

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

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INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

MANAGEMENT AND ADMINISTRATION

MANAGER

Income Partners Asset Management (HK) Limited
Suite 3503-4
Cambridge House
Taikoo Place
979 King's Road
Hong Kong

DIRECTORS OF THE MANAGER

Emil Nguy
Gregoire Marie Haenni (appointed on 21 June 2023)
Karl Franklin Dasher (appointed on 21 June 2023)
John Blackman Doggett (appointed on 21 June 2023)

TRUSTEE AND PRINCIPAL OFFICE

Cititrust Limited
50th Floor, Champion Tower
Three Garden Road, Central
Hong Kong

ADMINISTRATOR

Citibank N.A., Hong Kong Branch
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Hong Kong

REGISTRAR AND PROCESSING AGENT

Citicorp Financial Services Limited
Citi Tower, One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon, Hong Kong

**SOLICITORS TO THE MANAGER
IN RESPECT OF HONG KONG LAW**

Akin Gump Strauss Hauer & Feld
Units 1801-08 & 10, 18/F, Gloucester Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

CUSTODIAN

Citibank N.A., Hong Kong Branch
50th Floor, Champion Tower
Three Garden Road, Central
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AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central
Hong Kong

SWISS REPRESENTATIVE AGENT

Acolin Fund Services AG, Geneva Branch
6, Cours de Rive
CH-1204 Geneva
Switzerland

MANAGER'S REPORT
INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

2023 PERFORMANCE OVERVIEW

For the year ended 31 December 2023, the Income Partners Managed Volatility High Yield Bond Fund (the "Fund") generated a total return as per below table:

Class of Shares	ISIN Code	Bloomberg ticker	Fund Class Inception Date	FY 2023 Return	Annualised Dividend Yield ¹ *
Class 1A Accumulation (USD)	HK0000421336	IRHY1AA HK	8-Jan-18	-15.94%	-
Class 1A Distribution (USD)	HK0000421328	IPRHY1A HK	7-May-13 (re-activated on 3-Aug-2021)	-	6.3%
Class 1B Accumulation (RMB)	HK0000421351	IRHY1BA HK	26-Jun-19	-	-
Class 1E Distribution (USD-H)	HK0000490067	IPRHY1E HK	25-Mar-19	-11.56%	8.3%
Class 2A Accumulation (USD)	HK0000421419	IRHY2AA HK	27-Jul-11	-16.37%	-
Class 2A Distribution (USD)	HK0000421401	IPRHY2A HK	3-Aug-11	-16.34%	9.0%
Class 2B Accumulation (RMB)	HK0000421435	IRHY2BA HK	27-Jul-11	-13.94%	-
Class 2B Distribution (RMB)	HK0000421427	IPRHY2B HK	27-Jul-11	-13.94%	8.5%
Class 2C Distribution (USD)	HK0000421443	IPRHY2C HK	10-Aug-11	-16.35%	9.6%
Class 2D Accumulation (HKD)	HK0000421468	IRHY2DA HK	21-Feb-18	-16.20%	-
Class 2D Distribution (HKD)	HK0000421450	IPRHY2D HK	9-Feb-18	-16.19%	8.9%
Class 2E Accumulation (AUD)	HK0000421484	IRHY2EA HK	7-Mar-18	-	-
Class 2E Distribution (AUD)	HK0000421476	IPRHY2E HK	4-May-18	-16.46%	7.2%
Class 2F Accumulation (AUD-H)	HK0000421500	IRHY2FA HK	13-Oct-15	-13.40%	-
Class 2F Distribution (AUD-H)	HK0000421492	IPRHY2F HK	2-May-19	-13.40%	7.2%
Class 2G Accumulation (USD-H)	HK0000421526	IRHY2GA HK	13-Oct-15	-11.98%	-
Class 2G Distribution (USD-H)	HK0000421518	IPRHY2G HK	19-Oct-15	-11.94%	8.6%
Class 2I Accumulation (SGD-H)	HK0000421567	IRHY2IA HK	30-Apr-19	-13.26%	-
Class 2I Distribution (SGD-H)	HK0000421559	IPRHY2I HK	24-Apr-19	-13.18%	7.2%

¹ Annualized Dividend Yield: [(1 + distribution per unit / ex-dividend NAV) ^ distribution frequency] – 1. Yield figures are estimates and are based on the latest dividend distribution and the ex-dividend NAV of the previous month. Yield figures are for reference only. Positive dividend yield does not imply positive return. Dividend rate is not guaranteed and distributions may be paid from capital. Data as of 31 December 2023 based on dealing NAV.

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(Sub-Fund of Income Partners Strategy Fund)

Class of Shares	ISIN Code	Bloomberg ticker	Fund Class Inception Date	FY 2023 Return	Annualised Dividend Yield ¹ *
Class 2K Accumulation (EUR-H)	HK0000490034	IRHY2KA HK	8-May-19	-	-
Class 2K Distribution (EUR-H)	HK0000490026	IPRHY2K HK	7-May-19	-12.24%	5.6%
Class 2L Accumulation (HKD-H)	HK0000490059	IRHY2LA HK	7-May-19	-12.65%	-
Class 2L Distribution (HKD-H)	HK0000490042	IPRHY2L HK	17-Apr-19	-12.64%	8.6%
Class 2XB Accumulation (RMB)	HK0000706074	-	22-Dec-21	-13.95%	-
Class 2XG Accumulation (USD Hedged)	HK0000706090	-	14-Jul-21	-	-

*The Fund paid dividend distributions to Distribution share class holders.

¹ Annualized Dividend Yield: $[(1 + \text{distribution per unit} / \text{ex-dividend NAV})^{\text{distribution frequency}} - 1]$. Yield figures are estimates and are based on the latest dividend distribution and the ex-dividend NAV of the previous month. Yield figures are for reference only. Positive dividend yield does not imply positive return. Dividend rate is not guaranteed and distributions may be paid from capital. Data as of 31 December 2023 based on dealing NAV.

MANAGER'S REPORT
INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

MARKET OVERVIEW AND OUTLOOK

The Asian high yield market experienced a robust start in 2023, benefiting from China reopening its economy following the pandemic and hopes for a recovery in the troubled Chinese private-owned property developer sector. However, the market sentiment turned negative in February due to a weaker-than-expected economic recovery, particularly in domestic consumption and home sales. External factors such as the crisis in US regional banks and a hawkish stance from the Federal Reserve amid elevated US inflation further dampened market sentiment. The market faced another setback in the third quarter when reports emerged that another one of the largest Chinese property developers, was seeking assistance for potential debt restructuring.

The market stabilized in November as expectations grew for increased government support. China initiated an additional one trillion RMB government bond issuance for 2023, aiming to bolster economic growth. Additionally, Chinese regulators were reportedly developing a white list of 50 developers, including private-owned ones, to provide financing support, including potential unsecured short-term loans, to qualified developers to address the property slump. In the second half of 2023, more and more cities, including top-tier ones, relaxed home purchase restrictions and lowered down payment ratios to attract home buyers.

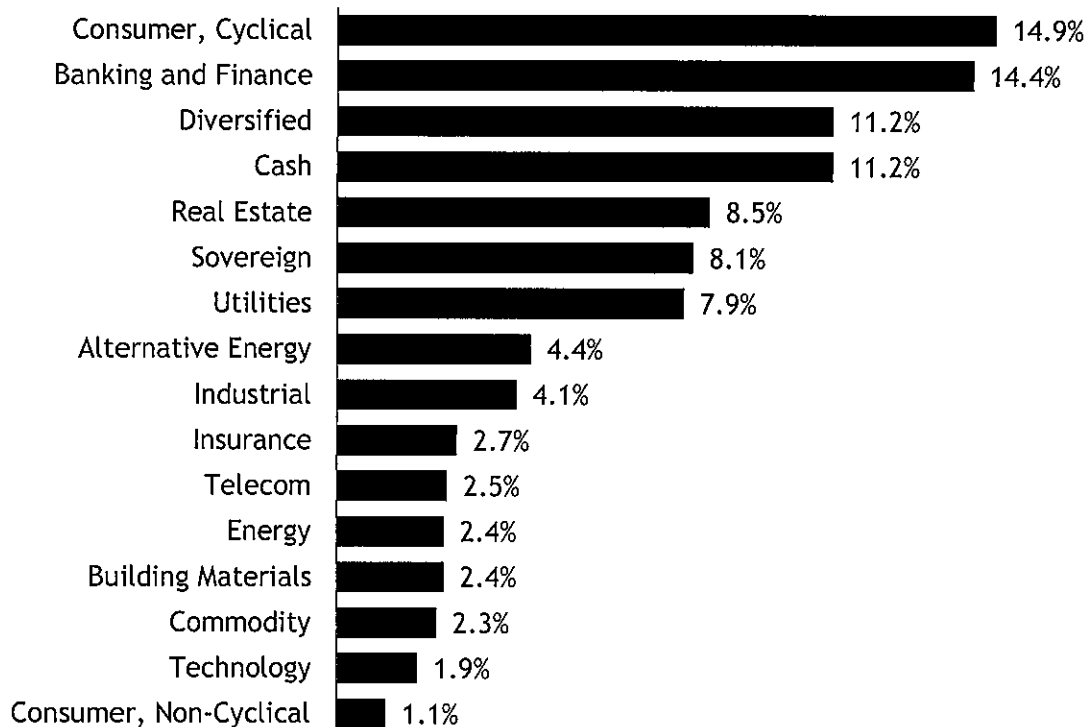
Looking ahead, a new round of policy support is anticipated for property developers, which may partially alleviate their financing difficulties. It is also expected that the People's Bank of China (PBOC), the central bank, will increase or introduce new structural facilities to channel low-cost funding into key sectors. However, challenges such as weak domestic demand, ongoing issues in the property sector, and structural headwinds are expected to persist.

In terms of valuation, Asian high yield market remains relatively attractive, with an average yield to worst of 14.5% at 2023 year end compared with 7.6% in the US high yield market.

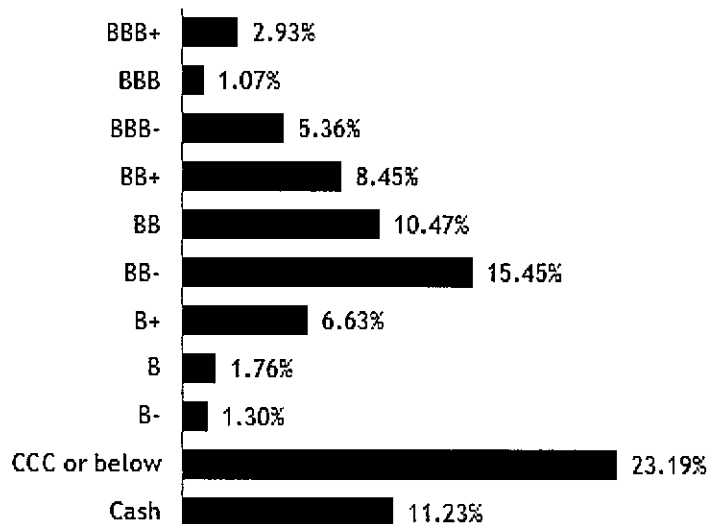
MANAGER'S REPORT
INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PORTFOLIO OVERVIEW AS OF 31 DECEMBER 2023

Industry Exposure



Credit Rating Exposure




Total exposures may differ due to rounding. Please note the ratings exposures shown here use the best rating out of S&P/Moody's/Fitch ratings. Where S&P/Moody's/Fitch ratings for bond holdings are not available, Income Partners' internal credit ratings apply.

Source: Income Partners, based on 31 December 2023 on dealing NAV

**TRUSTEE'S REPORT
TO THE UNITHOLDERS OF INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD
BOND FUND**
(Sub-Fund of Income Partners Strategy Fund)

We hereby confirm that, in our opinion, the Manager of the Income Partners Managed Volatility High Yield Bond Fund (the "Sub-Fund") as a Sub-Fund of Income Partners Strategy Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 17 November 2010, as amended for the year ended 31 December 2023.


.....
Cititrust Limited, 29 APR 2024
the Trustee

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD
BOND FUND**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Income Partners Managed Volatility High Yield Bond Fund (the "Sub-Fund") (a sub-fund of Income Partners Strategy Fund), which are set out on pages 11 to 71, comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023, and of its financial transactions and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE TRUSTEE OF INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD
BOND FUND**

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 17 November 2010 (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE TRUSTEE OF INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD
BOND FUND**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 April 2024

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 RMB	2022 RMB
Assets - current assets			
Financial assets at fair value through profit or loss	3(a)	195,112,570	371,825,676
Derivative financial instruments	3(a)	770,171	2,711,553
Interest receivable		3,322,682	8,568,804
Prepayments		822,528	686,515
Other receivables	14	222,507	265,617
Amounts due from brokers		1,582,977	2,893,957
Margin deposits		18,454,683	15,990,154
Bank balances		4,118,767	21,123,888
Total assets		<u>224,406,885</u>	<u>424,066,164</u>
Liabilities – current liabilities			
Derivative financial instruments	3(a)	141,095	838,014
Amounts due to brokers		931,593	1,550,221
Other liabilities and accrued expenses	12	1,309,587	1,204,987
Redemptions payable		56,444	2,359,639
Total Liabilities (excluding net assets attributable to unitholders)		<u>2,438,719</u>	<u>5,952,861</u>
Net assets attributable to unitholders	10	<u>221,968,166</u>	<u>418,113,303</u>

Approved and authorised for issue by the Manager on 29 April 2024.



