results are presented before management and performance fees. All returns are stated after trading expenses, non-reclaimable withholding tax on dividends (where material), interest income and capital gains. Net returns are calculated using actual investment management fees. For some performance-based fees where applicable.
8. Fund NAV are being deducted management fees, performance fee, trustees fees, custodian fees, legal fees, auditors fees, administration fees and other expenses.
9. The representative management fee vary depending upon the portfolio but range between 0.75% to 1.25%.
10. A complete list and description of Firm composites and performance results is available upon request.
11. A significant cash flow for the portfolios in this composite is defined as an external cash flow during the month equaling an absolute value greater than 20% of the portfolio's NAV. The portfolio would be temporarily removed from the composite for that month, or the portfolio return would be adjusted using unitised pricing to prevent the significant cash flow from distorting the fund performance figures.
12. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.
13. The Performance fee is earned when the portfolio's net asset value is above the high watermark, the performance fee is 15% of the excess return, which is calculated arithmetically, accrued daily, and crystallises annually. Further details of the performance fee calculation are available upon request.
14. Gross returns were used to calculate all risk measures presented in this GIPS Composite Report.
15. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organisation, nor does it warrant the accuracy or quality of the content contained herein.

Asia ex-Japan High-Dividend Equity Strategy

Representative account 5-year attribution analysis

Top 5 contributors	Sector	OW/UW	Return (%)	BM Return (%)	Total effect (%)
Alibaba Group Holding Limited	Consumer Discretionary	U/W	-14.05	-52.99	5.9
Samsung Electronics Co Ltd Pfd Non-Voting	IT	O/W	56.42	49.85	5.1
China Telecom Corp. Ltd. Class H	Comm Services	O/W	105.08	-36.88	4.3
Longfor Group Holdings Ltd.	Real Estate	O/W	67.20	20.25	3.5
Taiwan Semiconductor Manufacturing Co., Ltd.	IT	U/W	160.59	147.04	3.3

Top 5 detractors	Sector	OW/UW	Return (%)	BM Return (%)	Total effect (%)
Alibaba Group Holding Limited Sponsored ADR	Consumer Discretionary	U/W	0.00	23.35	-2.8
KWG Living Group Holdings Limited	Real Estate	O/W	-76.13	0.00	-2.6
China Yuhua Education Corp. Ltd.	Consumer Discretionary	O/W	-84.29	-72.41	-2.4
TK Group (Holdings) Ltd.	Industrials	O/W	-70.04	0.00	-1.9
Samsung Electronics Co., Ltd.	IT	U/W	0.00	48.08	-1.9

Performance attribution by sector (% in USD)



Asia ex-Japan High-Dividend Equity Strategy

Representative account 3-year attribution analysis

Top 5 contributors	Sector	OW/UW	Return (%)	BM Return (%)	Total effect (%)
China Telecom Corp. Ltd.	Comm Services	O/W	101.90	-6.97	4.2
Alibaba Group Holding Limited	Cons Disc	U/W	-25.74	-52.99	4.0
Samsung Electronics Co Ltd Pfd Non-Voting	IT	O/W	19.07	16.54	2.8
China State Construction International Holdings Limited	Industrials	O/W	143.88	145.32	1.8
China Longyuan Power Group Corporation Ltd.	Utilities	O/W	162.50	38.95	1.8

Top 5 detractors	Sector	OW/UW	Return (%)	BM Return (%)	Total effect (%)
KWG Living Group Holdings Limited	Real Estate	O/W	-76.13	0.00	-2.64
China Yuhua Education Corp. Ltd.	Consumer Discretionary	O/W	-84.29	-72.45	-2.36
HKBN Ltd.	Comm Services	O/W	-62.96	0.00	-1.94
CIFI Holdings (Group) Co. Ltd.	Real Estate	O/W	-95.20	-80.33	-1.74
Samsung Electronics Co. Ltd.	IT	U/W	0.00	20.24	-1.07

Performance attribution by sector (% in USD)



Asia ex-Japan High-Dividend Equity Strategy

Value Partners Ireland Fund ICAV – Fund launch expected terms



Seed/Founder Investor Share Class

- 0.25% annual management fee, in perpetuity



Cap on Additional Expenses

- 0.25% cap on additional expenses until such time as the Fund is scaled and the expenses naturally fall below this level (i.e. c.US\$100mn)



Corporate Seed Investment

- Value Partners expect to commit at least US\$15mn of balance sheet capital to seed the new ICAV Fund

Disclaimer



This document is prepared by Value Partners Hong Kong Limited ("Value Partners") for information purposes only. Neither Value Partners nor the Directors of the company accept any responsibility whatsoever for the accuracy or completeness of the information provided by third parties contained in this document. It should not be copied or distributed to third parties without the written consent of Value Partners.

The views expressed are the views of Value Partners only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All material has been obtained from sources believed to be reliable as at the date of presentation, but its accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

The information contained herein does not constitute an offer to sell or an invitation to buy any securities in any jurisdiction in which such distribution or offer is not authorised to any person. No part of this document, or any information contained herein, may be distributed, reproduced, taken or transmitted into jurisdiction or territories/ possession in which such activities are not permitted. Any failure to comply with the restrictions may constitute a violation of the relevant laws.

This document does not constitute a prospectus, an offer or an invitation to subscribe any securities, or a recommendation in relation to any securities.

Investors should note investment involves risk and past performance is not indicative of future results.

In the UK and Europe, this presentation is issued by Value Partners (UK) Limited, which is authorised and regulated by the Financial Conduct Authority (ref # 794194). This presentation is not for public distribution and intended only for professional clients and eligible counterparties, as defined in the Markets in Financial Instruments Directive 2004/39/EC. It may not be reproduced nor passed to non-qualifying persons or to a non-professional audience. Your organisation, in receiving this presentation, agrees that it will not disclose this presentation or any information in it (other than to employees who need to know the information for the purpose of assessing it) to any third party. It is presented for information purposes only and should be regarded as general factual information only rather than as advice. It does not constitute an offer, invitation or recommendation for any investment decision. Neither this material nor anything contained in it, will form the basis of any contract or commitment. It has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs.

Contact us

Value Partners (UK) Limited



City Tower, 40 Basinghall Street, London EC2V 5DE, United Kingdom



www.valuepartners-group.com

David Townsend, Managing Director, EMEA Business & Global Consultant Relations

Telephone: +44 (0) 20 3907 3872

Mobile: +44 (0)7810 155396

Email: davidtownsend@valuepartners-group.com

Thomas Legendre, Senior Manager, EMEA Business

Telephone: +44 (0)20 3907 3867

Mobile: +44 (0)7759 373438

Email: thomaslegendre@valuepartners-group.com

Follow us on



ValuePartnersGroup



ValuePartnersGroup



惠理集团