

**VALUE PARTNERS GROUP LTD:  
THIS MAY BE DIFFICULT FOR SOME PEOPLE TO DIGEST**

When a corporate entity is entrusted with other people's money, scrupulous attention must be given to guaranteeing that there is never a conflict of interest between the activities of the corporate entity and/or any of its employees in handling the funds with which they are entrusted, and/or any proprietary activities of the corporate entity, itself.

It is held, in some quarters, that a corporate entity, whose principle activity is in investing other people's money, that that corporate entity should not have any proprietary activity, at all.

Many managers of pension funds prefer to place the pension's funds, under their control, for which they hold a strict duty of fidelity, with a corporate entity that manages money, a corporate entity that does not indulge in proprietary activities, such as the buying and/or selling of equities.

The reason for this thinking is that, inter alia, the probability exists that it may materialise that the third-party management of the pension funds could be seen to be in conflict, by accident or design, with its duty of fidelity to the pension funds.

This would include, of course, the corporate entity, investing in a fund(s), the beneficial ownership of which is unclear to the management of the pension fund, or in which the corporate entity has an interest, directly or indirectly, whether or not that interest is declared.

[Value Partners Group Ltd \(\)](#) (Code: 806, Main Board, The Stock Exchange of Hongkong Ltd) recently released its financial results in respect of the Financial Year, ended December 31, 2009.

Briefly, Value Partners Group Ltd reported the following:

	<b><u>2009 Financial Year</u></b>	<b><u>Gains/Losses</u></b>	<b><u>2008 Financial Year</u></b>
Revenue	\$HK460.27 million	+9.10 percent	\$HK421.86 million
Other Income	\$HK11.47 million	-69.43 percent	\$HK37.52 million
Total Income	\$HK471.75 million	+2.69 percent	\$HK459.38 million
Total Expenses	(\$HK248.97 million)	-19.35 percent	(\$HK308.72 million)
Other Gains/Losses	<u>\$HK125.57 million</u>	Not Applicable	<u>(\$HK58.16 million)</u>
Total Comprehensive Income	<b><u>\$HK319.79 million</u></b>	<b>+380.17 percent</b>	<b><u>\$HK66.60 million</u></b>

The core activity of Value Partners Group Ltd is said to be the management of funds, for which it receives fees.

Page 61 of the 2009 Annual Report breaks down the Revenue of the Company as follows:

	<b><u>2009 Financial Year</u></b>	<b><u>Gains/Losses</u></b>	<b><u>2008 Financial Year</u></b>
Management Fees	\$HK233.46 million	-29.56 percent	\$HK331.45 million
Performance Fees	\$HK219.75 million	+216.83 percent	\$HK69.36 million
Front-End Fees	\$HK5.001 million	+91.98 percent	\$HK2.605 million
Back-End Fees	<u>\$HK2.061 million</u>	<u>-88.83 percent</u>	<u>\$HK18.448 million</u>
<b>TOTAL REVENUE</b>	<b><u>\$HK460.27 million</u></b>	<b><u>+9.10 percent</u></b>	<b><u>\$HK421.86 million</u></b>

The above is the income from the core activities of Value Partners Group Ltd, that is the management of other people's/entities' money, known in the parlance as Assets Under Management (AUM).

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