

Issuer: Value Partners Hong Kong Limited

April 2024

- This statement provides you with key information about the Value Partners High-Dividend Stocks Fund (the “Trust”).
- This statement is a part of the offering document.
- You should not invest in this product based on this statement alone.

Quick facts

Manager:	Value Partners Hong Kong Limited
Trustee and Custodian:	HSBC Institutional Trust Services (Asia) Limited
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	US dollars (US\$)
Ongoing charges over a year[#]:	

	Exclusive of performance fees	Inclusive of performance fees
Class A1	1.46% ^B	1.46% ^{B^A}
Class A2 MDis	1.47% ^B	1.47% ^{B^A}
Class A Acc HKD Hedged	1.48% ^B	1.48% ^{B^A}
Class A Acc JPY Hedged	1.48% [*]	1.48% ^{*^A}
Class A Acc SGD Hedged	1.48% [*]	1.48% ^{*^A}
Class A Acc RMB Unhedged	1.49% ^B	1.49% ^{B^A}
Class A Acc RMB Hedged	1.47% ^B	1.47% ^{B^A}
Class A2 MDis HKD	1.46% ^B	1.46% ^{B^A}
Class A2 MDis HKD Hedged	1.47% ^{**}	1.47% ^{**^A}
Class A2 MDis JPY Hedged	1.47% ^{**}	1.47% ^{**^A}
Class A2 MDis AUD Hedged	1.47% ^B	1.47% ^{B^A}
Class A2 MDis CAD Hedged	1.47% ^B	1.47% ^{B^A}
Class A2 MDis GBP Hedged	1.46% ^B	1.46% ^{B^A}
Class A2 MDis NZD Hedged	1.47% ^B	1.47% ^{B^A}
Class A2 MDis RMB Unhedged	1.46% ^B	1.46% ^{B^A}
Class A2 MDis RMB Hedged	1.46% ^B	1.46% ^{B^A}
Class A2 MDis SGD Hedged	1.46% ^B	1.46% ^{B^A}

Dividend policy:	<p>Class A Acc HKD Hedged, Class A Acc SGD Hedged, Class A Acc RMB Unhedged, Class A Acc RMB Hedged, and Class A Acc JPY Hedged:</p> <p>It is the current intention of the Manager that distributions of income will not be made from the Trust</p> <p>Class A1:</p> <p>Manager to review dividend distribution at its discretion once a year. Last dividend payout date: 21 November 2005</p> <p>Class A2 MDis, Class A2 MDis HKD, Class A2 MDis AUD Hedged, Class A2 MDis CAD Hedged, Class A2 MDis GBP Hedged, Class A2 MDis NZD Hedged, Class A2 MDis HKD Hedged, Class A2 MDis SGD Hedged, Class A2 MDis RMB Unhedged, Class A2 MDis RMB Hedged, Class A2 MDis JPY Hedged:</p> <p>At its discretion, the Manager currently intends to make monthly dividend distribution.</p> <p>In respect of the above classes, dividends may be paid out of the capital of the relevant class and may result in an immediate reduction of the net asset value (“NAV”) per unit of the Trust.</p>
-------------------------	--

Minimum investment:	<p>US\$10,000 initial, and US\$5,000 subsequent (for Class A1 and Class A2 MDis)</p> <p>HKD80,000 initial, and HKD40,000 subsequent (for Class A Acc HKD Hedged, Class A2 MDis HKD and Class A2 MDis HKD Hedged)</p> <p>AUD10,000 initial and AUD5,000 subsequent (for Class A2 MDis AUD Hedged)</p> <p>CAD10,000 initial and CAD5,000 subsequent (for Class A2 MDis CAD Hedged)</p> <p>GBP10,000 initial and GBP5,000 subsequent (for Class A2 MDis GBP Hedged)</p> <p>NZD10,000 initial and NZD5,000 subsequent (for Class A2 MDis NZD Hedged)</p> <p>SGD10,000 initial and SGD5,000 subsequent (for Class A Acc SGD Hedged and Class A2 MDis SGD Hedged)</p> <p>RMB60,000 initial, and RMB30,000 subsequent (for Class A Acc RMB Unhedged, Class A Acc RMB Hedged, Class A2 MDis RMB Unhedged and Class A2 MDis RMB Hedged)</p> <p>JPY1,000,000 initial and JPY500,000 subsequent (for Class A Acc JPY Hedged and Class A2 MDis JPY Hedged)</p>
Financial year-end of this Trust:	31 December

