

**Issuer: Value Partners Hong Kong Limited**

**October 2022**

- This statement provides you with key information about this product.
- This statement is a part of the Fund's offering document.
- Capitalised terms herein carry the same meanings as in the Prospectus of the ICAV, including the Supplement of the Fund (the "Prospectus").
- You should not invest in this product based on this statement alone.

## Quick facts

**Manager:** Carne Global Fund Managers (Ireland) Limited

**Investment Manager:** Value Partners Hong Kong Limited in Hong Kong (external delegation)

**Depository:** HSBC Continental Europe

**Ongoing charges over a year\*:**

Australian Dollar Class A (Acc) (Hedged)	3.61 % <sup>^</sup>
Hong Kong Dollar Class A (Acc) (Unhedged)	3.61 % <sup>β</sup>
RMB Class A (Acc) (Hedged)	3.62 % <sup>β</sup>
Singapore Dollar Class A (Acc) (Hedged)	3.62 % <sup>β</sup>
United States Dollar Class A (Acc) (Unhedged)	3.61 % <sup>β</sup>

**Dealing frequency:** Daily (on each Business Day i.e. any day which is a business day in Dublin and Hong Kong, on which stock exchanges in markets on which, in the opinion of the Investment Manager, all or part of investments of the Fund are quoted, listed or dealt in are open for trading.)

**Base currency:** USD

**Financial year end of this fund:** 31 December

**Classes available:** Australian Dollar Class A (Acc) (Hedged), Hong Kong Dollar Class A (Acc) (Unhedged), RMB Class A (Acc) (Hedged), Singapore Dollar Class A (Acc) (Hedged), United States Dollar Class A (Acc) (Unhedged)

**Dividend policy:** For accumulation Classes of Shares (Acc), the Directors currently do not intend to pay dividends. Therefore, any net distributable income attributable to the Shares of the Accumulation Classes will be reflected in their respective Net Asset Values.

**Minimum initial investment:**

Share Class	Minimum Initial Investment
Australian Dollar Class A	AUD 10,000
Hong Kong Dollar Class A	HKD 80,000
RMB Class A	RMB 60,000
Singapore Dollar Class A	SGD 10,000
United States Dollar Class A	USD 10,000

## Value Partners China A Shares Consumption Fund

### Minimum subsequent investment:

Share Class	Minimum Subsequent Investment
Australian Dollar Class A	AUD 5,000
Hong Kong Dollar Class A	HKD 40,000
RMB Class A	RMB 30,000
Singapore Dollar Class A	SGD 5,000
United States Dollar Class A	USD 5,000

### Minimum holding:

Share Class	Minimum Holding
Australian Dollar Class A	AUD 5,000
Hong Kong Dollar Class A	HKD 40,000
RMB Class A	RMB 30,000
Singapore Dollar Class A	SGD 5,000
United States Dollar Class A	USD 5,000

### Minimum redemption amount:

Nil

\* The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the class of shares for the corresponding period as described below. This figure may vary from year to year. Information is updated as at 14 September 2022.

β This figure is an annualized figure based on the expenses for the interim period ended 30 June 2022. The actual ongoing charges figure may be different and may vary from year to year.

^ The first issue of the class of shares has not yet occurred as at the interim period ended 30 June 2022. This ongoing charges figure is an estimate only and is based on the ongoing charges figure of United States Dollar Class A Acc Unhedged with similar fee structure for the relevant financial period. The actual ongoing charges figure may be different and may vary from year to year.

## What is this product?

The Value Partners China A Shares Consumption Fund (the "Fund") is a sub-fund of Value Partners Ireland Fund ICAV (the "ICAV") which is an open-ended umbrella type Irish Collective Asset-management Vehicle. The Fund is domiciled in Ireland and its home regulator is the Central Bank of Ireland (the "Central Bank").

## Objectives and Investment Strategy

### Objective

The investment objective of the Fund is to achieve long-term income and capital growth by investing primarily in equities and equity-related securities issued by or linked to companies whose activities relate to or benefit from growth in domestic consumption in the PRC and/or Hong Kong.

