

# VALUE PARTNERS TAIWAN FUND

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 long term capital growth through primarily investing in equity and equity linked securities of companies that are listed on (a) the Taiwan Stock Exchange; or (b) the GRE Tai Securities Market; or (c) any stock exchange but which have their main operations or majority of assets in or derive the majority of their income from Taiwan. This includes companies incorporated and/or quoted outside Taiwan.

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

	Value Partners Taiwan Fund	Taiwan Stock Exchange Index	MSCI Taiwan Index
One month	-0.1%	-0.4%	-1.1%
Year-to-date	-5.5%	-7.2%	-7.1%
One year	+58.2%	+72.3%	+76.5%
Since launch	-4.0%	-2.9%	-14.6%
Annualized return	-2.0%	-1.5%	-7.6%
Annualized volatility	29.3%	36.2%	40.7%

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

2008 (Since launch)	-35.7%
2009	+58.0%
2010 (Year-to-date)	-5.5%

NAV per unit: US\$9.60

Fund size: US\$39.91 million

Launch date: 3 March 2008

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

## Top 5 security holdings

Name	Industry <sup>A</sup>	%
Hon Hai Precision Industry	Technology, hardware & equip	7.3
Compal Electronics	Technology, hardware & equip	5.9
Gigabyte Technology	Technology, hardware & equip	5.0
E-LIFE MALL	Retailing	4.3
Macronix International	Semiconductors & semiconductor equip	4.1

These stocks constitute 27% of the fund.

## Geographical exposure by listing

Taiwan	75%	H Shares	2%
Hong Kong	6%	Others	1%
Gold	5%	Cash	10%

## Sector exposure<sup>A</sup>

Information technology	48%	Gold	5%
Consumer discretionary	12%	Energy	3%
Industrials	8%	Consumer staples	2%
Financials	6%	Cash	10%
Materials	6%		

## Portfolio characteristics

As at 24 February 2010	2010 <sup>β</sup>
Price/earnings ratio	12.8 times
Price/book ratio	2.1 times
Dividend yield	4.3 %

<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.

Unless specified, all information contained on this page is quoted as at 24 February 2010.

<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>A</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 Hong Kong 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 Hong Kong Limited.