 For and on behalf of the Manager
 Income Partners Asset Management (HK) Limited

The accompanying notes form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 RMB	2022 RMB
Income			
Debt interest income		13,280,591	26,855,034
Net losses on financial assets and liabilities at fair value through profit or loss	7	(55,094,442)	(118,661,289)
Net foreign exchange gains		1,474,595	6,105,999
Bank interest income		1,591,582	409,851
Other income		327,749	222,766
Total investment income		<u>(38,419,925)</u>	<u>(85,067,639)</u>
Expenses			
Management fee	9(a)	(4,624,121)	(7,187,886)
Trustee fee	9(b)	(71,159)	(69,188)
Custodian, administration, compliance monitoring, financial statement preparation fee and registrar and processing agent fee	9(g)	(873,566)	(936,944)
Auditor's remuneration		(492,618)	(387,427)
Other operating expenses		(493,524)	(409,839)
Legal and professional fees		(198,414)	(294,902)
Impairment losses on other receivables	14	(1,112,537)	-
Total operating expenses		<u>(7,865,939)</u>	<u>(9,286,186)</u>
Operating loss		(46,285,864)	(94,353,825)
Finance costs			
Distributions to holders of redeemable units	13	(16,684,401)	(29,513,576)
Loss after distributions		<u>(62,970,265)</u>	<u>(123,867,401)</u>

The accompanying notes form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 RMB	2022 RMB
Net assets attributable to unitholders of redeemable units at the beginning of the year		418,113,303	694,804,016
Issuance of redeemable units		30,805,027	43,861,443
Redemption of redeemable units		(163,979,899)	(196,684,755)
Net redemption		(133,174,872)	(152,823,312)
Decrease in net assets attributable to unitholders from operations		(62,970,265)	(123,867,401)
Net assets attributable to unitholders of redeemable units at the end of the year	10	221,968,166	418,113,303
		Number of redeemable units	
		2023	2022
Class 1A USD (Distribution)			
Units in issue at beginning of the year		20,000	20,000
Issue of units during the year		-	-
Redemption of units during the year		(20,000)	-
Units in issue at end of the year	11	-	20,000
Class 1A USD (Accumulation)			
Units in issue at beginning of the year		104,703	75,737
Issue of units during the year		35,306	38,005
Redemption of units during the year		(129,226)	(9,039)
Units in issue at end of the year	11	10,783	104,703
Class 1E USD (Distribution)			
Units in issue at beginning of the year		14,475	24,477
Issue of units during the year		-	-
Redemption of units during the year		(3,329)	(10,002)
Units in issue at end of the year	11	11,146	14,475
Class 2A USD (Distribution)			
Units in issue at beginning of the year		147,252	200,768
Issue of units during the year		415	1,309
Redemption of units during the year		(24,857)	(54,825)
Units in issue at end of the year	11	122,810	147,252

The accompanying form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

	Note	Number of redeemable units	
		2023	2022
Class 2A USD (Accumulation)			
Units in issue at beginning of the year		25,581	33,033
Issue of units during the year		472	216
Redemption of units during the year		(13,570)	(7,668)
Units in issue at end of the year	11	<u>12,483</u>	<u>25,581</u>
Class 2B RMB (Distribution)			
Units in issue at beginning of the year		797,072	1,430,312
Issue of units during the year		38,139	42,920
Redemption of units during the year		(132,551)	(676,160)
Units in issue at end of the year	11	<u>702,660</u>	<u>797,072</u>
Class 2B RMB (Accumulation)			
Units in issue at beginning of the year		139,223	198,106
Issue of units during the year		-	-
Redemption of units during the year		(7,683)	(58,883)
Units in issue at end of the year	11	<u>131,540</u>	<u>139,223</u>
Class 2C USD (Distribution)			
Units in issue at beginning of the year		36,729	42,544
Issue of units during the year		236	243
Redemption of units during the year		(4,636)	(6,058)
Units in issue at end of the year	11	<u>32,329</u>	<u>36,729</u>
Class 2D HKD (Distribution)			
Units in issue at beginning of the year		862,614	1,030,267
Issue of units during the year		2,569	33,844
Redemption of units during the year		(148,298)	(201,497)
Units in issue at end of the year	11	<u>716,885</u>	<u>862,614</u>
Class 2D HKD (Accumulation)			
Units in issue at beginning of the year		55,929	57,461
Issue of units during the year		5,060	2,851
Redemption of units during the year		(6,463)	(4,383)
Units in issue at end of the year	11	<u>54,526</u>	<u>55,929</u>

The accompanying form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

	Note	Number of redeemable units	
		2023	2022
Class 2E AUD (Distribution)			
Units in issue at beginning of the year		468	1,957
Issue of units during the year		-	123
Redemption of units during the year		-	(1,612)
Units in issue at end of the year	11	<u>468</u>	<u>468</u>
Class 2E AUD (Accumulation)			
Units in issue at beginning of the year		114	114
Issue of units during the year		-	-
Redemption of units during the year		(114)	-
Units in issue at end of the year	11	<u>-</u>	<u>114</u>
Class 2F AUD-Hedged (Distribution)			
Units in issue at beginning of the year		18,813	23,767
Issue of units during the year		-	57
Redemption of units during the year		(7,721)	(5,011)
Units in issue at end of the year	11	<u>11,092</u>	<u>18,813</u>
Class 2F AUD-Hedged (Accumulation)			
Units in issue at beginning of the year		9,364	9,364
Issue of units during the year		-	-
Redemption of units during the year		-	-
Units in issue at end of the year	11	<u>9,364</u>	<u>9,364</u>
Class 2G USD-Hedged (Distribution)			
Units in issue at beginning of the year		228,879	278,887
Issue of units during the year		129	10,458
Redemption of units during the year		(67,489)	(60,466)
Units in issue at end of the year	11	<u>161,519</u>	<u>228,879</u>
Class 2G USD-Hedged (Accumulation)			
Units in issue at beginning of the year		18,986	27,655
Issue of units during the year		913	904
Redemption of units during the year		(2,741)	(9,573)
Units in issue at end of the year	11	<u>17,158</u>	<u>18,986</u>

The accompanying form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

	Note	Number of redeemable units	
		2023	2022
Class 2I SGD-Hedged (Distribution)			
Units in issue at beginning of the year		32,888	37,801
Issue of units during the year		-	-
Redemption of units during the year		(13,001)	(4,913)
Units in issue at end of the year	11	<u>19,887</u>	<u>32,888</u>
Class 2I SGD-Hedged (Accumulation)			
Units in issue at beginning of the year		11,711	11,711
Issue of units during the year		-	-
Redemption of units during the year		(2,989)	-
Units in issue at end of the year	11	<u>8,722</u>	<u>11,711</u>
Class 2K EUR-Hedged (Distribution)			
Units in issue at beginning of the year		12,079	14,807
Issue of units during the year		-	-
Redemption of units during the year		(10,075)	(2,728)
Units in issue at end of the year	11	<u>2,004</u>	<u>12,079</u>
Class 2K EUR-Hedged (Accumulation)			
Units in issue at beginning of the year		884	4,907
Issue of units during the year		-	-
Redemption of units during the year		(884)	(4,023)
Units in issue at end of the year	11	<u>-</u>	<u>884</u>
Class 2L HKD-Hedged (Distribution)			
Units in issue at beginning of the year		55,205	120,646
Issue of units during the year		-	7,026
Redemption of units during the year		(38,817)	(72,467)
Units in issue at end of the year	11	<u>16,388</u>	<u>55,205</u>
Class 2L HKD-Hedged (Accumulation)			
Units in issue at beginning of the year		3,938	10,856
Issue of units during the year		-	-
Redemption of units during the year		(1,962)	(6,918)
Units in issue at end of the year	11	<u>1,976</u>	<u>3,938</u>

The accompanying form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

	Note	Number of redeemable units	
		2023	2022
Class 2XB RMB (Accumulation)			
Units in issue at beginning of the year		72,425	499,990
Issue of units during the year		47,959	93,484
Redemption of units during the year		(115,326)	(521,049)
Units in issue at end of the year	11	<u>5,058</u>	<u>72,425</u>
Class 2XG USD-Hedged (Accumulation)			
Units in issue at beginning of the year		-	49,999
Issue of units during the year		-	-
Redemption of units during the year		-	(49,999)
Units in issue at end of the year		<u>-</u>	<u>-</u>
Class 4C USD -Hedged (Accumulation)			
Units in issue at beginning of the year		6,270	9,784
Issue of units during the year		-	-
Redemption of units during the year		-	(3,514)
Units in issue at end of the year	11	<u>6,270</u>	<u>6,270</u>

The accompanying form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 RMB	2022 RMB
Cash flow from operating activities		
Loss after distributions	(62,970,265)	(123,867,401)
Adjustment for:		
Interest income	(14,872,173)	(27,264,885)
Distributions to holders of redeemable units	16,684,401	29,513,576
Impairment losses on other receivables	1,112,537	-
Operating loss before working capital changes	<u>(60,045,500)</u>	<u>(121,618,710)</u>
Decrease in financial assets at fair value through profit or loss	176,713,106	220,186,859
Decrease in derivative financial instruments – assets	1,941,382	2,769,039
Decrease in derivative financial instruments – liabilities	(696,919)	(7,949)
(Increase)/decrease in prepayments and other receivables	(1,205,440)	280,252
(Increase)/decrease in margin deposits	(2,464,529)	7,757,581
Decrease in amounts due from brokers	1,310,980	456,581
Increase/(decrease) in other liabilities and accrued expenses	104,600	(496,360)
Decrease in amounts due to brokers	(618,628)	(468,405)
Cash generated from operations activities	<u>115,039,052</u>	<u>108,858,888</u>
Interest received	20,118,295	28,760,601
Net cash generated from operating activities	<u>135,157,347</u>	<u>137,619,489</u>
Cash flows from financing activities		
Proceeds on issuance of redeemable units	30,805,027	44,193,085
Payments on redemption of redeemable units	(166,283,094)	(196,789,518)
Distributions paid	(16,684,401)	(29,513,576)
Net cash used in financing activities	<u>(152,162,468)</u>	<u>(182,110,009)</u>
Net decrease in cash and cash equivalents	<u>(17,005,121)</u>	<u>(44,490,520)</u>
Cash and cash equivalents at the beginning of the year	21,123,888	65,614,408
Cash and cash equivalents at end of the year	<u>4,118,767</u>	<u>21,123,888</u>
Analysis of balances of cash and cash equivalents		
Bank balances	<u>4,118,767</u>	<u>21,123,888</u>

The accompanying notes form an integral part of these financial statements.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Income Partners Managed Volatility High Yield Bond Fund (the “Sub-Fund”) is a sub-fund of Income Partners Strategy Fund. The Sub-Fund’s investment objective is to maximise total investment returns, comprising capital appreciation and interest income by investing in high yield debt instruments that are primarily below investment grade or unrated.

The Sub-Fund was first established as an exempted Cayman Islands unit trust. The Sub-Fund is governed by a trust deed dated 17 November 2010, as amended, varied or supplemented from time to time between Income Partners Asset Management (HK) Limited (the “Manager”) as a manager and Cititrust Limited (the “Trustee”) as a trustee.

On 14 November 2017, the Trust was authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Sub-Fund was subsequently re-domiciled to the jurisdiction of Hong Kong as an open ended umbrella unit trust under the laws of Hong Kong in 2018.

In order to achieve its investment objectives, the Sub-Fund will invest primarily (that is, at least two-thirds of the Net Asset Value of the Sub-Fund) in high yield debt instruments, which are below investment grade or unrated. However, during exceptional circumstances (e.g. market crash or major crisis) or adverse market conditions, the Sub-Fund may be invested temporarily up to 100% of its Net Asset Value in investment grade bonds, short-term money market instruments, cash and/or cash equivalents.

Effective from 4 December 2015, the subscription dealing deadline and redemption dealing deadline were amended so unitholders can give shorter notice of subscriptions and redemptions respectively. Both the subscription dealing deadline and redemption dealing deadline became 5:00 p.m. (Hong Kong time) on the same relevant Dealing Day (or such other day or time as the Manager may from time to time determine), i.e. same day dealing.

Cititrust Limited is the Trustee of the Sub-Fund and is registered as a trust company in Hong Kong. The Trustee is a member of Citigroup Inc.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with IFRS Accounting Standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of accounting estimates. It also requires the Trustee and the Manager (together, the “Management”) to exercise its judgement in the process of applying the Sub-Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

All references to Net Asset Value (“NAV”) throughout these financial statements refer to net assets attributable to unitholders unless otherwise stated.

Standards and amendments to existing standards effective 1 January 2023

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Sub-Fund.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(b) Foreign currency translation

(i) Functional and presentation currency

The Sub-Fund's subscriptions and redemptions of redeemable units are mainly denominated in off-shore Renminbi ("RMB" or "CNH"). The primary activity of the Sub-Fund is to invest in RMB denominated bonds issued in Hong Kong which are traded in off-shore Renminbi. The performance of the Sub-Fund is measured and reported to unitholders in off-shore RMB. The management considers off-shore Renminbi as the currency that most faithfully represents the economic effects of the transactions, events and conditions (the "functional currency"). The Sub-Fund's financial statements are presented in 'off-shore Renminbi', which is the Sub-Fund's functional and presentation currency.

All references to RMB or CNH throughout these financial statements refer to off-shore Renminbi unless otherwise stated. On-shore Renminbi will be presented as CNY throughout these financial statements.

(ii) Translations and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign exchange losses'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'Net losses on financial assets and liabilities at fair value through profit or loss'.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(c) Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

(i) Assets

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss. The Sub-Fund's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information. All derivatives are carried in assets when amounts are receivable by the Sub-Fund and in liabilities when amounts are payable by the Sub-Fund.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(c) Financial assets and financial liabilities at fair value through profit or loss (Continued)

(iii) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the statement of financial position date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Fund utilises the quoted market price for both financial assets and financial liabilities where the quoted market price falls within the bid-ask spread. In circumstances where the quoted market price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Debt securities are fair valued based on quoted prices. The fair value of debt securities not quoted in an active market may be determined by the Sub-Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Sub-Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Sub-Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Investments in other investment funds are valued by reference to their net asset value which the Directors consider as approximation of their fair values. If the net asset value of the investment funds is not available or the Directors consider that such net asset value is not reflective of the fair value, the Directors may exercise judgment and discretion to determine the fair value of the investment funds.

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(d) Derivative financial instruments

Derivative financial instruments are deemed to be held for trading purposes and initially recognised in the statement of financial position at fair value. Fair values are obtained from quoted market prices and pricing models as appropriate. In the event that quoted prices of certain derivative financial instruments are unavailable, the Manager will use other valuation methods that the Manager deems appropriate, such as pricing the said instruments based on comparable risk assets with similar characteristics in the market. All derivatives are carried in assets when amounts are receivable by the Sub-Fund and in liabilities when amounts are payable by the Sub-Fund. Changes in fair values of derivatives are included in the statement of comprehensive income.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(f) Amounts due from and due to brokers

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(h) Accrued expenses

Accrued expenses are accounted for on an accruals basis and charged to the statement of comprehensive income.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(i) Redeemable units

The Sub-Fund issues 24 (2022: 25) classes of redeemable units which are redeemable at the unitholder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Sub-Fund at any dealing date for cash equal to a proportionate unit of the Sub-Fund's net asset value attributable to the unit class. The redeemable units are redeemable daily.

The redeemable units are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit back to the Sub-Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's NAV per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units with the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Sub-Fund's regulations, investment positions are valued based on the mid price for the purpose of determining the NAV per unit for subscriptions and redemptions.

(j) Interest income and interest from financial assets at fair value through profit or loss

Interest income includes interest from cash and cash equivalents. Interest is recognized on a time-proportionate basis using the effective interest method.

Interest on debt securities at fair value through profit or loss is recognised using the coupon rate.

(k) Distributions payable to holders of redeemable units

Proposed distributions to holders of redeemable units are recognised in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Sub-Fund. The distribution on the redeemable units is recognised as a finance cost in the statement of comprehensive income.

The Manager intends to distribute income or capital attributable to the Distribution Classes monthly on such date as may be determined by the Manager, or such other time or frequency as the Manager considers appropriate.

In the event that the income generated from the Sub-Fund's investments attributable to the relevant Distribution Classes during the relevant period is insufficient to pay distributions as declared, the Manager may in its discretion determine such distributions be paid from capital.

(l) Taxation

The Sub-Fund currently incurs withholding taxes on investment income and capital gains. Investment income and capital gains are recorded gross of any withholding tax in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(m) Collateral

Cash collateral provided by the Sub-Fund is identified in the statement of financial position as margin account with the brokers and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Sub-Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

(n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers all of its investments in other funds (“Investee Funds”) to be investments in unconsolidated structured entities. The Investee Funds are managed by the Manager and applied various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Sub-Fund holds redeemable shares in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in ‘net losses on financial assets and financial liabilities at fair value through profit or loss’.

(o) Expected credit losses on financial assets measured at amortised cost

The Sub-Fund recognises a loss allowance for expected credit loss (“ECL”) on other receivable. Other receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

In measuring ECLs, the Sub-Fund takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Measurement of ECLs

The Sub-Fund established ECL model by using a statistical approach for financial instruments. This approach involves estimation of four risk parameters, i.e. Probability of Default (“PD”), Loss Given Default (“LGD”), Exposure at Default (“EAD”) and expected life, as well as the use of effective interest rate and forward-looking information.