There can be no assurance that the Fund will achieve its investment objective.

### Strategy

The Fund intends to achieve its investment objective by investing at least 70% and up to 100% of its Net Asset Value in RMB-denominated equities issued in the PRC which predominantly are China A-Shares.

The Fund may invest up to 100% of its Net Asset Value in China A Shares (including the ChiNext market and/or the Science and Technology Innovation ("STAR") Board). It may invest directly or indirectly in China A Shares and will access China A Shares via Stock Connect, QFII and/or indirectly through China A-Shares Access Products ("CAAPs"), such as Participation Notes relating to China A Shares. The Fund will invest not more than 30% of its Net Asset Value through QFII. The Participation Notes are linked to China A Shares and are unleveraged instruments. For the avoidance of doubt, Participation Notes by nature are derivative instruments. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, the Fund may gain access to restricted markets by investing in unlisted CAAPs and in such circumstances, such investment will be in accordance with the Central Bank Investment Restrictions set out in Schedule I to the Prospectus. The Fund may invest no more than 10% of its Net Asset Value in unlisted CAAPs.

## Value Partners China A Shares Consumption Fund

The Fund's investments shall focus in, but not be limited to, companies that engage in the consumer staples and consumer discretionary sector which covers manufacture, sale, provision or distribution of goods and/or services to consumers in industries such as healthcare, IT or technology (i.e. companies in one of the following themes: internet including mobile fintech, cloud e-commerce and digital) in the PRC and/or Hong Kong.

The Fund may also invest up to 30% of its Net Asset Value in equities and equity-related securities (such as convertible securities for example convertible preferred stock, common and preferred stock as well as American depositary receipts ("ADRs"), global depositary receipts ("GDRs") issued by or fully guaranteed by listed or unlisted corporations which have their main operations (or majority of assets) in, or the majority of their income derived from, the PRC and/or Hong Kong. For the avoidance of doubt, the Fund may invest up to 10% of its Net Asset Value in depositary receipts such as ADRs and GDRs.

There are no capitalisation restrictions on securities that can be held in the portfolio, but rather, selection will be determined by the availability of attractive investment opportunities and the Fund may invest substantially in securities issued by small and mid-cap companies.

The Fund may also invest up to 20% of its Net Asset Value in other PRC related securities listed or quoted outside the PRC and Hong Kong if such securities are issued by companies which are related to the PRC.

The Fund may invest in securities listed or dealt in on the Recognised Exchanges listed in the Prospectus or may also invest in unlisted securities in accordance with the Central Bank Investment Restrictions set out in Schedule I of the Prospectus. The Fund's aggregated investment in unlisted securities (including the investments in unlisted CAAPs and unlisted convertible securities) will not exceed 10% of its Net Asset Value.

To provide flexibility for the Investment Manager to invest in classes of securities which may have more efficient exposures to underlying assets which are consistent with the investment policy of the Fund, the Fund may also invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. The total investment in collective investment schemes by the Fund will not exceed 10% of the Fund's Net Asset Value and will be made in accordance with the requirements of the Central Bank. Such other collective investment schemes which the Fund may invest in may not be authorised by the SFC. The Investment Manager has no current intention to invest in instruments with loss-absorption features in respect of the Fund.

The Fund may invest in cash for hedging and risk management purposes. Under normal circumstances, the Fund's investment in cash may not exceed 25% of its Net Asset Value. Though maintaining cash is not a primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant downturn in the economy or political turmoil), the Fund may maintain up to 100% of its Net Asset Value in cash should the Investment Manager deem such a strategy to be prudent over any time period.

Financial derivative instruments may also be used by the Investment Manager to achieve the investment objective of the Fund. The Fund may invest in futures contracts, options, warrants, index swaps, equity swaps, total return swaps, interest rate swaps and currency swaps, and forwards for hedging and efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities where the Investment Manager considers it is more efficient to do so or as a cheaper alternative to direct investment in that security, or for hedging purposes in accordance with the requirements of the Central Bank.

