

## VL China Fund

### Monthly Fund Factsheet

August 2019

#### Important Information

- VL China Fund is constituted in the form of a unit trust established under the laws of Hong Kong.
- The fund seeks to achieve its investment objective primarily through exposure to companies carrying on business or with business exposure in the China region with long term growth prospects.
- The fund can invest no less than 70% of its NAV in Hong Kong-listed stocks and if investing in overseas stocks, no more than 30% of its NAV in non-Hong Kong listed stocks.
- All investments involve risks. This material is not an offer or solicitation. The fund is an investment fund. There is no guarantee on the repayment of principal. The fund's investment portfolio may fall in value and therefore your investment in the fund may suffer losses. If you have any queries, please consult your financial consultants. This material has not been reviewed by the Securities and Futures Commission.

#### Investment Objective

The fund aims to provide long-term capital appreciation by investing in a diversified portfolio of equity securities of companies in different industry sectors whose primary business focus is in the China region.

#### Performance Update\*

|                   | Class A Units | Class B Units | MSCI China (NDEUCHF) | Hang Seng Total Return Index |
|-------------------|---------------|---------------|----------------------|------------------------------|
| 1 month           | -2.15%        | -2.09%        | -4.03%               | -7.06%                       |
| 3 month           | 6.23%         | 6.43%         | 2.96%                | -3.18%                       |
| 6 month           | 3.94%         | 4.33%         | -6.40%               | -7.92%                       |
| YTD               | 19.29%        | 19.89%        | 7.78%                | 2.27%                        |
| Since fund launch | 0.05%         | 3.82%         | 23.78%               | 21.15%                       |
| NAV per unit      | 100.0496      | 103.8212      | n/a                  | n/a                          |

\* NAVs and indices as of 30 August 2019.

Class A and B units are invested in the same fund. Dividends are reinvested into the fund. Performance of class A Units and B Units is calculated by VL Asset Management Limited in HKD on a NAV to NAV basis. Performance data is net of all fees. NAVs are published daily in the Standard and Hong Kong Economic Times and [www.vlasset.com](http://www.vlasset.com).

Indices are derived from Bloomberg and are valued in HKD with dividend reinvested. All indices and figures are for reference only.

#### Fund Facts

|                           |  |
|---------------------------|--|
| Manager:                  | VL Asset Management Limited                  |
| Trustee                   | Standard Chartered Trust (Hong Kong) Limited |
| Custodian & Administrator | Standard Chartered Bank (Hong Kong) Limited  |
| Launch date:              | 10 August 2015                               |
| Base currency:            | Hong Kong Dollars (HKD)                      |
| Bloomberg code:           | Class A - VLCHINA KY<br>Class B - VLCHINB KY |

#### Portfolio Characteristics

|                      | Fund   | Hang Seng Index |
|----------------------|--------|-----------------|
| Price/earnings ratio | 11.78X | 9.86X           |
| Price/book ratio     | 1.42X  | 1.07X           |
| Dividend yield       | 3.07%  | 4.13%           |
| Return on equity     | 12.04% | 10.81%          |

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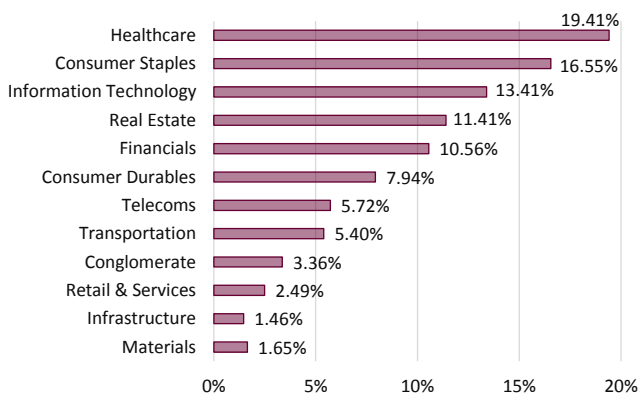
The information published here is current as at the date of publication but is subject to change without notice. If you are in any doubt about any of the information contained herein, you should consult your professional adviser.

## VL China Fund

### Top 5 Stock Holdings

| Name                        | Bloomberg Code   | Sector                 | %      |
|-----------------------------|------------------|------------------------|--------|
| Sino Biopharmaceutical      | 1177 HK Equity   | Healthcare             | 8.12%  |
| Citic Telecom International | 1883 HK Equity   | Telecoms               | 5.72%  |
| Kweichow Moutai             | 600519 C1 Equity | Consumer Staples       | 4.93%  |
| Tencent                     | 700 HK Equity    | Information Technology | 4.71%  |
| Midea Group                 | 000333 C2 Equity | Consumer Durables      | 4.34%  |
| Total                       |                  |                        | 27.81% |

### Exposure by Sector



### Fee Structure

|                         | Class A Units                  | Class B Units       |
|-------------------------|--------------------------------|---------------------|
| Minimum subscription    | HK\$50,000                     | HK\$39,000,000      |
| Subsequent subscription | HK\$5,000                      | HK\$1,000,000       |
| Subscription fee        | up to 5%                       | up to 5%            |
| Redemption fee          | nil                            | 5%                  |
| Management fee          | 1.5%                           | 0.75%               |
| Performance fee         | 15% (high on high)             | 7.5% (high on high) |
| Lock-up                 | nil                            | 3 years             |
| Dealing day             | daily (Hong Kong business day) |                     |

### Exposure by Geography

|  |                       |                |
|--|-----------------------|----------------|
| <b>HK</b>  | H Shares              | 10.59%         |
|  | Red Chips             | 18.46%         |
|  | P-Chips               | 23.96%         |
|  | HK                    | 10.83%         |
|  | Others                | 7.17%          |
| <b>Sub-Total</b>   |                       | <b>71.02%</b>  |
| <b>China</b>   | A Shares              | 24.00%         |
|  | B Shares              | 0%             |
|  | <b>Sub-Total</b>      | <b>24.00%</b>  |
| <b>US</b>  | ADRs of PRC companies | 3.99%          |
|  | Others                | 0.34%          |
|  | <b>Sub-Total</b>      | <b>4.34%</b>   |
| <b>Cash</b>  |                       | <b>0.65%</b>   |
| <b>Grand Total</b>   |                       | <b>100.00%</b> |
| <i>No derivative exposure; Cash refers to cash in bank, trade and dividend receivables, prepaid expenses and expense accruals.</i> |                       |                |

### VL Investment Team

|                          |                       |
|--------------------------|-----------------------|
| Chief Investment Officer | Vincent LAM Siu Yeung |
| Portfolio Manager        | Andy NG Kian Heng     |

You should not make investment decisions based on this material alone. If you plan to invest in VL China Fund, you should read its Explanatory Memorandum and the Key Fact Sheet for details and the risk factors set out in those documents.

In particular, you should be aware of the concentration of the fund's investments in China and Hong Kong giving rise to possibly greater volatility compared with broad-based global funds. You should note too that VLAM, as manager of the fund, is entitled to receive performance fees under certain conditions, that such fees may encourage a manager to make riskier investment decisions than in the absence of performance-based incentive systems and that you should familiarize yourself with the method of calculating such fees.

Performance fee will be charged only if the NAV at the end of the financial year exceeds the "high watermark", which is the all-time year-end high of the fund's NAV. The fund's financial year end is 30 June.

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The price of shares of any unit trust may go down as well as up and past performance figures shown are not indicative of future performance.

Classification is based on Global Industry Classification Standard (GICS). Exposure refers to long exposure unless otherwise specified.

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