In calculating the expected credit loss rates, forward looking macroeconomic information, such as unemployment rate or gross domestic product (“GDP”), is incorporated as part of risk parameters estimation.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(o) Expected credit losses on financial assets measured at amortised cost (Continued)

Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Sub-Fund in accordance with the contract and the cash flows that the Sub-Fund expects to receive).

ECLs are measured on either of the following basis:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
 - lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.
- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk (“SICR”)

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Sub-Fund compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Sub-Fund considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Sub-Fund in full, without recourse by the Sub-Fund to actions such as realising security (if any is held). The Sub-Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

2 Material accounting policies (Continued)

(o) Expected credit losses on financial assets measured at amortised cost (Continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Sub-Fund determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

3 Financial risk management

The Sub-Fund's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The principal investment objective of the Sub-Fund is to provide a return of capital growth and income in RMB or RMB equivalent terms. The Sub-Fund mainly invests in Renminbi instruments which are below investment grade or unrated with long-only position. The portfolio of the Sub-Fund is expected to maintain a level of diversity across countries and industries.

The Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed, these methods are explained below.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund's investment in debt securities, investment fund and derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Manager monitors the Sub-Fund's market price risk on a daily basis and the Trustee reviews it on a daily basis. The following table discloses the financial asset investments at fair value through profit or loss of the Sub-Fund by product type:

	2023 RMB	2022 RMB
Financial assets at fair value through profit or loss		
Corporate bonds	152,106,291	303,729,592
Government bonds	17,945,621	19,334,934
Investment fund ⁽¹⁾	25,060,658	48,761,150
	<u>195,112,570</u>	<u>371,825,676</u>

⁽¹⁾ The investment fund represents Income Partners RMB Bond Fund ("IPRMBBF"), which is managed by the Manager of the Sub-Fund. Refer to Note 9(c) for details.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(a) Market price risk (Continued)

The following tables disclose the financial assets at fair value through profit or loss of the Sub-Fund on the markets where their underlying securities are operated:

	2023		2022	
	RMB	% of NAV	RMB	% of NAV
Corporate bonds				
Australia	1,441,170	0.65	1,299,416	0.31
Peoples' Republic of China	34,662,406	15.62	128,745,606	30.79
Hong Kong	39,094,035	17.61	53,994,837	12.91
India	24,140,005	10.88	46,717,072	11.17
Indonesia	12,935,112	5.83	15,059,124	3.60
Macao	19,784,435	8.91	31,535,401	7.54
Mongolia	1,464,073	0.66	2,215,803	0.53
Philippines	6,308,769	2.84	11,409,418	2.73
Singapore	1,104,442	0.50	2,202,225	0.53
British Virgin Islands	-	-	911,148	0.22
United Kingdom	5,058,032	2.28	3,826,948	0.92
Vietnam	6,113,812	2.75	5,812,594	1.39
Total corporate bonds	152,106,291⁽²⁾	68.53	303,729,592⁽²⁾	72.64
Government bonds				
Mongolia	1,464,158	0.66	5,391,728	1.29
Sri Lanka	8,664,112	3.90	7,802,142	1.87
Pakistan	7,817,351	3.52	6,141,064	1.47
Total government bonds	17,945,621⁽²⁾	8.08	19,334,934⁽²⁾	4.63
Investment Fund				
Peoples' Republic of China	25,060,658	11.29	48,761,150	11.66
Total investment fund	25,060,658	11.29	48,761,150	11.66
Total financial assets at fair value through profit or loss	195,112,570	87.90	371,825,676	88.93

⁽²⁾ The amount represents only the fair value of the debt instruments without accrued interests, which are separately disclosed as interest receivable on the statement of financial position.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(a) Market price risk (Continued)

The following tables disclose the financial assets at fair value through profit or loss of the Sub-Fund by sector:

	2023		2022	
	RMB	% of NAV	RMB	% of NAV
Corporate bonds				
Agricultural commodities	-	-	1,250,952	0.30
Alternative energy	9,637,983	4.34	15,497,553	3.71
Automobile	-	-	3,826,948	0.92
Banking and Finance	31,670,557	14.27	18,316,625	4.38
Building materials	5,345,544	2.41	13,758,790	3.29
Commodity	4,942,723	2.23	15,615,712	3.73
Consumer, Cyclical	32,618,678	14.70	43,575,153	10.42
Consumer, Non-Cyclical	2,494,873	1.12	3,196,844	0.76
Energy	5,334,139	2.40	4,111,151	0.98
Industrial	8,865,805	4.00	7,631,478	1.83
Insurance	5,907,005	2.66	8,684,078	2.08
Real Estate	18,406,837	8.29	128,583,374	30.75
Retail	-	-	1,259,510	0.30
Technology	4,085,329	1.84	4,563,922	1.09
Telecom	5,499,145	2.48	10,335,910	2.47
Utilities	17,297,673	7.79	23,521,592	5.63
Total corporate bonds	152,106,291⁽²⁾	68.53	303,729,592⁽²⁾	72.64
Government bonds				
Sovereign	17,945,621	8.08	19,334,934	4.63
Total government bonds	17,945,621⁽²⁾	8.08	19,334,934⁽²⁾	4.63
Investment Fund				
Diversified	25,060,658	11.29	48,761,150	11.66
Total investment fund	25,060,658	11.29	48,761,150	11.66
Total financial assets at fair value through profit or loss	195,112,570	87.90	371,825,676	88.93

⁽²⁾ The amount represents only the fair value of the debt instruments without accrued interests, which are separately disclosed as interest receivable on the statement of financial position.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(a) Market price risk (Continued)

Derivative financial instruments

The following table discloses the derivative financial instruments of the Sub-Fund by product type:

	2023 RMB	2022 RMB
Derivative financial assets		
Forward foreign exchange contracts (Note (i))	770,171	2,711,553
	<u>770,171</u>	<u>2,711,553</u>
Derivative financial liabilities		
Forward foreign exchange contracts (Note (i))	141,095	838,014
	<u>141,095</u>	<u>838,014</u>

(i) Forward foreign exchange contracts

Open currency forward contracts as at 31 December 2023 are detailed below:

Forward contract	Notional amount		Unrealised gains/(losses) RMB
	Amount bought	Amount sold	
Long CNH/Short USD 31-JAN-24	CNH130,000,000	USD18,234,712	427,700
Long USD/Short CNH 22-JAN-24	USD9,195,318	CNH65,494,849	(113,360)
Long AUD/Short CNH 22-JAN-24	AUD1,227,331	CNH5,883,211	58,129
Long SGD/Short CNH 22-JAN-24	SGD1,492,296	CNH7,994,856	52,503
Long EUR/Short CNH 22-JAN-24	EUR97,237	CNH757,684	8,067
Long HKD/Short CNH 22-JAN-24	HKD887,315	CNH810,419	(2,293)
Long AUD/Short CNH 22-JAN-24	AUD19,460	CNH94,615	(412)
Long USD/Short CNH 22-JAN-24	USD94,517	CNH671,750	293
Long SGD/Short CNH 22-JAN-24	SGD15,551	CNH84,011	(153)
Long HKD/Short CNH 22-JAN-24	HKD3,978	CNH3,620	3
Long CNH/Short AUD 22-JAN-24	CNH47,333	AUD9,730	231
Long CNH/Short USD 22-JAN-24	CNH335,368	USD47,258	(654)
Long CNH/Short SGD 22-JAN-24	CNH41,932	SGD7,775	3
Long CNH/Short HKD 22-JAN-24	CNH1,806	HKD1,989	(5)
Long CNH/Short USD 31-JAN-24	CNH66,000,000	USD9,256,766	223,242
Long CNH/Short USD 31-JAN-24	CNH6,000,000	USD847,775	(24,218)
Total unrealised gains on forward foreign currency contracts			<u>770,171</u>
Total unrealised (losses) on forward foreign currency contracts			<u>(141,095)</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(a) Market price risk (Continued)

(i) Forward foreign exchange contracts (Continued)

Open currency forward contracts as at 31 December 2022 are detailed below:

Forward contract	Notional amount		Unrealised gains/(losses) RMB
	Amount bought	Amount sold	
Long CNH/Short USD 30-JAN-23	CNH6,000,000	USD860,975	56,064
Long CNH/Short USD 09-JAN-23	CNH55,000,000	USD7,925,323	189,647
Long CNH/Short USD 09-JAN-23	CNH7,000,000	USD1,004,521	52,901
Long CNH/Short USD 31-JAN-23	CNH90,000,000	USD12,934,751	708,561
Long AUD/Short CNH 20-JAN-23	AUD1,083,530	CNH5,057,011	34,621
Long AUD/Short CNH 20-JAN-23	AUD824,041	CNH3,845,934	26,330
Long CNH/Short USD 17-JAN-23	CNH60,000,000	USD8,614,988	460,049
Long CNH/Short USD 20-JAN-23	CNH12,661	USD1,827	39
Long CNH/Short USD 20-JAN-23	CNH12,931	USD1,857	101
Long CNH/Short USD 20-JAN-23	CNH13,000,000	USD1,867,988	103,887
Long CNH/Short USD 31-JAN-23	CNH65,000,000	USD9,342,011	510,038
Long CNH/Short USD 31-JAN-23	CNH65,000,000	USD9,341,205	515,613
Long EUR/Short CNH 20-JAN-23	EUR704,425	CNH5,239,398	(38,431)
Long EUR/Short CNH 20-JAN-23	EUR62,563	CNH465,332	(3,413)
Long HKD/Short CNH 20-JAN-23	HKD3,147,961	CNH2,815,124	(23,923)
Long HKD/Short CNH 20-JAN-23	HKD296,429	CNH265,087	(2,253)
Long SGD/Short CNH 20-JAN-23	SGD1,885,312	CNH9,682,977	36,617
Long SGD/Short CNH 20-JAN-23	SGD879,672	CNH4,518,002	17,085
Long USD/Short CNH 20-JAN-23	USD11,845,376	CNH82,456,411	(610,063)
Long USD/Short CNH 20-JAN-23	USD525,351	CNH3,657,000	(27,057)
Long USD/Short CNH 20-JAN-23	USD1,732,868	CNH12,062,605	(89,247)
Long USD/Short CNH 20-JAN-23	USD847,094	CNH5,896,672	(43,627)
Total unrealised gains on forward foreign currency contracts			2,711,553
Total unrealised (losses) on forward foreign currency contracts			(838,014)

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(b) Currency risk

Foreign currency risk arises as the fair value and future cash flows of monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rate.

The Sub-Fund has exposure to fluctuation in currency exchange rates where it invests in assets and liabilities denominated in currencies other than Renminbi, the functional currency. The sensitivity of the Sub-Fund's NAV as a whole in percentage terms to movements in specific currencies can be derived from the tables below. The Manager monitors the Sub-Fund's currency position on a daily basis.

The table below summarises the Sub-Fund's exposure to currency risks in respect of its monetary and non-monetary assets and liabilities, including off statement financial position exposure on derivatives and notional value of open currency forward contracts, as at the statement of financial position date on 31 December 2023 and 2022.

	Net exposure equivalent	
	2023 RMB	2022 RMB
Monetary items		
Australian Dollar ("AUD")	(123,100)	58,348
Euro ("EUR")	4,096	44,585
Hong Kong Dollar ("HKD")	(29,796,159)	630,323
Singapore Dollar ("SGD")	(16,644)	83,072
United States Dollar ("USD")	(46,779,565)	43,466,090
	<u><u> </u></u>	<u><u> </u></u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(b) Currency risk (Continued)

The table below summarises the impact of increases or decreases of the key currency exchange rates to which the Sub-Fund's net assets (monetary and non-monetary) are exposed. The analysis is based on the assumption that the exchange rates increased or decreased by the respective percentage with all other variables held constant.

	2023		2022	
	Estimated reasonable possible change against RMB +/-	Impact on NAV and profit after tax RMB +/-	Estimated reasonable possible change against RMB +/-	Impact on NAV and profit after tax RMB +/-
AUD	2.9%	(3,570)	1.9%	1,135
EUR	6.2%	254	2.7%	1,182
HKD	2.8%	(834,292)	9.0%	56,525
SGD	4.6%	(766)	9.7%	8,044
USD	2.9%	(1,356,607)	9.0%	3,891,215

The Manager has used their view of what would be a "reasonable shift" in exchange rates to estimate the change for use in currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in estimated reasonable possible changes in exchange rates are revised annually depending on the Manager's current view of exchange rates volatility and other relevant factors.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk

The Sub-Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The tables below summarise the Sub-Fund's exposure to interest rate risks at the statement of financial position date. Included in the table are the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates. The fair values of derivative financial instruments are included below under the heading 'Non-interest bearing'. Refer to Note 3(a) for details.

	Up to 1 year RMB	1-5 years RMB	Over 5 years RMB	Non-interest bearing RMB	Total RMB
As at 31 December 2023					
Assets					
Financial assets at fair value through profit or loss					
- Corporate bonds	14,735,721	124,895,941	12,474,629	-	152,106,291
- Government bonds	-	16,481,463	1,464,158	-	17,945,621
- Investment fund	-	-	-	25,060,658	25,060,658
Derivative financial instruments					
- Forward foreign exchange contracts	-	-	-	770,171	770,171
Interest receivable	-	-	-	3,322,682	3,322,682
Prepayments and other receivables	-	-	-	1,045,035	1,045,035
Amounts due from brokers	-	-	-	1,582,977	1,582,977
Bank and margin deposits	22,573,450	-	-	-	22,573,450
Total assets	37,309,171	141,377,404	13,938,787	31,781,523	224,406,885
Liabilities					
Derivative financial instruments					
- Forward foreign exchange contracts	-	-	-	(141,095)	(141,095)
Amounts due to brokers	-	-	-	(931,593)	(931,593)
Other liabilities and accrued expenses	-	-	-	(1,309,587)	(1,309,587)
Redemptions payable	-	-	-	(56,444)	(56,444)
Total liabilities (excluding net assets attributable to unitholders)	-	-	-	(2,438,719)	(2,438,719)

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

	Up to 1 year RMB	1-5 years RMB	Over 5 years RMB	Non-interest bearing RMB	Total RMB
As at 31 December 2022					
Assets					
Financial assets at fair value through profit or loss					
- Corporate bonds	25,581,786	223,066,459	55,081,347	-	303,729,592
- Government bonds	5,391,728	13,943,206	-	-	19,334,934
- Investment funds	-	-	-	48,761,150	48,761,150
Derivative financial instruments					
- Forward foreign exchange contracts	-	-	-	2,711,553	2,711,553
Interest receivable	-	-	-	8,568,804	8,568,804
Prepayments and other receivables	-	-	-	952,132	952,132
Amounts due from brokers	-	-	-	2,893,957	2,893,957
Bank and margin deposits	37,114,042	-	-	-	37,114,042
Total assets	68,087,556	237,009,665	55,081,347	63,887,596	424,066,164
Liabilities					
Derivative financial instruments					
- Forward foreign exchange contracts	-	-	-	(838,014)	(838,014)
Amounts due to brokers	-	-	-	(1,550,221)	(1,550,221)
Other liabilities and accrued expenses	-	-	-	(1,204,987)	(1,204,987)
Redemptions payable	-	-	-	(2,359,639)	(2,359,639)
Total liabilities (excluding net assets attributable to unitholders)	-	-	-	(5,952,861)	(5,952,861)

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

At 31 December 2023, if interest rates on the margin account, cash and cash equivalents had been 100 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been RMB225,735 (2022: RMB371,140) higher or lower as a result of higher or lower interest income.

