

# A Leader of Value Investing in Asia

Value Partners is a leading asset management firm in Asia. Since its establishment in 1993, and under the leadership of its Chairman and co-CIO Mr. Cheah Cheng Hye, the company has successfully developed from a start-up boutique into one of Asia's most respected asset managers.

## Why Value Partners?

### Pioneer value investor in Asia

We were one of the first fund managers in Asia to apply strict value investing principles in the early 90s, and started investing in the China domestic market when it had just begun to open up.

### Greater China expertise

We are Greater China specialists with extensive investment experience and in-depth local knowledge. As part of our research process, our team conducted a large number of company visits every year.

### Proven track record and investment process

Over the years, we have delivered robust risk-adjusted absolute returns while maintaining low volatility throughout different market cycles.

### Experienced and stable team

We have one of the largest on-the-ground investment teams with around 40 professionals conducting in-depth company research and analysis. Many of them have been working together for more than 10 years.

### Strong operational support and stringent risk management

Our clients are supported by a strong business operation team of over 100 professionals as well as solid risk management systems.

*“Our employees pledge to put clients’ interest first and put our pride, not our ego, into our work.”*

## Our product suite

Value Partners offers a wide spectrum of investment solutions, ranging from actively managed products to passively traded index funds. We also provide managed accounts and customized solutions to suit the specific objectives and requirements of our clients. Value investing forms the backbone of our suites of products.

The following diagram illustrates some investment themes of the Value Partners product range\*:

### Absolute Return Long-biased Funds

- Asia with Greater China focus
- Asia focusing on high dividend stocks
- China investment strategies focusing on A, B & H shares
- Pure China focusing on A shares
- Small and mid cap stocks related to Greater China
- Taiwan focus

### Fixed Income and Alternative Investment Funds

- Asian and Greater China fixed income strategy
- Long/short equities strategy

\* Some products may not be available to all investors. Please contact us for details and read the corresponding offering documents before making any investment decision.

## Investment philosophy

Value investing is the cornerstone of our investment philosophy. We believe bottom-up approach and extensive research are key to identifying undervalued, little-known opportunities in an inefficient market. Our success is underpinned by three key factors:

### 1 Investing in business, not stocks

We invest in real business based on our '3Rs' principle: **R**ight business, **R**ight people and **R**ight price. Our investment team aims to gain in-depth first-hand knowledge of the companies we invest in through site visits, and meetings with management, customers, suppliers and other stakeholders.

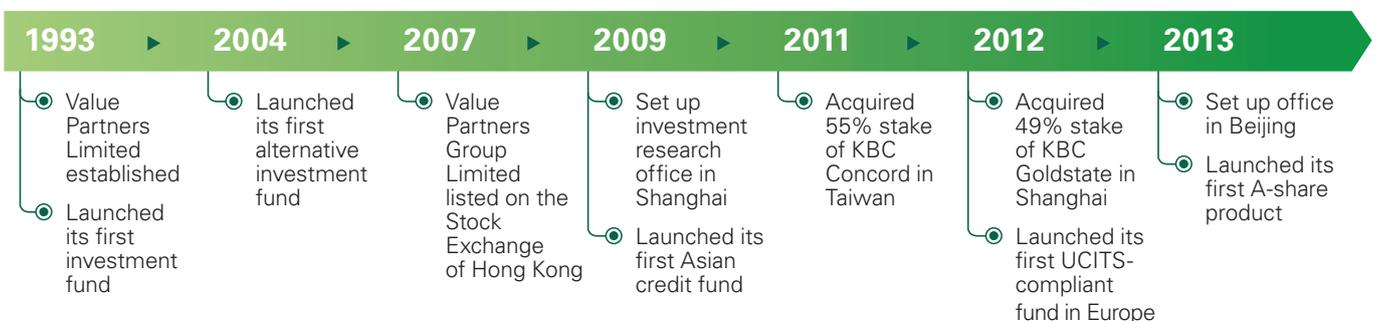
### 2 Taking a prudent and consistent approach

We aim to minimize investment risk by avoiding market fads and making investments with a high margin of safety. We adopt a consistent team-based approach by applying the 'seven skills' – origination, research, decision-making, deal-structuring, execution, maintenance and exit. This has helped us deliver strong risk-adjusted performance in different market conditions.

### 3 Going against the flow

Our fund managers believe in taking contrarian approach by going against the flow of the market and investing in little-known stocks and out-of-favor business sectors.

## History



## Awards

Value Partners is highly recognized in the industry globally and in Asia for its stellar performance and quality of management.

**Institutional Investor**

**2013 Top 100 Hedge Fund Asia's largest hedge fund manager, and 62<sup>nd</sup> Worldwide**

*Institutional Investor's Alpha Magazine, May 2013*



**Best Equity Group – 3 Years for two consecutive years**

*Lipper Fund Awards (Hong Kong) 2011 and 2012<sup>1</sup>*



**CIO of the Year in Asia Co-Winner: Cheah Cheng Hye and Louis So**

*Asia Asset Management, 2011*

**Institutional Investor**

**Number 1 for three consecutive years in Asia Hedge Fund 25**

*Institutional Investor, 2010 – 2012*

**AsiaHedge Awards 2010**

**Management Firm of the Year**  
*AsiaHedge, 2010*

## Commitment to Hong Kong fund management industry

As one of the largest home-grown fund management firms in Hong Kong, Value Partners has played a significant role in nurturing young talents in the industry. In 2010, Mr. Cheah Cheng-hye was the first Asian to have delivered a keynote speech at the Annual Graham & Dodd<sup>2</sup> Breakfast Seminar at the Columbia Business School, the birthplace of value investing. Soon after his return, in 2011, this mission was taken to the next level through the establishment of the Value Partners Center for Investing jointly with the Business School of the Hong Kong University of Science and Technology ('HKUST'), a top ranked international research university. This is the first academic center of its kind in Hong Kong to support research and training on investment management through a wide range of activities. It provides practical investment experience to students through seminars, internships and a student-managed fund.

## Contact us

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<sup>1</sup> Based on the returns as at year end 2010 and 2011 respectively.

<sup>2</sup> Graham & Dodd: The US economist Benjamin Graham is considered the first proponent of value investing. The approach was subsequently refined in the book *Security Analysis* with David Dodd, a close colleague of him at the Columbia Business School. Graham's disciples include the legendary investor, Warren Buffett.