中誠信亞太
CCXAP

CCXAP assigns bfAA$_g$ to Value Partners Global Short Duration Investment Grade Bond Fund.

Hong Kong, 24 August 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned a bond fund ("BF") rating of bfAA$_g$ to Value Partners Global Short Duration Investment Grade Bond Fund (the "Fund"). The Fund was launched in December 2025 and domiciled in Hong Kong. The Fund is a sub-fund of Value Partners Fund Series II, which is a unit trust established under the laws of Hong Kong. It is managed by Value Partners Hong Kong Limited ("VPHK", or the "Manager"), which is directly and wholly-owned by Value Partners Group Limited ("Value Partners", stock code: 0806.HK). The fund aims to maximize the total return by primarily investing in a portfolio of investment grade short-term fixed income securities issued globally with an average duration across the portfolio of not more than 3.5 years.

Rating Rationale

The bfAA$_g$ rating indicates a very strong credit quality of the Fund's investment portfolio. We determine the rating based on the Fund's actual and prospective investment portfolio and its credit quality and stability.

The Fund aims to achieve its investment objective by investing at least 70% of its Net Asset Value ("NAV") in in fixed income securities issued or traded in the global fixed income securities markets which are rated investment grade, with duration of each of such securities no longer than 3 years. The fixed income securities which the Fund may invest in include, but are not limited to, certificate of deposits, bonds, convertible bonds, fixed income securities with loss-absorption features ("LAPs"), asset-backed securities and Dim Sum bonds. At this stage, the Fund's portfolio consists primarily of global investment-grade senior unsecured debt securities, and its short-duration strategy is conducive to managing expected losses adjusted for maturity.

Meanwhile, up to 30% of the Fund's NAV may be invested in LAPs such as contingent convertible bonds issued by financial institutions, non-preferred senior debt instruments, certain Additional Tier 1 and Tier 2 capital instruments, as well as external loss absorbing capacity debt instruments. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events. However, we consider that the Fund's relevant risk is manageable, due to the placement selection in reliable banks or financial institutions which are considered to have strong credit quality under our internal assessment.

In addition, the Fund may invest less than 30% of its NAV in each of asset-backed securities and convertible bonds. We consider that the Fund's relevant risk is manageable, as these assets concurrently accounted for around 15.0% of the Fund's NAV as of 30 June 2026. Financial derivative instruments (if employed) are used for hedging purposes at current stage, and the Manager will use futures instruments for hedging, which entails lower counterparty risk. The Fund's net derivative exposure may be up to 50% of the Fund's total NAV.

The Fund has passed the portfolio stability test as described in our rating methodology, indicating that the portfolios' credit quality and risk sensitivity are consistent with the assigned rating levels. The Fund's concentration risk is well-managed as its portfolio is relatively diversified globally, and no single holding exceeds 10.0% of the Fund's NAV as of 30 June 2026. In addition, the Fund sets limitations of less than 50% of the NAV in fixed income securities concentrated in any one country or region from time to time, which helps the Fund mitigate country-specific sovereign risks. Currently, the Fund's portfolio is diversified across countries such as the United States, China, Japan, France, and Australia.

VPHK, the Fund's manager, is considered to be suitably qualified, competent, and capable of managing the Fund. It is wholly-owned by Value Partners, which was the first asset management company to be listed on the Hong Kong Stock Exchange and is one of Asia's most established asset managers with assets under management of USD7.1 billion as at 30 June 2026. Value Partners offers a wide range of investment solutions, including equities, fixed-income, alternatives, multi-asset portfolios, quantitative/passive strategies, and private equity investments, with offices in Hong Kong, Shanghai, and Singapore. Leveraging its strong shareholder background and extensive cross-border asset management experience, VPHK has long been recognized as a leading asset manager in Hong Kong.

Rating Sensitivities

What could upgrade the rating?

The rating is sensitive to significant changes in its portfolio's credit quality and asset stability or the quality of the manager. A significant positive change from CCXAP's expectation for any key rating driver could lead to rating upgrade.

What could downgrade the rating?

A significant adverse deviation from CCXAP's expectation for any key rating driver could result in rating downgrade.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [Bond Funds (March 2026).]

Regulatory Disclosures

BF ratings are not credit ratings. BF ratings are our forward-looking view on a BF's overall credit quality, with the consideration of investment maturity. CCXAP uses an "bf" prefix to the rating categories (bfAAA$_g$, bfAA$_g$, bfA$_g$, bfBBB$_g$, bfBB$_g$, bfB$_g$, bfCCC$_g$, bfCC$_g$, and bfC$_g$) to differentiate BF ratings from its credit ratings (the conventional issuer or issue rating). BF ratings are not and should not be construed as an investment recommendation.

For Risk Disclosure of the Fund, it can be found on the Manager's website https://www.valuepartners-group.com/en/investment-solutions/institutional-funds/value-partners-global-short-duration-investment-grade-bond-fund/. CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

This rating is solicited at the request of the rated entity or its related third party. The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

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