The table below summarises the average effective interest rate for monetary financial instruments at the statement of financial position date. For puttable or callable financial instruments, the effective interest rates are based on the lower of yield to maturity, yield to call or yield to put.

	2023 %	2022 %
Assets		
Bank balances	0.03	2.72
Margin deposits	4.86	3.98
Investments at fair value through profit or loss		
- Corporate bonds	12.09	16.23
- Government bonds	8.67	14.10
	<u> </u>	<u> </u>

Interest rate exposures are expressed in terms of rate of weighted modified duration. The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

The figures in the tables below imply the interest rate exposure in duration terms. Given a 100 bps change in the rate of all debt securities held by the Sub-Fund as at 31 December 2023, the percentage change in the debt securities will be the total weighted average modified duration multiplied by 1%, i.e. 1.74% (2022: 1.95%), while holding all other variables constant. The sensitivity of the Sub-Fund's debt securities as a whole in percentage terms to movements in specific types of interest rate exposure can be derived from the tables below.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

Portfolio weighted average modified duration analysis on the markets where their underlying securities are operated

Country	Portfolio Weighted Average Modified Duration (Debt securities)	
	2023	2022
Australia	0.02	0.01
People's Republic of China	0.30	0.65
Hong Kong	0.42	0.48
India	0.32	0.23
Indonesia	0.18	0.11
Macao	0.19	0.29
Mongolia	0.04	0.01
Pakistan	0.11	0.05
Philippines	0.03	0.05
Singapore	-	0.01
United Kingdom	0.06	0.02
Vietnam	0.07	0.04
Total	<u>1.74</u>	<u>1.95</u>

(d) Credit risk

The Sub-Fund is exposed to credit risk, which is the risk that counterparty will be unable to pay amounts in full when they fall due.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, collateral, and other receivable balances.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss.

(i) Investment's credit risk

The Sub-Fund's credit risk concentration is spread between debt securities and derivative products as discussed above under market risk diversification. The credit ratings of the debt securities range from BBB+ to NR (2022: BBB to NR). Debt securities which are not rated represent approximately 13.00% (2022: 18.10%) of the NAV of the Sub-Fund. The Manager will regularly monitor the credit risk of all investments by assessing global credit market and the impact of different scenarios. The analysis below summarises the credit quality of the Sub-Fund's debt portfolio as a percentage of NAV at the year end.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(d) Credit risk (Continued)

(i) Investment's credit risk (Continued)

Credit rating (best rating of Standard & Poor's/Moody's/Fitch)	2023	2022
	% of NAV	% of NAV
BBB+/Baa1	2.93	0
BBB/Baa2	1.07	4.06
BBB-/Baa3	5.36	3.15
BB+/Ba1	8.45	4.65
BB/Ba2	10.47	11.06
BB-/Ba3	15.45	14.12
B+/B1	6.63	5.93
B/B2	1.76	1.82
B-/B3	1.30	5.44
CCC+/Caa1	5.73	1.94
CCC/Caa2	0.36	0.75
CCC-/Caa3	0.17	2.33
CC/Ca	3.90	1.87
C/Ca	-	2.05
NR	13.03	18.10
Total	<u>76.61⁽³⁾</u>	<u>77.27⁽³⁾</u>

⁽³⁾ The percentage is calculated based on the fair value of the debt instruments without accrued interests, which are separately disclosed as interest receivable on the statement of financial position.

As at 31 December 2023, 8 (2022: 36) investments of RMB11,470,361 (2022: RMB5,558,936) were in default. The Manager monitors each issuer's credit risk by performing intensive credit analysis and constantly monitoring any changes in its risk factors.

Details of the investments are disclosed in Note 3(a). As refer to Note 3(d)(ii), assets placed with the brokers and custodian by the Sub-Fund is amounted to RMB 218,456,191 (2022: RMB411,651,271).

The forward foreign exchange contracts are entered into with investment grade international financial institutions. At any time, the net exposure of the Sub-Fund to the obligations of any one issuer will not normally exceed 10% of the gross assets, except for securities issued or guaranteed by government, sovereign and quasi-sovereign entities, public or local authorities.

The tables above provide an overview of the credit risks as at 31 December 2023 and 2022. Credit market risks are generally quantified by (a) market exposure in percentage terms; and (b) exposure in duration terms.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(d) Credit risk (Continued)

(i) Investment's credit risk (Continued)

The Manager monitors the Sub-Fund's credit exposures on a daily basis and the Trustee reviews it on a daily basis.

(ii) Assets with the brokers and custodian

The Sub-Fund is exposed to credit risk on its bank deposits and balances, and assets held with the brokers.

Accordingly, the Sub-Fund has a significant credit risk towards the brokers and custodian to the extent that the brokers and custodian may be unable to fulfill their obligation to return the Sub-Fund's cash and assets. Management considers the probability of default to be low, except for the other receivables, as the counterparties are at investment grade. As a result, no loss allowance of assets placed with brokers and custodian has been recognised based on 12-month expected credit losses as any such impairment would be immaterial to the Sub-Fund. As at 31 December 2023 and 2022, the aggregate value of the Sub-Fund's assets held with the brokers and custodian were as follows:

	2023 RMB	2022 RMB
Deposits with custodian	4,118,767	21,123,888
Assets pledged with brokers	18,454,683	15,990,154
Other assets with brokers and custodian	<u>195,882,741</u>	<u>374,537,229</u>
Total assets placed with the brokers and financial institutions	<u><u>218,456,191</u></u>	<u><u>411,651,271</u></u>

As at 31 December 2023 and 2022, the credit rating of the brokers and custodian are at or above investment grade. The Manager monitors the Sub-Fund's credit risk position on a daily basis.

(iii) Assets with other receivables

As at 31 December 2023, management has assessed that the other receivables balance is impaired. During the year, there was a significant increase in credit risk observed and the receivable was past due over 90 days.

Management made forward looking adjustments to the ECL of the other receivables by analysing the impacts of various economic variables and measured the ECL as a probability weighted lifetime ECL classified as stage 3. Accordingly, an impairment charge of RMB1,112,537 was recognized.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements

The Sub-Fund was subject to three (2022: four) master netting agreements with its financial instrument counterparties. All of the financial assets and liabilities of the Sub-Fund are held with these counterparties and margin balances are maintained by the Sub-Fund for the purpose of providing collateral on derivative positions.

The following table presents the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

		Gross amounts of recognised financial liabilities/assets set-off in the statement of financial position RMB	Gross amounts of recognised financial assets/liabilities RMB	Net amounts of financial assets/liabilities presented in the statement of financial position RMB
At 31 December 2023				
Financial assets				
Derivative financial instruments		770,171	-	770,171
Margin deposits		16,830,442	-	16,830,442
Financial liabilities				
Derivative financial instruments		141,095	-	141,095
	Net amounts of financial assets/liabilities presented in the statement of financial position RMB	Related amounts not set-off in the statement of financial position Financial instruments RMB	Cash collateral Received RMB	Net amount RMB
At 31 December 2023				
Financial assets				
Derivative financial instruments	770,171	(141,095)	-	629,076
Margin deposits	16,830,442	-	-	16,830,442
Financial liabilities				
Derivative financial instruments	141,095	(141,095)	-	-

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

	Gross amounts of recognised financial assets/liabilities RMB	Gross amounts of recognised financial liabilities/assets set-off in the statement of financial position RMB	Gross amounts of recognised financial liabilities/assets set-off in the statement of financial position RMB	Net amounts of financial assets/liabilities presented in the statement of financial position RMB
At 31 December 2022				
Financial assets				
Derivative financial instruments	2,711,553	-	-	2,711,553
Margin deposits	15,990,154	-	-	15,990,154
Financial liabilities				
Derivative financial instruments	838,014	-	-	838,014
	Net amounts of financial assets/liabilities presented in the statement of financial position RMB	Related amounts not set-off in the statement of financial position Financial instruments Cash collateral received RMB		Net amount RMB
At 31 December 2022				
Financial assets				
Derivative financial instruments	2,711,553	(838,014)	-	1,873,539
Margin deposits	15,990,154	-	-	15,990,154
Financial liabilities				
Derivative financial instruments	838,014	(838,014)	-	-

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

Transactions with the counterparties are governed by separate master netting agreements. Each agreement allows for net settlement of certain open contracts where the Sub-Fund and respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. However, each party to the master netting agreement will have the option to settle all open contracts on net basis in the event of default of the other party. Per the terms of each master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

(f) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The liquidity of the Sub-Fund's investments in corporate bonds and other derivative financial instruments may vary substantially depending on market conditions. The liquidity of the various instruments in the Asian debt markets has fluctuated and changed substantially over time. The market for relatively illiquid securities tends to be thinner than the market for more liquid securities.

Investments in relatively illiquid securities may restrict the ability of the Sub-Fund to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts and the bid and offer prices are established solely by dealers in these contracts.

The table below analyses the Sub-Fund's financial liabilities and derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flow.

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NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(f) Liquidity risk (Continued)

	Maturity less than 3 months RMB	Maturity up to 1 year RMB	Maturity up to 5 years RMB	Total RMB
As at 31 December 2023				
Derivative financial instruments	141,095	-	-	141,095
Amounts due to brokers	931,593	-	-	931,593
Other liabilities and accrued expenses	1,309,587	-	-	1,309,587
Redemptions payable	56,444	-	-	56,444
Net assets attributable to unitholders	<u>221,968,166</u>	<u>-</u>	<u>-</u>	<u>221,968,166</u>

	Maturity less than 3 months RMB	Maturity up to 1 year RMB	Maturity up to 5 years RMB	Total RMB
As at 31 December 2022				
Derivative financial instruments	838,014	-	-	838,014
Amounts due to brokers	1,550,221	-	-	1,550,221
Other liabilities and accrued expenses	1,204,987	-	-	1,204,987
Redemptions payable	2,359,639	-	-	2,359,639
Net assets attributable to unitholders	<u>418,113,303</u>	<u>-</u>	<u>-</u>	<u>418,113,303</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(f) Liquidity risk (Continued)

The redeemable units are redeemable on a daily basis at the unitholder's option. In order to control liquidity risk, the Manager, with the approval of the Trustee, may limit the number of redeemable units, which are redeemed on any redemption day to redeemable units representing in aggregate 10% of the NAV of the Sub-Fund. Furthermore, no redemption of a holding of redeemable units may be made which would result in the unitholder retaining redeemable units which have a value of less than the following amount, unless the Manager in its sole discretion determines to permit the redemption:

	Minimum holding amount
Class 1A USD (Distribution) Units	USD50,000
Class 1A USD (Accumulation) Units	USD50,000
Class 1E USD (Distribution) Units	USD50,000
Class 2A USD (Distribution) Units	USD2,000
Class 2A USD (Accumulation) Units	USD2,000
Class 2B RMB (Distribution) Units	RMB10,000
Class 2B RMB (Accumulation) Units	RMB10,000
Class 2C USD (Distribution) Units	USD2,000
Class 2D HKD (Distribution) Units	HKD10,000
Class 2D HKD (Accumulation) Units	HKD10,000
Class 2E AUD (Distribution) Units	AUD100,000
Class 2E AUD (Accumulation) Units	AUD100,000
Class 2F AUD-Hedged (Distribution) Units	AUD100,000
Class 2F AUD-Hedged (Accumulation) Units	AUD100,000
Class 2G USD-Hedged (Distribution) Units	USD2,000
Class 2G USD-Hedged (Accumulation) Units	USD2,000
Class 2I SGD-Hedged (Distribution) Units	SGD1,000
Class 2I SGD-Hedged (Accumulation) Units	SGD1,000
Class 2K EUR-Hedged (Distribution) Units	EUR1,000
Class 2K EUR-Hedged (Accumulation) Units	EUR1,000
Class 2L HKD-Hedged (Distribution) Units	HKD10,000
Class 2L HKD-Hedged (Accumulation) Units	HKD10,000
Class 2XB RMB (Accumulation) Units	RMB1,000
Class 2XG USD-Hedged (Accumulation) Units	USD200
Class 4C USD-Hedged (Accumulation) Units	USD100,000

As at 31 December 2023, the total assets of the Sub-Fund amounted to RMB224,406,885 (2022: RMB424,066,164). The Manager manages the Sub-Fund's liquidity risk by investing predominantly in listed and quoted bonds and derivatives that the Manager considered them as highly liquid for disposal.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

4 Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund measures both financial assets and financial liabilities at quoted market price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets and liabilities measured at fair value. Please refer to Note 3(a) for disclosure of the Sub-Fund's financial assets and liabilities by class.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

4 Fair value estimation (Continued)

	Level 2 RMB	Total RMB
As at 31 December 2023		
Assets		
Financial assets at fair value through profit or loss:		
- Corporate bonds	152,106,291 ⁽⁴⁾	152,106,291 ⁽⁴⁾
- Government bonds	17,945,621 ⁽⁴⁾	17,945,621 ⁽⁴⁾
- Investment fund	25,060,658	25,060,658
Derivative financial assets:		
- Forward foreign exchange contracts	770,171	770,171
	<u>195,882,741</u>	<u>195,882,741</u>
Liabilities		
Derivative financial liabilities:		
- Forward foreign exchange contracts	141,095	141,095
	<u>141,095</u>	<u>141,095</u>
	Level 2 RMB	Total RMB
As at 31 December 2022		
Assets		
Financial assets at fair value through profit or loss:		
- Corporate bonds	303,729,592 ⁽⁴⁾	303,729,592 ⁽⁴⁾
- Government bonds	19,334,934 ⁽⁴⁾	19,334,934 ⁽⁴⁾
- Investment fund	48,761,150	48,761,150
Derivative financial assets:		
- Forward foreign exchange contracts	2,711,553	2,711,553
	<u>374,537,229</u>	<u>374,537,229</u>
Liabilities		
Derivative financial liabilities:		
- Forward foreign exchange contracts	838,014	838,014
	<u>838,014</u>	<u>838,014</u>

⁽⁴⁾ The amount represents only the fair value of the debt instruments without accrued interests, which are separately disclosed as interest receivable on the statement of financial position.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

4 Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets are classified within level 1, include futures. The Sub-Fund does not adjust the quoted price for these instruments. As at 31 December 2023 and 2022 the Sub-Fund did not hold any investment, classified in level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted/tradable market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include corporate bonds, government bonds, investment funds and forward foreign exchange contracts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, the Sub-Fund has used valuation techniques to derive the fair value. As at 31 December 2023 and 2022 the Sub-Fund did not hold any investment, classified in level 3.

Management considers the carrying value of the Sub-Fund's other financial assets and financial liabilities are a reasonable approximation of fair value.

There is no transfer between the levels of fair value hierarchy during the year ended 31 December 2023 and 2022.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

5 Critical accounting estimates and judgments

(a) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of financial instruments

The Sub-Fund may, from time to time, hold financial instruments that are not quoted in active markets, whereby the arranging banks or placement banks would be the sole providers of mark to market prices. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Manager. The Manager also closely monitors the coupon and principal payment of these fixed income and debt instruments.

In certain cases, the Manager may determine the prices or make adjustments to the market values of investments at their discretion if they believe that an adjustment is required to arrive at the fair value of the investment.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Sub-Fund holds financial instruments that are not actively traded on an exchange such as unlisted bonds and derivative instruments which may not trade in an active market and whose fair value has been determined by reference to quotations provided by the relevant brokers. Their quotations may be indicative quotes only and may not necessarily represent actual transactions price nor may represent a binding offer price. The Management considers that the above valuation approach as the best estimate of the fair value of the investments. Actual transacted prices may differ from the quotes provided by the relevant brokers.