The Investment Manager may enter into stock lending arrangements in respect of the Fund. Such securities financing transactions may either be listed on recognised exchanges or conducted an over-the-counter. The expected proportion of the Fund's Net Asset Value subject to such transactions will not exceed 30% of its Net Asset Value and the maximum proportion is not expected to exceed 50% of its Net Asset Value. For the avoidance of doubt, the Investment Manager has no current intention to engage in repurchase and reverse repurchase transactions in respect of the Fund.

### Use of Derivatives

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

## What are the key risks?

**Investment involves risks. Please refer to the Prospectus for details including the risk factors.**

### 1. Investment risk

- The Fund is an investment fund. The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

### 2. Concentration risk / consumer staples and consumer discretionary sector risk

- The investments of the Fund are concentrated in the consumer staples and consumer discretionary sector. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The performance of companies in the consumer staples and consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which may be affected by interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer staples and consumer discretionary sector.

### 3. Concentration risk / PRC and Hong Kong market risk

- The Fund's investments are concentrated in the PRC and Hong Kong markets, the value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC and Hong Kong markets.

### 4. Healthcare sector risk

- The economic prospects of the health care sector are generally subject to greater influences from governmental policies and regulations than those of many other industries. Certain health care companies may allocate greater than usual financial resources to research and product development and experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, certain health care companies may be adversely affected by lack of commercial acceptance of a new product or process or by technological change and obsolescence.

### 5. IT/technology sector risk

- Many of the companies with a high business exposure to a technology theme have a relatively short operating history. Technology companies are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

### 6. Currency risk

- An investment in the Fund may involve exchange rate risk. The investments of the Fund may be denominated in currencies other than the base currency of the Fund (which is USD). Also, a class of Shares may be designated in a currency other than the base currency of the Fund. The Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between such currency and the base currency and by changes in exchange rate controls.

### 7. Risks of investing in equity securities

- The prices of equity securities may fluctuate or decline in response to certain events, including issuer specific factors, overall market changes, changes in investment sentiment, local, regional or global political, social or economic instability and currency fluctuations.
- High market volatility and potential settlement difficulties in the equity markets of certain countries (such as the PRC) 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 Fund.

- Securities exchanges in certain countries (such as the PRC) 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 Fund.

#### **8. Risks of investing in small- and mid-cap companies**

- The Fund's equity portfolio may include small- and mid-cap companies. Investments in such companies may involve greater risks, such as limited product lines, markets and financial or managerial resources. The stock of such companies may also have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

#### **9. Risks of investing in convertible securities**

- Convertible securities are hybrids between debt and equity and permit holders to convert into shares in the company issuing the bond at a specified future date. Such convertible securities will thus be exposed to equity movements and greater volatility than straight bond investments. Investments in such convertible securities are subject to the same type of interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