- # *The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the class of units for the corresponding period as described below. This figure may vary from year to year. The performance fees to be paid as at year end, where applicable, may vary subject to market conditions. Information is updated as at 27 March 2024.*
- * *As the class of units is not launched yet, the ongoing charges figure is an estimate only and this figure is based on the ongoing charge figure of Class A Acc HKD Hedged with similar fee structure for the relevant financial period. The actual ongoing charges figure may be different from the estimate and may vary from year to year.*
- ** *As the class of units is not launched yet, the ongoing charges figure is an estimate only and this figure is based on the ongoing charge figure of Class A2 MDis AUD Hedged with similar fee structure for the relevant financial period. The actual ongoing charges figure may be different from the estimate and may vary from year to year.*
- ^ *No performance fee is payable for the year ended 31 December 2023.*
- β *This figure is based on the expenses for the year ended 31 December 2023.*

What is this product?

The Trust was originally a unit trust constituted under the laws of the Cayman Islands. With effect on and from 22 April 2016, the jurisdiction of the Trust was changed from the Cayman Islands to Hong Kong.

Objectives and Investment Strategy

Objectives

The Trust aims to provide capital appreciation to unitholders by investing primarily (i.e. not less than 70% of the Trust's NAV) in a portfolio of relatively higher yielding debt and equity securities in the Asian region. The Trust will concentrate on investing in interest-bearing or dividend-distributing debt and equity securities of companies or issuers listed in the Asian markets. There are no fixed geographical, sectoral or industry weightings in the allocation of assets and the Manager does not intend to follow benchmark indices in determining the geographical, sectoral or industry weightings of the Trust. For the avoidance of doubt, not less than 70% of the Trust's NAV will be invested in equity securities.

Strategy

The Trust may invest in securities issued by companies of any market size and in such proportions as the Manager deems appropriate. Debt and equity securities that the Trust may invest in include but are not limited to listed debt securities, bonds, sovereign debts, listed equities, real estate investment trusts ("REITs"), and Exchange Traded Funds ("ETFs").

The Manager may invest in debt securities which (or the issuers of which) are below investment grade or unrated and investors should be aware of the greater risks which may be involved in investing in these securities. A debt security which is rated below investment grade is defined as a debt security which (or the issuer of which) is rated below BBB-/Baa3 by an internationally recognised credit rating agency (such as Standard & Poor's, Moody's and/or Fitch); and an "unrated" debt security is defined as a debt security which neither the security itself nor its issuer has a credit rating. The Manager may invest not more than 30% of the Trust's latest available NAV in debt securities which (or the issuers of which) are below investment grade or unrated. In addition, the Trust's assets may from time to time include cash, deposits, short-term papers, such as treasury bills, certificates of deposit, banker's acceptances, short-term commercial paper and other fixed income instruments. However, the Trust will not invest more than 10% of its NAV in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade. The Manager may also place a substantial portion of the portfolio in cash or cash equivalents. Under exceptional circumstances (e.g. market crash or major crisis), the Trust may be invested temporarily up to 100% in liquid assets such as deposits, treasury bills, certificates of deposit.

The Trust may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connects"), China A Shares Access Products ("CAAPs") and/or collective investment schemes directly investing in China A Shares through qualified foreign institutional investors ("QFIIs") or Renminbi qualified foreign institutional investors ("RQFIIs") ("A Shares CIS"). The investment in China A Shares through the Stock Connects, CAAPs and A Shares CIS is subject to a maximum exposure of 20% of the Trust's latest available NAV and not more than 10% of the Trust's latest available NAV may be invested in CAAPs issued by any single CAAP Issuer.

The aggregate exposure to China A Shares and China B Shares will not exceed 20% of the Trust's latest available NAV.

For the avoidance of doubt, the Trust will not in aggregate invest more than 20% of its latest available NAV in the Mainland China market.

The Trust will have a limited exposure to investments denominated in RMB. Assets of the Trust denominated in RMB are valued with reference to the CNH rate. Under the current regulations, the rate at which RMB may be exchanged outside Mainland China (in the case of Hong Kong, the "CNH" rate) may be different from the exchange rate within Mainland China (the "CNY" rate). Please refer to the offering document for details.