The investment funds held by the Sub-Fund are subject to the terms and conditions of the respective offering documentation of the investment funds. The investment funds are primarily valued on the latest available redemption price of such units/shares for each investment fund, as determined by the respective fund administrators or fund managers of such investment fund. If necessary, the Directors make adjustments to the net asset value of various investment funds to obtain the best estimate of fair value.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

5 Critical accounting estimates and judgments (Continued)

(b) Critical judgments

Functional currency

The Manager considers RMB the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The RMB is the currency in which the Sub-Fund measures its performance and reports its results.

6 Financial instruments by category

The following tables disclose the financial assets and liabilities of the Sub-Fund by category:

	At amortised cost RMB	At fair value through profit or loss RMB	Total RMB
As at 31 December 2023			
Financial assets			
Financial assets at fair value through profit or loss	-	195,112,570	195,112,570
Derivative financial instruments	-	770,171	770,171
Interest receivable	3,322,682	-	3,322,682
Prepayments and other receivables	1,045,035	-	1,045,035
Amounts due from brokers	1,582,977	-	1,582,977
Margin deposits	18,454,683	-	18,454,683
Bank balances	4,118,767	-	4,118,767
	<u>28,524,144</u>	<u>195,882,741</u>	<u>224,406,885</u>
Financial liabilities			
Derivative financial instruments	-	141,095	141,095
Amounts due to brokers	931,593	-	931,593
Other liabilities and accrued expenses	1,309,587	-	1,309,587
Redemptions payable	56,444	-	56,444
	<u>2,297,624</u>	<u>141,095</u>	<u>2,438,719</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

6 Financial instruments by category (Continued)

The following tables disclose the financial assets and liabilities of the Sub-Fund by category:

	At amortized cost RMB	At fair value through profit or loss RMB	Total RMB
As at 31 December 2022			
Financial assets			
Financial assets at fair value through profit or loss	-	371,825,676	371,825,676
Derivative financial instruments	-	2,711,553	2,711,553
Interest receivable	8,568,804	-	8,568,804
Prepayments and other receivables	952,132	-	952,132
Amounts due from brokers	2,893,957	-	2,893,957
Margin deposits	15,990,154	-	15,990,154
Bank balances	21,123,888	-	21,123,888
	<u>49,528,935</u>	<u>374,537,229</u>	<u>424,066,164</u>
Financial liabilities			
Derivative financial instruments	-	838,014	838,014
Amounts due to brokers	1,550,221	-	1,550,221
Other liabilities and accrued expenses	1,204,987	-	1,204,987
Redemptions payable	2,359,639	-	2,359,639
	<u>5,114,847</u>	<u>838,014</u>	<u>5,952,861</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

7 Net losses on financial assets and liabilities at fair value through profit or loss

The following table discloses the net realised and unrealised gains/losses on financial assets and liabilities at fair value through profit and loss of the Sub-Fund:

	2023 RMB	2022 RMB
Realised losses on:		
Financial assets at fair value through profit or loss	(145,877,178)	(31,310,870)
Derivative financial instruments	(13,361,252)	(26,925,985)
	<u>(159,238,430)</u>	<u>(58,236,855)</u>
Change in unrealised gains/(losses) on:		
Financial assets at fair value through profit or loss	105,388,451	(57,663,343)
Derivative financial instruments	(1,244,463)	(2,761,091)
	<u>104,143,988</u>	<u>(60,424,434)</u>
Net losses on financial assets and liabilities at fair value through profit or loss	<u>(55,094,442)</u>	<u>(118,661,289)</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

8 Structured entities

The Sub-Fund's investments in Investment Fund are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Fund. The Investee Fund in the investment portfolio is managed by portfolio managers who are compensated by the Investee Fund for its services. Such compensation generally consists of an asset based fee and a performance based incentive fee and is reflected in the valuation of the Sub-Fund's investment in each of the Investee Fund.

The right of the Sub-Fund to request redemption of its investments in IPRMBBF is on every business day.

The exposure to investments in Investee Fund at fair value by strategy employed is disclosed in the following table. The investment is included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2023

Strategy	Number of Investee Fund	Net Asset Value of Investee Fund RMB million	Investment fair value RMB	% of net assets attributable to holders of redeemable shares
Fixed income	1	27.51	<u>25,060,658</u>	<u>11.29</u>

As at 31 December 2022

Strategy	Number of Investee Fund	Net Asset Value of Investee Fund RMB million	Investment fair value RMB	% of net assets attributable to holders of redeemable shares
Fixed income	1	55.21	<u>48,761,150</u>	<u>11.66</u>

The investment fund represents IPRMBBF, which is managed by the Manager of the Sub-Fund.

The principal investment objective of IPRMBBF is to seek long-term interest income and capital appreciation through investing RMB-denominated fixed income securities through RQFII quota. IPRMBBF mainly invests bonds in the Peoples' Republic of China ("PRC") which carry a credit rating grade of at least BBB- or equivalent assigned by one of the local rating agencies recognised by the relevant authorities in the PRC.

The Sub-Fund's investment strategy entails trading in other funds on a regular basis. Total purchases and total sales in the investee fund during the year ended 31 December 2023 were nil (2022: RMB48,156,039) and RMB23,996,519 (2022: Nil). The Sub-Fund intends to continue opportunistic trading in other funds.

As at 31 December 2023 and 31 December 2022, there were no capital commitment obligations and no amounts due to investee fund for unsettled purchases.

During the year ended 31 December 2023, net unrealized loss was RMB75,837 (2022: gain of RMB605,111) and total net realized gain was RMB371,864 (2022: Nil) incurred on investments in the Investee Fund.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

9 Transactions with related parties and connected persons

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, Trustee and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons except for those disclosed below.

All transactions were entered into during the year between the Sub-Fund and the Manager, Trustee and their connected persons were carried out in the ordinary course of business and on normal commercial terms.

(a) Management fee

Pursuant to the Sub-Fund's explanatory memorandum, the Manager is entitled to receive a management fee calculated on the following basis:

Class	Management fee (% of NAV per annum of the relevant Class)
Class 1A USD (Distribution) Units	1.00%
Class 1A USD (Accumulation) Units	1.00%
Class 1E USD (Distribution) Units	1.00%
Class 2A USD (Distribution) Units	1.50%
Class 2A USD (Accumulation) Units	1.50%
Class 2B RMB (Distribution) Units	1.50%
Class 2B RMB (Accumulation) Units	1.50%
Class 2C USD (Distribution) Units	1.50%
Class 2D HKD (Distribution) Units	1.50%
Class 2D HKD (Accumulation) Units	1.50%
Class 2E AUD (Distribution) Units	1.50%
Class 2E AUD (Accumulation) Units	1.50%
Class 2F AUD-Hedged (Distribution) Units	1.50%
Class 2F AUD-Hedged (Accumulation) Units	1.50%
Class 2G USD-Hedged (Distribution) Units	1.50%
Class 2G USD-Hedged (Accumulation) Units	1.50%
Class 2H SGD (Distribution) Units	1.50%
Class 2H SGD (Accumulation) Units	1.50%
Class 2I SGD-Hedged (Distribution) Units	1.50%
Class 2I SGD-Hedged (Accumulation) Units	1.50%
Class 2J EUR (Distribution) Units	1.50%
Class 2J EUR (Accumulation) Units	1.50%
Class 2K EUR-Hedged (Distribution) Units	1.50%
Class 2K EUR-Hedged (Accumulation) Units	1.50%
Class 2L HKD-Hedged (Distribution) Units	1.50%
Class 2L HKD-Hedged (Accumulation) Units	1.50%
Class 2XB RMB (Accumulation) Units	1.50%
Class 2XG USD-Hedged (Accumulation) Units	1.50%
Class 4C USD-Hedged (Accumulation) Units	0.00%

The management fee is accrued daily and payable monthly in arrears.

Total management fees for the year ended 31 December 2023 amounted to RMB4,624,121 (2022: RMB7,187,886) with RMB275,939 (2022: RMB489,816) outstanding as at 31 December 2023.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

9 Transactions with related parties and connected persons (Continued)

(a) Management fee (Continued)

The Manager will give one month's prior notice to unitholders should there be any increase of the management fee from the current level up to the maximum level of 2% per annum of the net asset value of the Sub-Fund.

(b) Trustee fee

The trustee fee paid to the Trustee accrued from the assets of the Sub-Fund is based on 0.0075% (2022: 0.0075%) per annum of the NAV of the Sub-Fund, subject to a minimum of USD10,000 (2022: USD10,000) per annum. The Trustee will give one month's prior notice to unitholders should there be any increase of the trustee fee from the current level up to the maximum level of 1% per annum of the NAV of the Sub-Fund.

The table below summarises the trustee fees and trustee fee payable by Sub-Fund as at 31 December 2023 and 2022:

	2023 RMB	2022 RMB
Trustee fee	<u>71,159</u>	<u>69,188</u>
Trustee fee payable	<u>6,070</u>	<u>5,925</u>

(c) Investments in fund managed by the Manager

As set out in Note 3(a), as at 31 December 2023, the Sub-Fund invested into IPRMBBF (2022: IPRMBBF), which is managed by the same Manager of the Sub-Fund.

IPRMBBF was incorporated in Hong Kong under the laws of Hong Kong by a trust deed dated 23 June 2014. The principal investment objective of IPRMBBF is to seek long-term interest income and capital appreciation through investing in RMB-denominated fixed income securities through RQFII quota.

The following table summarises the ownership of investment fund managed by the same Manager of the Sub-Fund:

	Holding	Unit price RMB	Fair value RMB
At 31 December 2023			
IPRMBBF	<u>32,500</u>	<u>771.10</u>	<u>25,060,658</u>
At 31 December 2022			
IPRMBBF	<u>63,800</u>	<u>764.28</u>	<u>48,761,150</u>

During the year ended 31 December 2023 and 31 December 2022, the Sub-Fund did not receive any dividend income from its investment in IPRMBBF, which is managed by the Manager of the Sub-Fund.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

9 Transactions with related parties and connected persons (Continued)

(d) Cross trade

During the year ended 31 December 2023 and 2022, there were no investment holdings which were bought or sold from/to other funds also managed by the Manager of the Sub-Fund.

(e) Holdings of units of the Sub-Fund

The holdings of units of the Sub-Fund by the Manager and its connected persons as at 31 December 2023 and 2022 were as follows.

Units held by the portfolio managers of the Sub-Fund:

	Units outstanding at 1 January 2023	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
<u>2023</u>				
Class 4C USD -Hedged (Accumulation)	6,270	-	-	6,270

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
<u>2022</u>				
Class 4C USD -Hedged (Accumulation)	-	6,270	-	6,270

Units held by a related party of the Directors of the Manager:

There is no unit held by a related party of the Directors of the Manager for the year ended 31 December 2023.

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
<u>2022</u>				
Class 2B RMB (Distribution)	56,097	-	(56,097)	-

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

9 Transactions with related parties and connected persons (Continued)

(e) Holdings of units of the Sub-Fund (Continued)

Units held by management committee member of the Manager:

There is no unit held by management committee member of the Manager for the year ended 31 December 2023.

<u>2022</u>	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
Class 4C USD -Hedged (Accumulation)	3,514	-	(3,514)	-

(f) Cash and cash equivalents and investment balances

Cash and cash equivalents amounted to RMB4,118,767 (2022: RMB21,123,888) is held with Citibank N.A., Hong Kong Branch, an affiliate of the Trustee. In addition, the Sub-Fund's investments amounted to RMB195,112,570 (2022: RMB371,825,676) are held at Citibank N.A., Hong Kong Branch, as custodian of the Sub-Fund.

Amount due from Citibank N.A., Hong Kong Branch as at 31 December 2023 was RMB1,376,707 (2022: Nil)

During the year ended 31 December 2023, the Sub-Fund entered into forward foreign exchange contracts with an affiliate of the Trustee with realised losses amounted to RMB9,367,788 (2022: RMB5,320,726).

Interest income earned from cash and cash equivalents held with Citibank N.A., Hong Kong Branch for the year was RMB318,238 (2022: RMB118,149) while the bank charges of Citibank N.A., Hong Kong Branch for the year was RMB10,665 (2022: RMB10,228).

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

9 Transactions with related parties and connected persons (Continued)

(g) Custodian, administration, compliance monitoring, financial statement preparation fee and registrar and processing agent fee

Citibank N.A., Hong Kong Branch N.A. acts as the fund administrator and provides financial, accounting, administrative and other services to the Sub-Fund.

Citicorp Financial Services Limited is the Registrar and Processing Agent of the Sub-Fund.

The Trustee has appointed Citibank N.A., Hong Kong Branch to act as custodian of the Sub-Fund's assets.

The custodian, administrator and registrar and processing agent are also entitled to fees payable out of the assets of the Sub-Fund, such fees being at rates agreed between the Manager, the Trustee and the Custodian, the Administrator or the Registrar and Processing Agent (as the case may be) from time to time. The Administrator's, the Custodian's, the Registrar and Processing Agent's fees, financial statement preparation fee and the compliance monitoring fee will accrue daily and payable on a monthly basis.

Total custodian, administration, compliance monitoring, financial statement preparation fee and registrar and processing agent fee for the year ended 31 December 2023 amounted to RMB873,566 (2022: RMB936,944) with RMB144,166 (2022: RMB108,450) outstanding as at 31 December 2023.

Total custodian fee for the year ended 31 December 2023 amounted to RMB213,479 (2022: RMB205,173) with RMB18,210 (2022: RMB17,774) outstanding as at 31 December 2023.

Total administration fee for the year ended 31 December 2023 amounted to RMB512,350 (2022: RMB561,441) with RMB47,747 (2022: RMB46,703) outstanding as at 31 December 2023.

Total registrar and processing agent fee for the year ended 31 December 2023 amounted to RMB42,913 (2022: RMB42,989) with RMB3,642 (2022: RMB3,555) outstanding as at 31 December 2023.

Total compliance monitoring fee for the year ended 31 December 2023 amounted to RMB32,488 (2022: RMB52,092) with RMB1,894 (2022: RMB3,505) outstanding as at 31 December 2023.

Total financial statement preparation fee for the year ended 31 December 2023 amounted to RMB72,336 (2022: RMB75,249) with RMB72,673 (2022: RMB36,913) outstanding as at 31 December 2023.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

10 Reconciliation between NAV per statement of assets and liabilities and published NAV

	As at 31 December 2023 RMB	As at 31 December 2022 RMB
Accounting net assets attributable to unitholders as reported in the statement of financial position	221,968,166	418,113,303
Adjustment for differences (Note)	1,112,537	-
Dealing net asset value	<u>223,080,703</u>	<u>418,113,303</u>

Note: Adjustments were made to recognize the impairment losses on other receivables for the year ended 31 December 2023 amounted to RMB1,112,537 (2022: Nil). For details, please refer to Note 14.

