

# CHINESE MAINLAND FOCUS FUND

A Sub-Fund of Value Partners Intelligent Funds

PORTFOLIO SUMMARY

FEBRUARY 2010

- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. The value of the fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- 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.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.
- You should not invest unless the intermediary who sells it to you has advised you that the product is suitable for you and explained how it is consistent with your investment objectives.

## Investment objective

To achieve medium to long-term capital appreciation by investing primarily in investments which are related to the Mainland of the People's Republic of China ("PRC") and investments whose value the Manager believes would be boosted by a Renminbi ("RMB") appreciation. Although the Manager believes that the RMB appreciation will take place at some point, the Manager will also invest in investments whose value the Manager believes would increase even if the RMB exchange rate remains unchanged.

## Performance update<sup>#</sup>

	Chinese Mainland Focus Fund	MSCI China Index <sup>Ω</sup>
One month	+1.9%	+2.2%
Year-to-date	-3.9%	-6.6%
One year	+88.8%	+70.7%
Three years	+46.5%	+31.7%
Five years	+139.0%	+158.2%
Since launch	+186.8%	+231.9%
Annualized return	+18.4%	+21.2%
Annualized volatility	23.5%	31.5%

Annualized return and volatility are calculated from inception on 27 November 2003. 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.

## Annual return since launch<sup>#</sup>

2003 (Since Launch)	+3.9%	2007	+56.0%
2004	+8.4%	2008	-44.8%
2005	+11.6%	2009	+86.0%
2006	+48.1%	2010 (Year-to-date)	-3.9%

Unless specified, all information contained on this page is quoted as at 26 February 2010.

<sup>Ω</sup>Starting from July 2009, the MSCI China Index will be used as the reference index for the entire history of the fund. Hang Seng H Shares Index, Shanghai Composite Index and Shenzhen Composite Index were no longer shown for comparison.

<sup>#</sup>Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees.

<sup>Δ</sup>Classification is based on Global Industry Classification Standard (GICS).

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. This report has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Limited.

NAV per unit: US\$28.68

Fund size: US\$119.73 million

Launch date: 27 November 2003

Total assets under management by Value Partners Group: US\$5.2 billion (as at 31 January 2010)

## Top 10 security holdings

Name	Industry <sup>Δ</sup>	%
CNOOC	Energy	5.2
Kingboard Chemical	Technology, hardware & equip	3.5
Dongfeng Motor Group	Automobiles & components	3.2
Yantai Changyu Pioneer Wine	Food, beverage & tobacco	3.2
Chow Sang Sang	Retailing	3.0
Lao Feng Xiang	Consumer durables & apparel	2.9
China Vanke	Real estate	2.4
Shanghai Jinjiang International	Transportation	2.4
PetroChina	Energy	2.2
Great Wall Motor	Automobiles & components	2.1

These stocks constitute 30% of the fund.

## Geographical exposure by listing\*

Hong Kong	30%	China A Shares	4%
China B Shares	20%	Taiwan	3%
H Shares	17%	Singapore	2%
Red Chips	10%	Others***	1%
Gold	5%	Cash**	9%

Short exposure includes: Hong Kong, -0.2%.

## Sector exposure<sup>Δ\*</sup>

Consumer discretionary	29%	Health care	6%
Financials	11%	Consumer staples	6%
Industrials	10%	Gold	5%
Energy	8%	Others***	1%
Materials	7%	Cash**	9%
Information technology	7%		

Total short exposure is -0.2%. Short exposure includes: Financial, -0.2%.

\*Exposure refers to net exposure (long exposure minus short exposure).

\*\*Cash refers to net cash on hand excluding cash for collateral and margin.

\*\*\*Others include 0.2% cash for collateral and margin.

## Portfolio characteristics

As at 26 February 2010	2010 <sup>β</sup>
Price/earnings ratio	14.3 times
Price/book ratio	2.3 times
Dividend yield	2.3 %

<sup>β</sup>The above profile is based on market consensus forecast as derived from I/B/E/S and Bloomberg. Note that the manager's internal estimates may differ significantly from I/B/E/S and Bloomberg estimates.