To the extent permitted by the SFC's Code on Unit Trusts and Mutual Funds and the provisions set out under the section "2.7 Investment Restrictions" in the Explanatory Memorandum, the Trust may also, on an ancillary basis, invest less than 30% of its NAV in futures contracts, options, depository receipts, warrants, convertible bonds and units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. For the purposes of hedging market and currency risks, the Trust may invest in index and currency swaps and currency forwards.

The Trust does not invest in any asset backed securities (including asset backed commercial papers) or mortgage backed securities for hedging or non-hedging purposes. Nor does the Trust intend to engage in sale and repurchase transactions and reverse repurchase transactions. However, the Trust may enter into securities lending arrangements provided that the value of the securities to be loaned, together with the value of all other securities which are the subject of a loan by the Trust does not exceed 10% of its latest available NAV.

* *The SFC's authorisation is not a recommendation or endorsement of a collective investment scheme nor does it guarantee the commercial merits of such collective investment scheme or its performance. It does not mean the collective investment scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or classes of investors.*

Use of Derivatives / investment in derivatives

The Trust's net derivative exposure may be up to 50 % of the Trust's Net Asset Value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. Investment risk

- The Trust is an investment fund. The Trust's investment portfolio may fall in value due to any of the key risk factors below and therefore you may lose a substantial proportion or all of your investment in the Trust. There is no guarantee of the repayment of principal.

2. Geographical concentration risk

- The concentration of the Trust's investments in Asian markets may result in greater volatility in the value of the Trust than more diverse portfolios which comprise broad-based global investments.
- The value of the Trust may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asian market.

3. Emerging markets risk

- Investing in emerging markets involves certain increased risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange risks/controls, liquidity, settlement, custody, legal and regulatory risk, and the likelihood of higher degree of volatility.

4. Equity risk

- The Trust's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- To achieve the investment objective, the Trust may invest in high dividend stocks. There is no guarantee that dividends will be declared by such companies. Also investors should not expect the dividend policy of such companies is tantamount to the dividend policy of the Trust.

5. Risk associated with high volatility of the equity market in the Asia region

- High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Trust.

6. Risk associated with regulatory/exchanges requirements/policies of the equity market in the Asian region

- Securities exchanges in the Asian region typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Trust.

7. Risks associated with investment in Mainland China

- Imposition of additional governmental restrictions, change in the policies and/or implementation of measures to prevent overheating of the economy in the Mainland China may have an adverse impact on the performance of the Trust.

8. Risks relating to China A Shares market

- The China A Shares market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention).
- Market volatility and potential lack of liquidity due to low trading volume in the China A Shares markets may result in prices of securities traded on such markets fluctuating significantly resulting in substantial changes in the NAV of the Trust.

9. Risk relating to debt securities

- *Credit risk* - The Trust may be subject to the risk that an issuer will fail to make principal and interest payments when due, which may lead to a default and, ultimately, a fall in the value of the Trust.
- *Interest rate risk* - The Trust may invest in fixed income securities which are subject to interest rate risk. A fixed income security's value will decrease in value when interest rates rise.
- *Volatility and liquidity risk* - The debt securities in markets that the Trust invests in may be subject to higher volatility and lower liquidity compared to more developed markets. It is possible that there may be no liquidity for certain securities that the Trust may invest in, in particular debt securities and securities that are not listed on a recognised stock exchange. The Trust's ability to sell or liquidate investments at favourable times or for favourable prices may be restricted. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Trust may incur significant trading costs. As a result, the Trust's value will be adversely affected.
- *Credit rating downgrading risk* - Investment grade securities may be subject to the risk of being downgraded to below investment grade securities, and its issuer's credit rating may also subsequently be downgraded. The Trust's investment value in such security may be adversely affected. The Manager may or may not dispose of the securities, subject to the investment objectives of the Trust.
- *Unrated or below investment grade and high yielding debt securities risk* - The Trust may invest in high yielding securities which (or the issuers of which) may be unrated or rated below investment grade. Such investments are considered to have a higher credit risk, lower liquidity, higher volatility and greater possibility of default than securities which are investment grade with respect to payment of interest and the return of principal.
- *Valuation risk* – Valuation of the Trust's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Trust.
- *Credit rating risk* – Credit ratings assigned by credit agencies are subject to limitations and do not guarantee the creditworthiness of the issuers.