Net assets attributable to unitholders per unit are calculated based on the net assets attributable to unitholders divided by the total units in issue as at 31 December 2023 and 2022. The detailed breakdowns are as follows:

Net asset value per unit (Dealing net asset value)	Class Currency	2023	2022
Class 1A USD (Distribution) Units	USD	-	65.29
Class 1A USD (Accumulation) Units	USD	70.04	83.43
Class 1E USD (Distribution) Units	USD	48.53	59.12
Class 2A USD (Distribution) Units	USD	42.04	54.37
Class 2A USD (Accumulation) Units	USD	109.40	130.96
Class 2B RMB (Distribution) Units	RMB	45.58	57.28
Class 2B RMB (Accumulation) Units	RMB	121.03	140.80
Class 2C USD (Distribution) Units	USD	44.90	58.43
Class 2D HKD (Distribution) Units	HKD	41.36	53.36
Class 2D HKD (Accumulation) Units	HKD	66.43	79.37
Class 2E AUD (Distribution) Units	AUD	50.81	64.86
Class 2E AUD (Accumulation) Units	AUD	-	91.48
Class 2F AUD-Hedged (Distribution) Units	AUD	47.20	58.13
Class 2F AUD-Hedged (Accumulation) Units	AUD	76.82	88.81
Class 2G USD-Hedged (Distribution) Units	USD	42.71	52.27
Class 2G USD-Hedged (Accumulation) Units	USD	80.86	91.98
Class 2I SGD-Hedged (Distribution) Units	SGD	47.09	57.87
Class 2I SGD-Hedged (Accumulation) Units	SGD	65.70	75.83
Class 2K EUR-Hedged (Distribution) Units	EUR	48.95	58.79
Class 2K EUR-Hedged (Accumulation) Units	EUR	-	71.36
Class 2L HKD-Hedged (Distribution) Units	HKD	46.69	57.63
Class 2L HKD-Hedged (Accumulation) Units	HKD	66.37	76.07
Class 2XB RMB (Accumulation) Units	RMB	96.91	112.76
Class 4C USD-Hedged (Accumulation) Units	USD	75.54	84.67

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

11 Number of units in issue and net assets attributable to unitholders per unit

Class	2023 Units	2022 Units
Class 1A USD (Distribution)Units	-	20,000
Class 1A USD (Accumulation) Units	10,783	104,703
Class 1E USD (Distribution) Units	11,146	14,475
Class 2A USD (Distribution) Units	122,810	147,252
Class 2A USD (Accumulation)Units	12,483	25,581
Class 2B RMB (Distribution) Units	702,660	797,072
Class 2B RMB (Accumulation) Units	131,540	139,223
Class 2C USD (Distribution) Units	32,329	36,729
Class 2D HKD (Distribution) Units	716,885	862,614
Class 2D HKD (Accumulation) Units	54,526	55,929
Class 2E AUD (Distribution) Units	468	468
Class 2E AUD (Accumulation) Units	-	114
Class 2F AUD-Hedged (Distribution) Units	11,092	18,813
Class 2F AUD-Hedged (Accumulation) Units	9,364	9,364
Class 2G USD-Hedged (Distribution) Units	161,519	228,879
Class 2G USD-Hedged (Accumulation) Units	17,158	18,986
Class 2I SGD-Hedged (Distribution) Units	19,887	32,888
Class 2I SGD-Hedged (Accumulation) Units	8,722	11,711
Class 2K EUR-Hedged (Distribution) Units	2,004	12,079
Class 2K EUR-Hedged (Accumulation) Units	-	884
Class 2L HKD-Hedged (Distribution) Units	16,388	55,205
Class 2L HKD-Hedged (Accumulation) Units	1,976	3,938
Class 2XB RMB (Accumulation) Units	5,058	72,425
Class 4C USD-Hedged (Accumulation) Units	6,270	6,270
Number of units in issue at 31 December 2023	<u>2,055,068</u>	<u>2,675,602</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

**11 Number of units in issue and net assets attributable to unitholders per unit
(Continued)**

Class	2023 RMB	2022 RMB
Class 1A USD (Distribution)Units	-	9,037,632
Class 1A USD (Accumulation) Units	5,378,318	60,455,379
Class 1E USD (Distribution) Units	3,851,880	5,922,568
Class 2A USD (Distribution) Units	36,768,166	55,408,279
Class 2A USD (Accumulation)Units	9,725,198	23,187,137
Class 2B RMB (Distribution) Units	32,028,926	45,658,908
Class 2B RMB (Accumulation) Units	15,919,965	19,602,915
Class 2C USD (Distribution) Units	10,337,142	14,851,689
Class 2D HKD (Distribution) Units	27,031,055	40,862,393
Class 2D HKD (Accumulation) Units	3,302,252	3,940,652
Class 2E AUD (Distribution) Units	115,105	142,642
Class 2E AUD (Accumulation) Units	-	49,006
Class 2F AUD-Hedged (Distribution) Units	2,536,475	5,143,005
Class 2F AUD-Hedged (Accumulation) Units	3,485,245	3,911,335
Class 2G USD-Hedged (Distribution) Units	49,123,175	82,801,192
Class 2G USD-Hedged (Accumulation) Units	9,880,474	12,087,053
Class 2I SGD-Hedged (Distribution) Units	5,051,922	9,825,340
Class 2I SGD-Hedged (Accumulation) Units	3,091,349	4,584,428
Class 2K EUR-Hedged (Distribution) Units	773,172	5,244,529
Class 2K EUR-Hedged (Accumulation) Units	-	465,788
Class 2L HKD-Hedged (Distribution) Units	697,603	2,824,028
Class 2L HKD-Hedged (Accumulation) Units	119,570	265,926
Class 2XB RMB (Accumulation) Units	490,180	8,166,698
Class 4C USD-Hedged (Accumulation) Units	3,373,531	3,674,781
Net assets attributable to unitholders (Dealing net asset value)	<u>223,080,703</u>	<u>418,113,303</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

**11 Number of units in issue and net assets attributable to unitholders per unit
(Continued)**

Net assets attributable to unitholders per unit	2023 RMB	2022 RMB
Class 1A USD (Distribution) Units	-	451.88
Class 1A USD (Accumulation) Units	498.79	577.40
Class 1E USD (Distribution) Units	345.57	409.16
Class 2A USD (Distribution) Units	299.39	376.28
Class 2A USD (Accumulation) Units	779.10	906.40
Class 2B RMB (Distribution) Units	45.58	57.28
Class 2B RMB (Accumulation) Units	121.03	140.80
Class 2C USD (Distribution) Units	319.75	404.36
Class 2D HKD (Distribution) Units	37.71	47.37
Class 2D HKD (Accumulation) Units	60.56	70.46
Class 2E AUD (Distribution) Units	246.15	305.03
Class 2E AUD (Accumulation) Units	-	430.19
Class 2F AUD-Hedged (Distribution) Units	228.68	273.38
Class 2F AUD-Hedged (Accumulation) Units	372.18	417.68
Class 2G USD-Hedged (Distribution) Units	304.13	361.77
Class 2G USD-Hedged (Accumulation) Units	575.84	636.61
Class 2I SGD-Hedged (Distribution) Units	254.04	298.75
Class 2I SGD-Hedged (Accumulation) Units	354.44	391.47
Class 2K EUR-Hedged (Distribution) Units	385.74	434.15
Class 2K EUR-Hedged (Accumulation) Units	-	526.95
Class 2L HKD-Hedged (Distribution) Units	42.57	51.15
Class 2L HKD-Hedged (Accumulation) Units	60.51	67.53
Class 2XB RMB (Accumulation) Units	96.91	112.76
Class 4C USD-Hedged (Accumulation) Units	537.95	585.98

The movements of the redeemable units are disclosed in the statement of changes in net assets attributable to unitholders.

As at 31 December 2023, the Sub-Fund had 2 investors which held 342,398 and 921,010 number of units, representing 29.60% and 25.37% NAV of the Sub-Fund respectively.

As at 31 December 2022, the Sub-Fund had 4 investors which held 1,186,968, 444,424, 63,800 and 86,507 number of units, representing 18.95%, 26.13%, 10.34% and 10.58% NAV of the Sub-Fund respectively.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

12 Other liabilities and accrued expenses

	2023 RMB	2022 RMB
Management fee payable (Note 9(a))	275,939	489,816
Trustee fee payable (Note 9(b))	6,070	5,925
Custodian, administration, compliance monitoring, financial statement preparation fee and registrar and processing agent fee payable (Note 9(g))	144,166	108,450
Auditor's remuneration payable	438,008	361,371
Other payable	445,404	239,425
	<u>1,309,587</u>	<u>1,204,987</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units

There was no net income for distribution of the Sub-Fund for the year ended 31 December 2023 and 31 December 2022.

The Sub-Fund made the following distributions during the year ended 31 December

Class	Ex-date	Pay date	Rate	2023 RMB
Class 1A USD (Distribution)	03.01.2023	05.01.2023	USD0.49	67,816
Class 1E USD (Distribution)	03.01.2023	05.01.2023	USD0.40	40,066
Class 2A USD (Distribution)	03.01.2023	05.01.2023	USD0.41	417,782
Class 2B RMB (Distribution)	03.01.2023	05.01.2023	CNY0.52	414,478
Class 2C USD (Distribution)	03.01.2023	05.01.2023	USD0.47	119,456
Class 2D HKD (Distribution)	03.01.2023	05.01.2023	HKD0.40	305,553
Class 2E AUD (Distribution)	03.01.2023	05.01.2023	AUD0.41	889
Class 2F AUD-Hedged (Distribution)	03.01.2023	05.01.2023	AUD0.37	32,292
Class 2G USD-Hedged (Distribution)	03.01.2023	05.01.2023	USD0.36	570,180
Class 2I SGD-Hedged (Distribution)	03.01.2023	05.01.2023	SGD0.40	67,612
Class 2K EUR-Hedged (Distribution)	03.01.2023	05.01.2023	EUR0.31	27,290
Class 2L HKD-Hedged (Distribution)	03.01.2023	05.01.2023	HKD0.40	19,555
Class 1A USD (Distribution)	01.02.2023	03.02.2023	USD0.35	47,208
Class 1E USD (Distribution)	01.02.2023	03.02.2023	USD0.32	31,238
Class 2A USD (Distribution)	01.02.2023	03.02.2023	USD0.29	288,524
Class 2B RMB (Distribution)	01.02.2023	03.02.2023	CNY0.31	254,636
Class 2C USD (Distribution)	01.02.2023	03.02.2023	USD0.34	84,265
Class 2D HKD (Distribution)	01.02.2023	03.02.2023	HKD0.28	206,085
Class 2E AUD (Distribution)	01.02.2023	03.02.2023	AUD0.29	647
Class 2F AUD-Hedged (Distribution)	01.02.2023	03.02.2023	AUD0.26	23,345
Class 2G USD-Hedged (Distribution)	01.02.2023	03.02.2023	USD0.28	432,440
Class 2I SGD-Hedged (Distribution)	01.02.2023	03.02.2023	SGD0.26	43,930
Class 2K EUR-Hedged (Distribution)	01.02.2023	03.02.2023	EUR0.22	19,521
Class 2L HKD-Hedged (Distribution)	01.02.2023	03.02.2023	HKD0.31	14,717
Class 1A USD (Distribution)	01.03.2023	03.03.2023	USD0.35	48,133
Class 1E USD (Distribution)	01.03.2023	03.03.2023	USD0.32	31,850
Class 2A USD (Distribution)	01.03.2023	03.03.2023	USD0.29	273,217
Class 2B RMB (Distribution)	01.03.2023	03.03.2023	CNY0.31	249,343
Class 2C USD (Distribution)	01.03.2023	03.03.2023	USD0.34	85,950
Class 2D HKD (Distribution)	01.03.2023	03.03.2023	HKD0.28	209,420
Class 2E AUD (Distribution)	01.03.2023	03.03.2023	AUD0.29	631
Class 2F AUD-Hedged (Distribution)	01.03.2023	03.03.2023	AUD0.26	22,763
Class 2G USD-Hedged (Distribution)	01.03.2023	03.03.2023	USD0.28	425,100
Class 2I SGD-Hedged (Distribution)	01.03.2023	03.03.2023	SGD0.26	29,853
Class 2K EUR-Hedged (Distribution)	01.03.2023	03.03.2023	EUR0.22	19,495
Class 2L HKD-Hedged (Distribution)	01.03.2023	03.03.2023	HKD0.31	8,580
Class 1E USD (Distribution)	03.04.2023	06.04.2023	USD0.32	31,924
Class 2A USD (Distribution)	03.04.2023	06.04.2023	USD0.29	272,250
Class 2B RMB (Distribution)	03.04.2023	06.04.2023	RMB0.31	247,092
Class 2C USD (Distribution)	03.04.2023	06.04.2023	USD0.34	86,186
Class 2D HKD (Distribution)	03.04.2023	06.04.2023	HKD0.29	211,144
Class 2E AUD (Distribution)	03.04.2023	06.04.2023	AUD0.29	629
Class 2F AUD-Hedged (Distribution)	03.04.2023	06.04.2023	AUD0.26	22,675
Class 2G USD-Hedged (Distribution)	03.04.2023	06.04.2023	USD0.28	419,057
Class 2I SGD-Hedged (Distribution)	03.04.2023	06.04.2023	SGD0.26	30,136

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units (Continued)

Class	Ex-date	Pay date	Rate	2023 RMB
Class 2K EUR-Hedged (Distribution)	03.04.2023	06.04.2023	EUR0.22	19,912
Class 2L HKD-Hedged (Distribution)	03.04.2023	06.04.2023	HKD0.31	5,404
Class 1E USD (Distribution)	04.05.2023	08.05.2023	USD0.32	32,047
Class 2A USD (Distribution)	04.05.2023	08.05.2023	USD0.29	273,305
Class 2B RMB (Distribution)	04.05.2023	08.05.2023	CNY0.31	243,892
Class 2C USD (Distribution)	04.05.2023	08.05.2023	USD0.34	86,557
Class 2D HKD (Distribution)	04.05.2023	08.05.2023	HKD0.29	206,638
Class 2E AUD (Distribution)	04.05.2023	08.05.2023	AUD0.29	626
Class 2F AUD-Hedged (Distribution)	04.05.2023	08.05.2023	AUD0.26	22,583
Class 2G USD-Hedged (Distribution)	04.05.2023	08.05.2023	USD0.28	420,669
Class 2I SGD-Hedged (Distribution)	04.05.2023	08.05.2023	SGD0.26	30,329
Class 2K EUR-Hedged (Distribution)	04.05.2023	08.05.2023	EUR0.22	20,338
Class 2L HKD-Hedged (Distribution)	04.05.2023	08.05.2023	HKD0.31	5,426
Class 1E USD (Distribution)	01.06.2023	05.06.2023	USD0.32	32,985
Class 2A USD (Distribution)	01.06.2023	05.06.2023	USD0.29	274,432
Class 2B RMB (Distribution)	01.06.2023	05.06.2023	USD0.31	243,543
Class 2C USD (Distribution)	01.06.2023	05.06.2023	USD0.34	87,440
Class 2D HKD (Distribution)	01.06.2023	05.06.2023	HKD0.29	211,513
Class 2E AUD (Distribution)	01.06.2023	05.06.2023	AUD0.30	651
Class 2F AUD-Hedged (Distribution)	01.06.2023	05.06.2023	AUD0.26	22,472
Class 2G USD-Hedged (Distribution)	01.06.2023	05.06.2023	USD0.28	432,987
Class 2I SGD-Hedged (Distribution)	01.06.2023	05.06.2023	SGD0.26	30,656
Class 2K EUR-Hedged (Distribution)	01.06.2023	05.06.2023	EUR0.22	20,267
Class 2L HKD-Hedged (Distribution)	01.06.2023	05.06.2023	HKD0.31	5,596
Class 1E USD (Distribution)	03.07.2023	05.07.2023	USD0.32	33,649
Class 2A USD (Distribution)	03.07.2023	05.07.2023	USD0.29	275,790
Class 2B RMB (Distribution)	03.07.2023	05.07.2023	CNY0.31	243,507
Class 2C USD (Distribution)	03.07.2023	05.07.2023	USD0.34	89,246
Class 2D HKD (Distribution)	03.07.2023	05.07.2023	HKD0.29	214,568
Class 2E AUD (Distribution)	03.07.2023	05.07.2023	AUD0.30	680
Class 2F AUD-Hedged (Distribution)	03.07.2023	05.07.2023	AUD0.27	24,346
Class 2G USD-Hedged (Distribution)	03.07.2023	05.07.2023	USD0.28	431,470
Class 2I SGD-Hedged (Distribution)	03.07.2023	05.07.2023	SGD0.26	31,270
Class 2K EUR-Hedged (Distribution)	03.07.2023	05.07.2023	EUR0.22	21,078
Class 2L HKD-Hedged (Distribution)	03.07.2023	05.07.2023	HKD0.31	5,706
Class 1E USD (Distribution)	01.08.2023	03.08.2023	USD0.32	25,479
Class 2A USD (Distribution)	01.08.2023	03.08.2023	USD0.29	259,103
Class 2B RMB (Distribution)	01.08.2023	03.08.2023	CNY0.31	234,782
Class 2C USD (Distribution)	01.08.2023	03.08.2023	USD0.34	87,806
Class 2D HKD (Distribution)	01.08.2023	03.08.2023	HKD0.29	210,778
Class 2E AUD (Distribution)	01.08.2023	03.08.2023	AUD0.30	674
Class 2F AUD-Hedged (Distribution)	01.08.2023	03.08.2023	AUD0.27	24,141
Class 2G USD-Hedged (Distribution)	01.08.2023	03.08.2023	USD0.28	424,273
Class 2I SGD-Hedged (Distribution)	01.08.2023	03.08.2023	SGD0.27	32,494
Class 2K EUR-Hedged (Distribution)	01.08.2023	03.08.2023	EUR0.22	3,467
Class 2L HKD-Hedged (Distribution)	01.08.2023	03.08.2023	HKD0.31	5,639
Class 1E USD (Distribution)	01.09.2023	05.09.2023	USD0.32	25,928
Class 2A USD (Distribution)	01.09.2023	05.09.2023	USD0.30	270,478
Class 2B RMB (Distribution)	01.09.2023	05.09.2023	CNY0.31	224,736
Class 2C USD (Distribution)	01.09.2023	05.09.2023	USD0.34	79,676
Class 2D HKD (Distribution)	01.09.2023	05.09.2023	HKD0.29	203,615

