



CHINA CONVERGENCE FUND (Formerly known as China ABH Shares Fund) PORTFOLIO SUMMARY

A Sub-Fund of Value Partners Intelligent Funds

JULY 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

This fund aims to provide unit holders with long-term capital appreciation by investing primarily in A and B shares listed on the stock exchanges of Shanghai and Shenzhen as well as in H shares listed in Hong Kong. The investment in A shares is subject to a maximum exposure of 35% of the Sub-Fund's non-cash assets. The Manager may also invest (to a lesser extent) in shares of China-related companies listed in Hong Kong other than H shares and in China-related shares listed on other recognised stock exchanges and in China-related fixed income securities. The fund was launched in July 2000.

Note: On inception, in July 2000, the fund's objective was to invest primarily in B shares. In July 2001, the mandate was extended to include H shares. In March 2005, the mandate was further extended to include China A shares. The Securities and Futures Commission authorized the fund in October 2001; such authorization does not imply official recommendation.

Performance update[#]

	China Convergence Fund	MSCI China Index ^Ω
One month	+3.9%	+4.4%
Year-to-date	+4.8%	-2.0%
One year	+19.8%	+4.4%
Three years	+9.6%	-3.1%
Five years	+207.3%	+152.2%
Since launch	+1,094.6%	+128.7%
Annualized return	+27.9%	+8.5%
Annualized volatility	28.1%	30.0%

Annualized return and volatility are calculated from inception on 14 July 2000. 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[#]

2000 (Since launch)	+9.3%	2006	+86.9%
2001	+70.9%	2007	+56.6%
2002	+1.1%	2008	-45.2%
2003	+92.1%	2009	+87.1%
2004	+0.8%	2010 (Year-to-date)	+4.8%
2005	+3.9%		

Unless specified, all information contained on this page is quoted as at 30 July 2010.

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Ω 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.

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

Δ 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\$119.46

Fund size: US\$216.15 million

Launch date: 14 July 2000

Total assets under management by Value Partners Group:

US\$5.7 billion (as at 30 June 2010)

Top 10 security holdings

Name	Industry ^Δ	%
Tianjin Zhong Xin Pharmaceutical	Pharmaceuticals, biotechnology & life sciences	5.6
CNOOC	Energy	5.1
China Construction Bank	Banks	4.5
Yantai Changyu Pioneer Wine	Food, beverage & tobacco	4.2
United Laboratories	Pharmaceuticals, biotechnology & life sciences	4.0
Kingboard Chemical	Technology, hardware & equip	3.9
China Vanke	Real estate	3.6
Great Wall Motor	Automobiles & components	3.6
Zhuzhou CSR Times Electric	Capital goods	2.7
Chow Sang Sang	Retailing	2.6

These stocks constitute 40% of the fund.

Geographical exposure by listing*

Hong Kong	22%	Others***	7%
H Shares	22%	Singapore	6%
China B Shares	15%	Gold	5%
China A Shares	10%	Cash**	5%
Red Chips	8%		

Short exposure includes: Hong Kong, -1.1% ; H Shares, -2.9% and Red Chips, -1.4%.

Sector exposure^{Δ*}

Health care	20%	Others***	7%
Financials	17%	Gold	5%
Consumer discretionary	14%	Information technology	4%
Industrials	10%	Materials	3%
Energy	8%	Cash**	5%
Consumer staples	7%		

Total short exposure is -5.4%.

Short exposure includes: Materials, -2.9% ; Financials, -1.6% and Consumer discretionary, -0.9%.

*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 6.0% cash for collateral and margin.

Portfolio characteristics

As at 30 July 2010	2010 ^β
Price/earnings ratio	15.8 times
Price/book ratio	2.9 times
Dividend yield	2.4 %

^β 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.