



# VALUE PARTNERS CLASSIC FUND

(Formerly known as Value Partners "A" Fund)

PORTFOLIO SUMMARY

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

The fund uses a bottom-up, value discipline to invest in the Asia-Pacific region, with emphasis on the stock markets of Greater China.

(A, B and C units are invested in the same fund, A and B units were no longer issued from 12 April 2002 and 15 October 2009 respectively. Only C units are currently available.)

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

	A Units	Hang Seng Index	B Units	C Units
One month	+5.0%	+4.5%	+4.9%	+4.7%
Year-to-date	+6.0%	-1.8%	+5.7%	+5.4%
One year	+26.5%	+7.6%	+25.9%	-
Three years	+3.4%	-0.8%	+1.9%	-
Five years	+117.1%	+67.5%	+112.2%	-
Since launch	+1,876.4%*	+296.5%*	+818.5%^	+13.5% <sup>Ω</sup>
Annualized return	+18.8%*	+8.3%*	+16.8%^	-
Annualized volatility	22.4%*	28.7%*	23.5%^	-

Annualized return and volatility are calculated from inception. 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>

	A Units	B Units		A Units	B Units	C Units
1993	+62.9%*	-	2002	+21.2%	+20.9%	-
1994	-12.0%	-	2003	+83.6%	+83.1%	-
1995	+21.3%	-	2004	+5.8%	+5.6%	-
1996	+32.5%	+11.8%^	2005	+15.9%	+15.6%	-
1997	-1.4%	-1.6%	2006	+41.8%	+41.2%	-
1998	-29.1%	-29.3%	2007	+41.1%	+40.4%	-
1999	+38.0%	+37.5%	2008	-47.9%	-48.1%	-
2000	+10.3%	+10.0%	2009	+82.9%	+82.0%	+7.7% <sup>Ω</sup>
2001	+46.3%	+46.0%	2010	+6.0% <sup>+</sup>	+5.7% <sup>+</sup>	+5.4% <sup>+</sup>

\*Since A Units launched on 1 April 1993.

^Since B Units launched on 15 May 1996.

<sup>Ω</sup>Since C Units launched on 15 October 2009.

<sup>+</sup>Year-to-date return as at 30 July 2010.

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

† © 2009 Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as at 30 June 2010. (for A and B units)

Index refers to Hang Seng Price Return Index up to 31 December 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index includes dividend reinvestment whereas Hang Seng Price Return Index does not take into account reinvestment of dividends.

<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 A unit: US\$197.64

NAV per B unit: US\$91.85

NAV per C unit: US\$11.35

Fund size: US\$931.03 million

Launch date: A Units on 1 April 1993

B Units on 15 May 1996

C Units on 15 October 2009

Total assets under management by Value Partners Group: US\$5.7 billion (as at 30 June 2010)

## Top 10 security holdings

Name	Industry <sup>Δ</sup>	%
China Construction Bank	Banks	5.0
CNOOC	Energy	4.8
United Laboratories	Pharmaceuticals, biotechnology & life sciences	4.0
Kingboard Chemical	Technology, hardware & equip	4.0
China Vanke	Real estate	3.5
Brilliance China Automotive	Automobiles & components	2.7
Chow Sang Sang	Retailing	2.5
Yantai Changyu Pioneer Wine	Food, beverage & tobacco	2.4
Great Wall Motor	Automobiles & components	2.2
China High Speed Transmission Equip	Capital goods	2.0

These stocks constitute 33% of the fund.

## Geographical exposure by listing\*

Hong Kong	26%	China B Shares	8%
H Shares	22%	Gold	4%
Taiwan	11%	Singapore	2%
Others***	9%	Indonesia	2%
Red Chips	8%	Cash**	7%

Short exposure includes: Hong Kong, -1.1%; H Shares, -2.8% and Red Chips, -1.3%.

## Sector exposure<sup>Δ\*</sup>

Financials	16%	Others***	8%
Consumer discretionary	15%	Consumer staples	7%
Information technology	11%	Materials	6%
Energy	9%	Gold	4%
Health care	8%	Cash**	7%
Industrials	8%		

Total short exposure is -5.2%. Short exposure includes: Materials, -2.8%; Financials, -1.5% 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 5.7% cash for collateral and margin.

## Portfolio characteristics

As at 30 July 2010	2010 <sup>β</sup>
Price/earnings ratio	13.9 times
Price/book ratio	2.5 times
Dividend yield	2.9 %

<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.