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units (Continued)

Class	Ex-date	Pay date	Rate	2023 RMB
Class 2E AUD (Distribution)	01.09.2023	05.09.2023	AUD0.30	658
Class 2F AUD-Hedged (Distribution)	01.09.2023	05.09.2023	AUD0.27	14,039
Class 2G USD-Hedged (Distribution)	01.09.2023	05.09.2023	USD0.28	424,847
Class 2I SGD-Hedged (Distribution)	01.09.2023	05.09.2023	SGD0.27	28,815
Class 2K EUR-Hedged (Distribution)	01.09.2023	05.09.2023	EUR0.22	3,457
Class 2L HKD-Hedged (Distribution)	01.09.2023	05.09.2023	HKD0.31	5,703
Class 1E USD (Distribution)	09.10.2023	11.10.2023	USD0.32	26,074
Class 2A USD (Distribution)	09.10.2023	11.10.2023	USD0.30	272,016
Class 2B RMB (Distribution)	09.10.2023	11.10.2023	CNY0.31	225,950
Class 2C USD (Distribution)	09.10.2023	11.10.2023	USD0.34	80,180
Class 2D HKD (Distribution)	09.10.2023	11.10.2023	HKD0.29	203,928
Class 2E AUD (Distribution)	09.10.2023	11.10.2023	AUD0.30	654
Class 2F AUD-Hedged (Distribution)	09.10.2023	11.10.2023	AUD0.27	13,965
Class 2G USD-Hedged (Distribution)	09.10.2023	11.10.2023	USD0.28	415,857
Class 2I SGD-Hedged (Distribution)	09.10.2023	11.10.2023	SGD0.27	28,743
Class 2K EUR-Hedged (Distribution)	09.10.2023	11.10.2023	EUR0.22	3,410
Class 2L HKD-Hedged (Distribution)	09.10.2023	11.10.2023	HKD0.31	5,746
Class 1E USD (Distribution)	01.11.2023	03.11.2023	USD0.32	26,183
Class 2A USD (Distribution)	01.11.2023	03.11.2023	USD0.30	273,152
Class 2B RMB (Distribution)	01.11.2023	03.11.2023	CNY0.31	222,450
Class 2C USD (Distribution)	01.11.2023	03.11.2023	USD0.34	80,571
Class 2D HKD (Distribution)	01.11.2023	03.11.2023	HKD0.29	203,292
Class 2E AUD (Distribution)	01.11.2023	03.11.2023	AUD0.30	653
Class 2F AUD-Hedged (Distribution)	01.11.2023	03.11.2023	AUD0.27	13,935
Class 2G USD-Hedged (Distribution)	01.11.2023	03.11.2023	USD0.29	431,006
Class 2I SGD-Hedged (Distribution)	01.11.2023	03.11.2023	SGD0.27	28,776
Class 2K EUR-Hedged (Distribution)	01.11.2023	03.11.2023	EUR0.22	3,423
Class 2L HKD-Hedged (Distribution)	01.11.2023	03.11.2023	HKD0.31	4,766
Class 1E USD (Distribution)	01.12.2023	05.12.2023	USD0.32	25,496
Class 2A USD (Distribution)	01.12.2023	05.12.2023	USD0.30	263,756
Class 2B RMB (Distribution)	01.12.2023	05.12.2023	CNY0.31	218,974
Class 2C USD (Distribution)	01.12.2023	05.12.2023	USD0.34	78,517
Class 2D HKD (Distribution)	01.12.2023	05.12.2023	HKD0.29	198,352
Class 2E AUD (Distribution)	01.12.2023	05.12.2023	AUD0.30	662
Class 2F AUD-Hedged (Distribution)	01.12.2023	05.12.2023	AUD0.27	14,140
Class 2G USD-Hedged (Distribution)	01.12.2023	05.12.2023	USD0.29	335,723
Class 2I SGD-Hedged (Distribution)	01.12.2023	05.12.2023	SGD0.27	28,699
Class 2K EUR-Hedged (Distribution)	01.12.2023	05.12.2023	EUR0.22	3,433
Class 2L HKD-Hedged (Distribution)	01.12.2023	05.12.2023	HKD0.32	4,800
				<u>16,684,401</u>

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units (Continued)

Class	Ex-date	Pay date	Rate	2022 RMB
Class 1A USD (Distribution)	03.01.2022	05.01.2022	USD0.77	98,069
Class 1E USD (Distribution)	03.01.2022	05.01.2022	USD0.50	77,935
Class 2A USD (Distribution)	03.01.2022	05.01.2022	USD0.47	600,897
Class 2B RMB (Distribution)	03.01.2022	05.01.2022	CNY0.64	915,400
Class 2C USD (Distribution)	03.01.2022	05.01.2022	USD0.55	149,007
Class 2D HKD (Distribution)	03.01.2022	05.01.2022	HKD0.46	387,050
Class 2E AUD (Distribution)	03.01.2022	05.01.2022	AUD0.45	4,065
Class 2F AUD-Hedged (Distribution)	03.01.2022	05.01.2022	AUD0.46	50,475
Class 2G USD-Hedged (Distribution)	03.01.2022	05.01.2022	USD0.44	781,429
Class 2I SGD-Hedged (Distribution)	03.01.2022	05.01.2022	SGD0.49	87,352
Class 2K EUR-Hedged (Distribution)	03.01.2022	05.01.2022	EUR0.38	40,688
Class 2L HKD-Hedged (Distribution)	03.01.2022	05.01.2022	HKD0.49	48,280
Class 1A USD (Distribution)	06.02.2022	06.02.2022	USD 0.48	61,090
Class 1E USD (Distribution)	06.02.2022	06.02.2022	USD0.40	62,303
Class 2A USD (Distribution)	06.02.2022	06.02.2022	USD0.40	509,890
Class 2B RMB (Distribution)	06.02.2022	06.02.2022	CNY0.51	717,216
Class 2C USD (Distribution)	06.02.2022	06.02.2022	USD0.46	117,553
Class 2D HKD (Distribution)	06.02.2022	06.02.2022	HKD0.39	316,030
Class 2E AUD (Distribution)	06.02.2022	06.02.2022	AUD0.40	3,543
Class 2F AUD-Hedged (Distribution)	06.02.2022	06.02.2022	AUD0.36	38,780
Class 2G USD-Hedged (Distribution)	06.02.2022	06.02.2022	USD0.35	594,099
Class 2I SGD-Hedged (Distribution)	06.02.2022	06.02.2022	SGD0.39	69,563
Class 2K EUR-Hedged (Distribution)	06.02.2022	06.02.2022	EUR0.30	31,884
Class 2L HKD-Hedged (Distribution)	06.02.2022	06.02.2022	HKD0.39	35,614
Class 1A USD (Distribution)	01.03.2022	03.03.2022	USD0.48	60,566
Class 1E USD (Distribution)	01.03.2022	03.03.2022	USD0.40	61,769
Class 2A USD (Distribution)	01.03.2022	03.03.2022	USD0.40	499,968
Class 2B RMB (Distribution)	01.03.2022	03.03.2022	CNY0.52	718,891
Class 2C USD (Distribution)	01.03.2022	03.03.2022	USD0.46	116,587
Class 2D HKD (Distribution)	01.03.2022	03.03.2022	HKD0.39	307,005
Class 2E AUD (Distribution)	01.03.2022	03.03.2022	AUD0.41	3,655
Class 2F AUD-Hedged (Distribution)	01.03.2022	03.03.2022	AUD0.36	39,067
Class 2G USD-Hedged (Distribution)	01.03.2022	03.03.2022	USD0.35	582,146
Class 2I SGD-Hedged (Distribution)	01.03.2022	03.03.2022	SGD0.39	68,529
Class 2K EUR-Hedged (Distribution)	01.03.2022	03.03.2022	EUR0.31	26,524
Class 2L HKD-Hedged (Distribution)	01.03.2022	03.03.2022	HKD0.39	33,155
Class 1A USD (Distribution)	04.04.2022	06.04.2022	USD0.48	60,967
Class 1E USD (Distribution)	04.04.2022	06.04.2022	USD0.40	62,178
Class 2A USD (Distribution)	04.04.2022	06.04.2022	USD0.40	475,488
Class 2B RMB (Distribution)	04.04.2022	06.04.2022	CNY0.52	681,002
Class 2C USD (Distribution)	04.04.2022	06.04.2022	USD0.47	116,824
Class 2D HKD (Distribution)	04.04.2022	06.04.2022	HKD0.39	305,155
Class 2E AUD (Distribution)	04.04.2022	06.04.2022	AUD0.41	2,498
Class 2F AUD-Hedged (Distribution)	04.04.2022	06.04.2022	AUD0.36	40,791
Class 2G USD-Hedged (Distribution)	04.04.2022	06.04.2022	USD0.35	602,031
Class 2I SGD-Hedged (Distribution)	04.04.2022	06.04.2022	SGD0.39	69,135
Class 2K EUR-Hedged (Distribution)	04.04.2022	06.04.2022	EUR0.31	26,381
Class 2L HKD-Hedged (Distribution)	04.04.2022	06.04.2022	HKD0.39	29,001

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units (Continued)

Class	Ex-date	Pay date	Rate	2022 RMB
Class 1A USD (Distribution)	03.05.2022	05.05.2022	USD 0.48	64,054
Class 1E USD (Distribution)	03.05.2022	05.05.2022	USD0.40	65,327
Class 2A USD (Distribution)	03.05.2022	05.05.2022	USD0.40	498,074
Class 2B RMB (Distribution)	03.05.2022	05.05.2022	CNY0.52	663,412
Class 2C USD (Distribution)	03.05.2022	05.05.2022	USD0.47	122,791
Class 2D HKD (Distribution)	03.05.2022	05.05.2022	HKD0.39	315,829
Class 2E AUD (Distribution)	03.05.2022	05.05.2022	HKD0.41	2,479
Class 2F AUD-Hedged (Distribution)	03.05.2022	05.05.2022	AUD0.36	40,482
Class 2G USD-Hedged (Distribution)	03.05.2022	05.05.2022	USD0.35	633,015
Class 2I SGD-Hedged (Distribution)	03.05.2022	05.05.2022	SGD0.39	71,006
Class 2K EUR-Hedged (Distribution)	03.05.2022	05.05.2022	EUR0.31	26,301
Class 2L HKD-Hedged (Distribution)	03.05.2022	05.05.2022	HKD0.39	28,997
Class 1A USD (Distribution)	02.06.2022	06.06.2022	USD 0.48	64,057
Class 1E USD (Distribution)	02.06.2022	06.06.2022	USD0.40	65,329
Class 2A USD (Distribution)	02.06.2022	06.06.2022	USD0.40	472,070
Class 2B RMB (Distribution)	02.06.2022	06.06.2022	CNY0.52	657,145
Class 2C USD (Distribution)	02.06.2022	06.06.2022	USD0.47	122,851
Class 2D HKD (Distribution)	02.06.2022	06.06.2022	HKD0.39	306,620
Class 2E AUD (Distribution)	02.06.2022	06.06.2022	AUD0.41	2,518
Class 2F AUD-Hedged (Distribution)	02.06.2022	06.06.2022	AUD0.37	42,266
Class 2G USD-Hedged (Distribution)	02.06.2022	06.06.2022	USD0.35	611,135
Class 2I SGD-Hedged (Distribution)	02.06.2022	06.06.2022	SGD0.39	71,739
Class 2K EUR-Hedged (Distribution)	02.06.2022	06.06.2022	EUR0.31	26,727
Class 2L HKD-Hedged (Distribution)	02.06.2022	06.06.2022	HKD0.39	27,557
Class 1A USD (Distribution)	04.07.2022	06.07.2022	USD0.48	64,198
Class 1E USD (Distribution)	04.07.2022	06.07.2022	USD0.40	65,474
Class 2A USD (Distribution)	04.07.2022	06.07.2022	USD0.40	457,599
Class 2B RMB (Distribution)	04.07.2022	06.07.2022	CNY0.52	637,330
Class 2C USD (Distribution)	04.07.2022	06.07.2022	USD0.47	123,180
Class 2D HKD (Distribution)	04.07.2022	06.07.2022	HKD0.39	303,542
Class 2E AUD (Distribution)	04.07.2022	06.07.2022	AUD0.41	2,418
Class 2F AUD-Hedged (Distribution)	04.07.2022	06.07.2022	AUD0.37	40,585
Class 2G USD-Hedged (Distribution)	04.07.2022	06.07.2022	USD0.36	597,392
Class 2I SGD-Hedged (Distribution)	04.07.2022	06.07.2022	SGD0.39	70,656
Class 2K EUR-Hedged (Distribution)	04.07.2022	06.07.2022	EUR0.31	26,174
Class 2L HKD-Hedged (Distribution)	04.07.2022	06.07.2022	HKD0.39	27,619
Class 1A USD (Distribution)	01.08.2022	03.08.2022	USD0.48	64,910
Class 1E USD (Distribution)	01.08.2022	03.08.2022	USD0.40	58,073
Class 2A USD (Distribution)	01.08.2022	03.08.2022	USD0.40	462,134
Class 2B RMB (Distribution)	01.08.2022	03.08.2022	CNY0.52	617,588
Class 2C USD (Distribution)	01.08.2022	03.08.2022	USD0.47	124,611
Class 2D HKD (Distribution)	01.08.2022	03.08.2022	HKD0.39	299,660
Class 2E AUD (Distribution)	01.08.2022	03.08.2022	AUD0.41	2,500
Class 2F AUD-Hedged (Distribution)	01.08.2022	03.08.2022	AUD0.37	41,965
Class 2G USD-Hedged (Distribution)	01.08.2022	03.08.2022	USD0.36	588,556
Class 2I SGD-Hedged (Distribution)	01.08.2022	03.08.2022	SGD0.40	74,287
Class 2K EUR-Hedged (Distribution)	01.08.2022	03.08.2022	EUR0.31	25,958
Class 2L HKD-Hedged (Distribution)	01.08.2022	03.08.2022	HKD0.40	22,466
Class 1A USD (Distribution)	01.09.2022	05.09.2022	USD 0.48	66,273
Class 1E USD (Distribution)	01.09.2022	05.09.2022	USD0.40	59,293
Class 2A USD (Distribution)	01.09.2022	05.09.2022	USD0.40	464,378