10. Foreign exchange risk

- The Trust is denominated in US dollars but may issue classes of units denominated in a currency other than its base currency. In addition, the Trust may invest in assets that are denominated in a currency other than its base currency or the relevant class currency. The NAV of the Trust may therefore be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

11. Risks relating to currency hedging and the currency hedged classes ("Currency Hedged Classes")

- The Manager may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Trust attributable to a particular class into the class currency of the relevant class. Investors in the Currency Hedged Classes may have exposure to currencies other than the currency of that Currency Hedged Class. Investors should also be aware that the hedging strategy may substantially limit the benefits of any potential increase in value of a Currency Hedged Class expressed in the class currency, if the Currency Hedged Class' denominating currency falls against the base currency of the Trust.
- The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis.
- If the counterparties of the instruments used for hedging purposes default, investors of the Currency Hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

12. Performance fee risk

- The performance fee payable to the Manager may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee.
- There is no adjustment of equalisation credit or equalisation losses on an individual unitholder basis. A unitholder redeeming units may still incur performance fee in respect of the units, even though a loss in investment capital has been suffered by the redeeming unitholder.
- In addition, performance fees may be paid on unrealised gains which may never be realised by the Trust.

13. Risks associated with RMB Classes of Units

- Investors may invest in Class A Acc RMB Unhedged, Class A Acc RMB Hedged, Class A2 MDis RMB Unhedged, Class A2 MDis RMB Hedged ("**RMB classes**"). It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of the RMB could adversely affect the investors' investments in the Trust.
- Although offshore RMB ("**CNH**") and onshore RMB ("**CNY**") are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

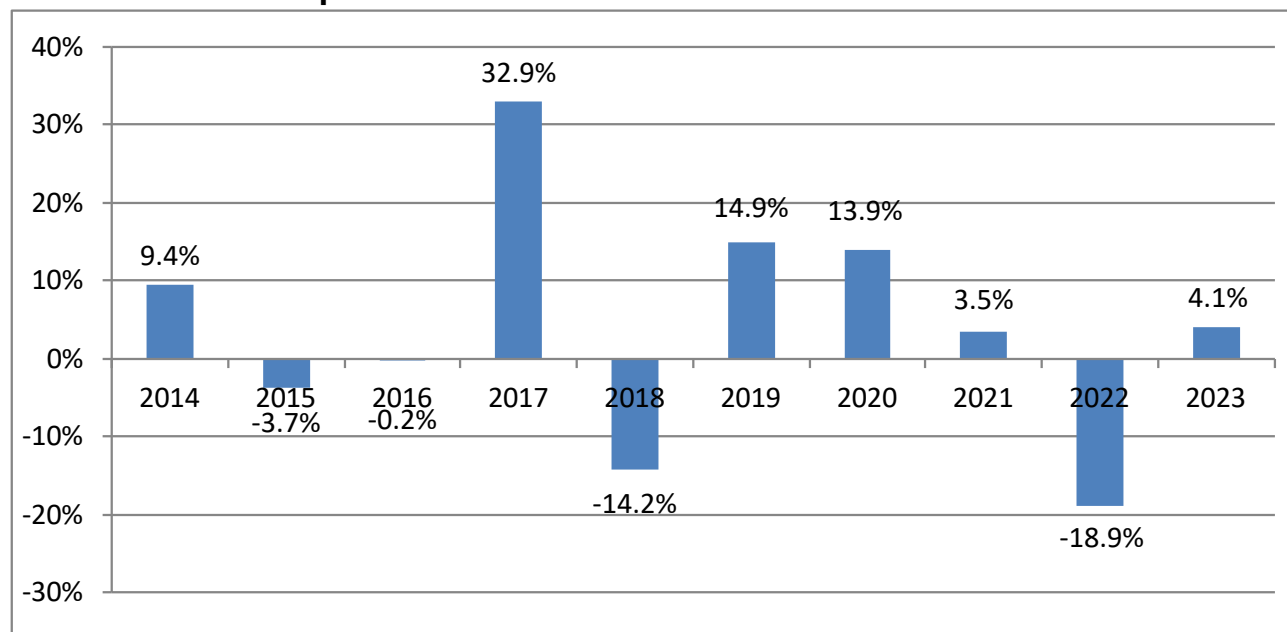
14. Risks associated with investments in financial derivative instruments

- Risks associated with derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/ component of a derivative instrument and adverse changes in the value or level of the underlying asset, rate or index can result in a loss significantly greater than the amount invested in the derivative instrument itself. Exposure to derivative instruments may lead to a high risk of significant loss by the Trust.