#### **10. Risks of investing in the Chinese market**

- The China A Share markets may be subject to uncertainties and difficulties in settlement and recording of transactions and in interpreting and applying relevant regulations. These may lead to a higher level of volatility and instability associated with the China A Share markets.
- The liquidity and price volatility associated with China A Share markets are subject to greater risks of government intervention and imposition of trading band restrictions. Such factors may affect the performance of the Fund and the subscription and redemption of Shares may also be disrupted.
- The RMB is not freely convertible and subject to exchange controls and restrictions. 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 RMB could adversely affect the value of investor's investment in the Fund.
- In calculating the Net Asset Value per Share of a Class denominated in RMB and in effecting any currency conversions involving RMB, the Investment Manager may apply the CNH rate (i.e. the exchange rate for the offshore RMB market in Hong Kong). Whilst the RMB (CNH) and RMB (CNY) (i.e. the exchange rate for the onshore RMB market in Hong Kong) represent the same currency, they are traded in different rates and separate markets which operate independently. As such, RMB (CNH) may trade at a premium or discount to RMB (CNY) and they may even move in different directions. Any divergence between RMB (CNH) and RMB (CNY) may adversely impact investors.
- The Fund may invest in the China market via CAAPs. Certain CAAPs in which the Fund invests so as to synthetically replicate the economic performance of the underlying shares or portfolio of shares do not provide any beneficial or equitable entitlement or interest in the shares to which such instruments are linked. Because CAAPs constitute unsecured contractual obligations of the relevant issuer, rather than a direct investment in shares, the Fund is subject to credit risk of the issuer of the relevant CAAPs. The Fund may suffer losses, potentially equal to the full value of the CAAPs, if the relevant issuer fails to perform its obligations under the instrument. CAAPs may not be listed and are subject to the terms and conditions imposed by their issuers. Investments in CAAPs can be illiquid as there is no active markets in CAAPs; the bid and offer spread of the price of such investment may be large and the Fund may incur significant trading costs. Also, if there is any change in the regulations relating to CAAPs which may result in any restrictions or prohibitions in respect of the Fund's investments in CAAPs, the Fund's ability to achieve its investment objective could be negatively affected.
- The Fund may also invest in the China market via Stock Connect. The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is also subject to quota limitations. Where a suspension in the trading through the programme is effected, the Fund's ability to invest in China A Shares or access the Chinese market through the programme will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains derived from Fund's trading of China A Shares via the Stock Connect or CAAPs (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund's value. Based on professional and independent tax advice, no provision for gross realised or unrealised capital gains derived from trading of China A Shares is made.

#### 11. Risks associated with the ChiNext market and STAR board

- *Higher fluctuation on stock prices and liquidity risk:* Listed companies on the ChiNext market and STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- *Over-valuation risk:* Stocks listed on ChiNext and STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- *Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board and SME board.
- *Delisting risk:* It may be more common and faster for companies listed on the ChiNext market and STAR Board to delist. In particular, ChiNext market and STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- *Concentration risk:* STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Fund to higher concentration risk. Investments in the ChiNext market and/or STAR Board may result in significant losses for the Fund and its investor.

#### 12. Valuation risk

- Valuation of the Fund's investments may involve uncertainties and judgemental determinations. If such valuations are incorrect, this may affect the net asset value calculation of the Fund.

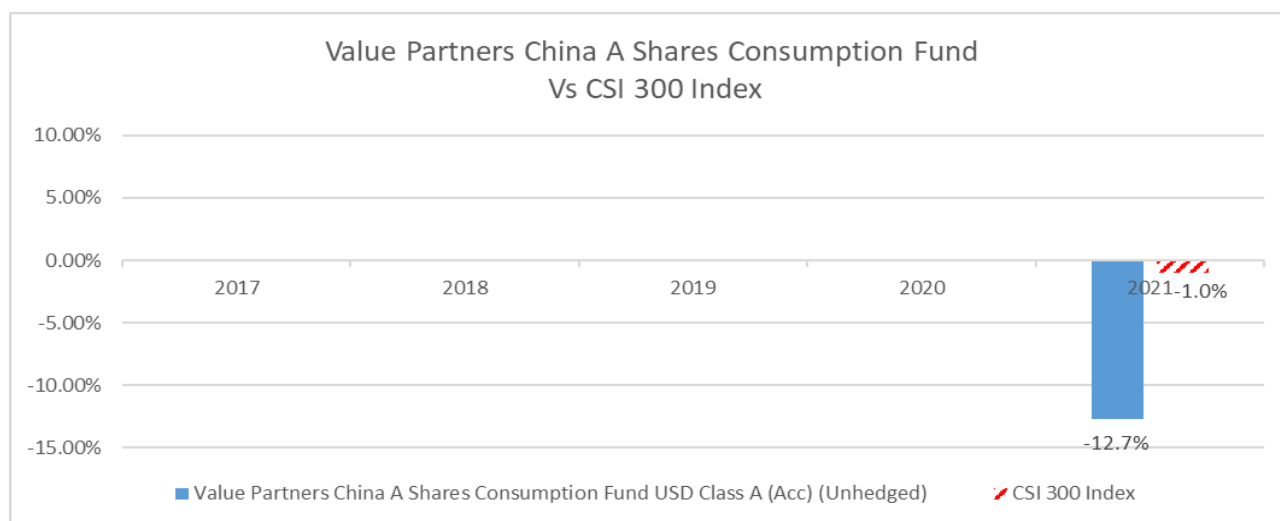
#### 13. Hedged class risk

- There is no guarantee that the desired hedging instruments will be available or that the hedging techniques will be effective. Hedging can limit potential gains of a hedged class. 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.