15. Dividend risk and risk relating to dividends paid out of capital

- There is neither guarantee of distribution/dividend payments nor distribution rate or dividend yield.
- Payment of dividends out of capital represents a return or withdrawal of part of an investor's original investment or from any capital gains attributable to the original investment. Any such distributions may result in an immediate reduction of the NAV per unit of the Trust.
- The distribution amount and NAV of the Currency Hedged Classes may be adversely affected by differences in the interest rates of the reference currency of the Currency Hedged Classes and the Trust's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes.
- The Manager may amend the distribution policy subject to obtaining the SFC's prior approval and by giving not less than one month's prior notice to unitholders.

How has the Trust performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much Class A1 increased or decreased in value during the calendar year being shown. Performance data has been calculated in US\$ including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Trust launch date: 2 September 2002
- Class A1 launch date: 2 September 2002
- Class A1 has the longest history and is broadly indicative of the Trust's performance characteristics.

Is there any guarantee?

This Trust does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Trust.

Fee	What you pay
Subscription fee (Preliminary Charge)	Up to 5% of the subscription monies
Switching fee	Nil*
Redemption fee	Nil

* Certain distributors may impose a charge for each switching of units acquired through it for units in another class, which will be deducted at the time of the switching and paid to the relevant distributor. Unitholders who intend to switch their units from one class to units in another class should check with their respective distributors for the charge on switching.

Ongoing fees payable by the Trust

The following expenses will be paid out of the Trust. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Trust's NAV)
Management fee	1.25%*
Trustee fees	First US\$150 million of the Trust's NAV.....0.135%*
	Next US\$650 million of the Trust's NAV..... 0.13%
(Including fees of the Custodian and Registrar)	Thereafter.....0.125%
	The trustee fees are subject to a monthly minimum of US\$4,500.
Performance fee	15% of the appreciation in the NAV per unit in the relevant class (prior to the deduction of any provision for any performance fee and any distribution declared or paid in respect of the relevant performance period(s) since the last performance fee is crystallised and paid) in the relevant performance period over the high water mark calculated annually on a high-on-high basis.
	<ul style="list-style-type: none"> • High water mark is initially set at the initial issue price of the relevant class. • Each performance period corresponds to the financial year of the Trust. • Where a performance fee is payable to the Manager for a performance period, the NAV per unit of that class (after deduction of performance fee and any distribution declared or paid) on the last valuation day of that performance period will be set as the high water mark for the next performance period. • For details and illustrative examples of the performance fee calculation, please refer to the section headed "Performance Fee" in the Trust's offering document.
Other fees	You may have to pay other fees when dealing in the units of the Trust.

* Please note that some fees may be increased up to a specified permitted maximum on giving unitholders at least one month's prior notice. Please refer to the section of the offering document entitled "Fees and Expenses" for further details of the fees and charges payable and the permitted maximum of such fees, as well as other ongoing expenses that may be borne by the Trust.

Additional information

- You generally buy and redeem units at the Trust's next-determined NAV after the administrator receives your request, directly or via a distributor, in good order at or before 5:00 p.m. (Hong Kong time), being the Trust's dealing cut-off time on each dealing day of the Trust. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Trust's dealing cut-off time).
- The NAV of the Trust is calculated and the price of units of each of the classes which are offered to the retail public of Hong Kong is published on each business day on the Manager's website www.valuepartners-group.com. This website has not been reviewed or authorized by the SFC.
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from www.valuepartners-group.com. This website has not been reviewed or authorized by the SFC.
- Investors may obtain information on the distributor(s) appointed in respect of the Trust by making a telephone enquiry with the Manager on (852) 2143 0688.
- Where dividends comprise amounts from both income and capital, the composition of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) (if any) for the last 12 months is available by the Manager on request and also on the Manager's website www.valuepartners-group.com. This website has not been reviewed or authorized by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.