#### 14. Derivative risk

- Risks associated with financial derivative instruments such as CAAPs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of financial derivative instruments can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Fund. Exposure to such instruments may lead to a high risk of significant loss by the Fund.

## How has the Fund 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.
- The figures show by how much United States Dollar Class A (Acc) (Unhedged) increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The benchmark of the Fund (for performance comparison purposes only) is the CSI 300 Index.
- Fund launch date: 16 November 2020.
- United States Dollar Class A (Acc) (Unhedged) launch date: 16 November 2020.
- United States Dollar Class A (Acc) (Unhedged) has the longest history and is broadly indicative of the Fund's performance characteristics.

## Is there any guarantee?

This Fund 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 shares of the Fund.

Fee	What you pay
<b>Subscription fee (Initial Sales Charge)</b>	Up to 5% of the subscription monies
<b>Redemption fee*</b>	Nil
<b>Switching fee*#</b>	Nil

# Certain distributors may impose a charge for each switching of Shares in a class of the Fund acquired through them for Shares in another class of the Fund, which will be deducted at the time of the switching and paid to the relevant distributors. Shareholders who intend to switch their Shares in one class to Shares in another class should check with their respective distributors for the charge on switching.

## Ongoing fees payable by the Fund

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

	Annual rate (as a % of the class of Shares' Net Asset Value)
<b>Management fee*</b>	Up to 0.05% (plus VAT if any), subject to an annual minimum fee, comprising the higher of (i) up to €15,000 (plus VAT if any); or (ii) a proportion of an annual fee payable in respect of the ICAV of up to €63,000 (plus VAT if any), as borne equally by each of the sub-funds of the ICAV together.
<b>Investment management fee</b>	1.50%
<b>Performance fee</b>	Nil
<b>Depository fee</b>	0.02% on the portion of the Net Asset Value up to USD500 million and 0.01% on the portion of the Net Asset Value in excess of USD500 million, subject to a monthly minimum fee of USD1,500.  The Depository will also be entitled to receive an annual fee of USD7,000.
<b>Administrator's fee</b>	<u>Accounting and Portfolio Valuation Services</u> <ul style="list-style-type: none"> <li>• 0.08% on the portion of the Net Asset Value up to USD300 million;</li> <li>• 0.06% on the portion of the Net Asset Value in excess of USD300 million to USD500 million; and</li> <li>• 0.04% on the portion of the Net Asset Value in excess of USD500 million,</li> </ul> subject to a monthly minimum fee of USD2,500 for the first share class and a monthly minimum fee of USD250 for each additional share class.
<b>Other fees</b>	You may have to pay other fees when dealing in the Shares of the Fund.

\* You should note that some fees may be increased, up to a specified permitted maximum, by giving affected shareholders at least one month's prior notice. For details please refer to the section headed "Fees and Expenses" in the Prospectus.



### **Additional information**

- You generally buy and redeem shares at the Fund's next-determined Net Asset Value after the Administrator receives your request, directly or through the Distributor or an authorised sub-distributor, in good order at or before 11:59 a.m. (Irish time) being the Fund's dealing cut-off time, on the relevant Valuation Day. Before placing your subscription orders or redemption request, please check with the relevant authorised sub-distributor for its internal dealing cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The Fund's Net Asset Value and the latest subscription and redemption prices of shares are available on each Business Day on the Hong Kong Representative's website [www.valuepartners-group.com](http://www.valuepartners-group.com) (this website has not been reviewed by the SFC).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative's website.
- Investors may obtain information on the distributor(s) appointed in respect of the Fund by making a telephone enquiry with the Hong Kong Representative on (852) 2143 0688.

### **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.