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

13 Distribution to holders of redeemable units (Continued)

Class	Ex-date	Pay date	Rate	2022 RMB
Class 2B RMB (Distribution)	01.09.2022	05.09.2022	CNY0.52	617,667
Class 2C USD (Distribution)	01.09.2022	05.09.2022	USD0.47	127,299
Class 2D HKD (Distribution)	01.09.2022	05.09.2022	HKD0.40	313,859
Class 2E AUD (Distribution)	01.09.2022	05.09.2022	AUD0.41	2,472
Class 2F AUD-Hedged (Distribution)	01.09.2022	05.09.2022	AUD0.37	41,489
Class 2G USD-Hedged (Distribution)	01.09.2022	05.09.2022	USD0.36	600,915
Class 2I SGD-Hedged (Distribution)	01.09.2022	05.09.2022	SGD0.40	71,591
Class 2K EUR-Hedged (Distribution)	01.09.2022	05.09.2022	EUR0.31	25,901
Class 2L HKD-Hedged (Distribution)	01.09.2022	05.09.2022	HKD0.40	22,944
Class 1A USD (Distribution)	04.10.2022	06.10.2022	USD0.48	68,635
Class 1E USD (Distribution)	04.10.2022	06.10.2022	USD0.40	41,395
Class 2A USD (Distribution)	04.10.2022	06.10.2022	USD0.40	456,025
Class 2B RMB (Distribution)	04.10.2022	06.10.2022	CNY0.52	421,920
Class 2C USD (Distribution)	04.10.2022	06.10.2022	USD0.47	124,853
Class 2D HKD (Distribution)	04.10.2022	06.10.2022	HKD0.40	323,093
Class 2E AUD (Distribution)	04.10.2022	06.10.2022	AUD0.41	2,421
Class 2F AUD-Hedged (Distribution)	04.10.2022	06.10.2022	AUD0.37	32,089
Class 2G USD-Hedged (Distribution)	04.10.2022	06.10.2022	USD0.36	610,699
Class 2I SGD-Hedged (Distribution)	04.10.2022	06.10.2022	SGD0.40	72,289
Class 2K EUR-Hedged (Distribution)	04.10.2022	06.10.2022	EUR0.31	26,182
Class 2L HKD-Hedged (Distribution)	04.10.2022	06.10.2022	HKD0.40	20,819
Class 1A USD (Distribution)	03.11.2022	03.11.2022	USD0.48	69,811
Class 1E USD (Distribution)	03.11.2022	03.11.2022	USD0.40	42,104
Class 2A USD (Distribution)	03.11.2022	03.11.2022	USD0.40	458,346
Class 2B RMB (Distribution)	03.11.2022	03.11.2022	CNY0.52	406,681
Class 2C USD (Distribution)	03.11.2022	03.11.2022	USD0.47	126,261
Class 2D HKD (Distribution)	03.11.2022	03.11.2022	HKD0.40	318,632
Class 2E AUD (Distribution)	03.11.2022	03.11.2022	AUD0.41	2,463
Class 2F AUD-Hedged (Distribution)	03.11.2022	03.11.2022	AUD0.37	32,644
Class 2G USD-Hedged (Distribution)	03.11.2022	03.11.2022	USD0.36	614,771
Class 2I SGD-Hedged (Distribution)	03.11.2022	03.11.2022	SGD0.40	67,827
Class 2K EUR-Hedged (Distribution)	03.11.2022	03.11.2022	EUR0.31	27,058
Class 2L HKD-Hedged (Distribution)	03.11.2022	03.11.2022	HKD0.40	20,457
Class 1A USD (Distribution)	01.12.2022	05.12.2022	USD 0.49	69,444
Class 1E USD (Distribution)	01.12.2022	05.12.2022	USD0.40	41,028
Class 2A USD (Distribution)	01.12.2022	05.12.2022	USD0.41	427,796
Class 2B RMB (Distribution)	01.12.2022	05.12.2022	CNY0.52	412,750
Class 2C USD (Distribution)	01.12.2022	05.12.2022	USD0.47	122,632
Class 2D HKD (Distribution)	01.12.2022	05.12.2022	HKD0.40	313,892
Class 2E AUD (Distribution)	01.12.2022	05.12.2022	AUD0.41	2,530
Class 2F AUD-Hedged (Distribution)	01.12.2022	05.12.2022	AUD0.37	33,536
Class 2G USD-Hedged (Distribution)	01.12.2022	05.12.2022	USD0.36	583,869
Class 2I SGD-Hedged (Distribution)	01.12.2022	05.12.2022	SGD0.40	68,603
Class 2K EUR-Hedged (Distribution)	01.12.2022	05.12.2022	EUR0.31	27,651
Class 2L HKD-Hedged (Distribution)	01.12.2022	05.12.2022	HKD0.40	20,108
				29,513,576

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

14 Other receivable

	2023 RMB	2022 RMB
Other receivable	1,335,044	265,617
Less: Allowance for expected credit losses	(1,112,537)	-
	<u>222,507</u>	<u>265,617</u>

As at 31 December 2023, the balance of other receivables amounted to RMB1,335,044 (2022: Nil) was categorised in Stage 3 under the ECL model as the counterparty is assessed to be in default, with little prospect for recovery of principal or interest.

As at 31 December 2022, the balance of other receivables amounted to RMB265,617 was categorised in Stage 1 under the ECL model.

During the year ended 31 December 2023, an impairment loss allowance of RMB1,112,537 (2022: Nil) was recognised.

15 Taxation

No provision for Hong Kong profits tax has been made for the Fund as it is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

People's Republic of China ("PRC")

On 7 November 2018, the Ministry of Finance ("MOF") and the PRC State Taxation Administration ("STA") jointly issued a notice Caishui [2018] No.108 ("Circular 108") which stipulates that foreign institutional investors are temporarily exempted from PRC withholding income tax ("WIT") and Value-Added Tax ("VAT") in respect of bond interest income received from 7 November 2018 to 6 November 2021. On 22 November 2021, the MOF and the STA officially issued Public Notice [2021] No.34 to extend the corporate income tax ("CIT") and VAT exemption treatment on the bond interest income for the foreign institutional investors investing in the domestic bond market from 6 November 2021 to 31 December 2025.

During the years ended 31 December 2023 and 2022, the Fund invests in PRC debt securities in PRC through the RMB Qualified Foreign Institutional Investor ("RQFII") program. The Manager considers that the enforcement of PRC tax on gains derived from the PRC debt securities is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. The Manager considered that the WIT policy for Qualified Foreign Institutional Investor ("QFII")/RQFII's investment in debt securities has not been clarified in the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice"). The Manager has reassessed the provisioning approach and has continued not making PRC WIT provision on gains derived from the PRC debt securities of the Fund. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

NOTES TO THE FINANCIAL STATEMENTS

16 Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the year ended 31 December 2023 and 2022 in relation to directing transactions of the Sub-Fund through a broker or dealer.

17 Borrowings

The Sub-Fund had no borrowings as at 31 December 2023 and 2022.

18 Contingent liabilities and commitments

The Sub-Fund had no contingent liabilities and commitments as at 31 December 2023 and 2022.

19 Negotiability of assets

As at 31 December 2023 and 2022, there was no statutory or contractual requirement restricting the negotiability of the assets of the Sub-Fund.

20 Subsequent event

Subsequent to the year ended 31 December 2023, the Sub-Fund received RMB1,070,425 (2022: RMB28,682,740) in subscriptions and paid RMB19,008,343 (2022: RMB56,763,412) in redemptions. Other than disclosed above, there have been no events subsequent to year end which require adjustment or disclosure in the financial statements in accordance with IFRS Accounting Standards.

21 Approval of the financial statements

The financial statements were approved by the Manager and the Trustee on 29 April 2024.

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	Holdings	Fair Value RMB	% of Net Assets*
Quoted Investments			
Australia (0.65%)			
MINERAL RESOURCE MINAU 8 11/01/27	200,000	1,441,170	0.65
		<hr/>	<hr/>
		1,441,170	0.65
		<hr/>	<hr/>
Hong Kong (17.61%)			
BANK OF EAST ASIA LTD FRN 31DEC2049	500,000	3,107,633	1.40
CAS CAPITAL NO1 CASHLD 4 PERP	550,000	3,389,882	1.53
CELESTIAL DYNASTY LTD 4.25% 27JUN2029	255,000	1,537,387	0.69
CELESTIAL NWSZF 5 3/4 PERP	200,000	1,419,180	0.64
CHINA WATER AFF CWAHK 4.85 05/18/26	200,000	1,228,640	0.55
CTHY PCFC MTN HK CATHAY 4 7/8 08/17/26	200,000	1,391,392	0.63
FWD LTD FWDINS 5 1/2 PERP	950,000	5,907,005	2.66
LAI SUN MTN LTD LASUDE 5 07/28/26	200,000	662,788	0.30
LI & FUNG LIFUNG 4 1/2 8/18/25	200,000	1,370,212	0.61
LS FINANCE 2017 LIHKK 4.8 06/18/26	400,000	2,156,528	0.97
MELCO RESORTS MPEL 5 3/4 07/21/28	1,200,000	7,916,110	3.57
NANYANG COMMERC NANYAN 6 1/2 PERP	300,000	2,103,559	0.95
NWD FINANCE (BVI) LTD FRN 31DEC2049	450,000	2,131,076	0.96
RH INTL FINANCE LTD 6.5% 31DEC2049	600,000	1,729,601	0.78
SUN HUNG KAI BVI SUNHKK 5 09/07/26	500,000	3,043,042	1.37
		<hr/>	<hr/>
		39,094,035	17.61
		<hr/>	<hr/>
India (10.88%)			
CA MAGNUM HLDING HEXWIN 5 3/8 10/31/26	400,000	2,654,086	1.20
CONTINUUM ENERGY COGREN 9 1/2 02/24/27	200,000	1,453,106	0.66
DELHI INTL AIRPORT 6.125% 31OCT2026	200,000	1,397,829	0.63
DIAMOND II LTD RNW 7.95 07/28/26	200,000	1,429,705	0.64
GREENKO DUTCH BV GRNKEN 3.85 03/29/26	1,100,000	6,765,677	3.05
HDFC BANK LTD HDFCB 3.7 PERP	400,000	2,601,928	1.17
JSW STEEL LTD JSTLIN 5.05 04/05/32	700,000	4,309,210	1.94
NETWORK I2I LTD FRN 31DEC2049	300,000	2,109,264	0.95
RENEW POWER PVT LTD 5.875% 05MAR2027	208,000	1,419,200	0.64
		<hr/>	<hr/>
		24,140,005	10.88
		<hr/>	<hr/>

* Represents dealing net asset value

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2023

	Holdings	Fair Value RMB	% of Net Assets*
Quoted Investments (Continued)			
Indonesia (5.83%)			
ALAM SUTERA REAL ASRIIJ 8 1/4 11/02/25	200,000	1,334,364	0.60
BUKIT MAKMUR MAN DOIDIJ 7 3/4 02/10/26	300,000	2,037,480	0.92
JABABEKA INTL BV KIJAIJ 7 12/15/27	300,000	1,763,783	0.79
LLPL CAPITAL PTE LTD 6.875% 04FEB2039	200,000	1,108,375	0.50
MEDCO BELL MEDCIJ 6 3/8 01/30/27	300,000	2,046,923	0.92
MEDCO MAPLE TREE MEDCIJ 8.96 04/27/29	250,000	1,813,373	0.82
MINEJESA CAPITAL MINCAP 5 5/8 08/10/37	200,000	1,241,302	0.56
THETA CAPITAL PTE LTD 8.125% 22JAN2025	250,000	1,589,512	0.72
		<hr/>	
		12,935,112	5.83
		<hr/>	
Macao (8.91%)			
CHAMPION PATH SOCJOG 4 1/2 01/27/26	200,000	1,334,193	0.60
MGM CHINA HOLDIN MGMCHI 5 1/4 06/18/25	200,000	1,399,538	0.63
MGM CHINA HOLDIN MGMCHI 5 7/8 05/15/26	500,000	3,507,072	1.58
STUDIO CITY FIN STCITY 5 01/15/29	400,000	2,396,633	1.08
STUDIO CITY FIN STCITY 6 07/15/25	300,000	2,098,324	0.94
WYNN MACAU LTD WYNNMAC 5 1/2 01/15/26	1,300,000	9,048,675	4.08
		<hr/>	
		19,784,435	8.91
		<hr/>	
Mongolia (1.32%)			
MONGO MIN/ENG RE MONMIN 12 1/2 09/13/26	200,000	1,464,073	0.66
MONGOLIA MONGOL 7 7/8 06/05/29	200,000	1,464,158	0.66
		<hr/>	
		2,928,231	1.32
		<hr/>	
Pakistan (3.52%)			
REP OF PAKISTAN PKSTAN 6 7/8 12/05/27	1,600,000	7,817,351	3.52
		<hr/>	
		7,817,351	3.52
		<hr/>	

*Represents dealing net asset value

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2023

	Holdings	Fair Value RMB	% of Net Assets*
Quoted Investments (Continued)			
Peoples' Republic of China (26.91%)			
AGILE GROUP AGILE 5 1/2 04/21/25	500,000	535,493	0.24
AGILE GROUP HOLDINGS LTD 6.05% 13OCT2025	300,000	267,052	0.12
BANK OF COMMUNICATIONS FRN 31DEC2020	350,000	2,402,907	1.08
CFLD CAYMAN INV CHFOTN 9 07/31/21	1,000,000	601,759	0.27
CHINA OIL CHIOIL 4.7 06/30/26	400,000	2,525,416	1.14
CHONG HING BANK LTD FRN 31DEC2049	250,000	1,757,061	0.79
CIFI HOLDINGS CIFIHG 5 1/4 05/13/26	1,400,000	648,146	0.29
CMNWLTH BK OF AUST-0 NCD 21/03/22	500,000	3,360,193	1.51
EHI CAR SERVICES EHCAR 7 09/21/26	200,000	957,485	0.43
FORTUNE STAR FOSUNI 5 05/18/26	200,000	1,031,704	0.46
FORTUNE STAR FOSUNI 5.05 01/27/27	500,000	2,358,747	1.06
HILONG HOLDING HILOHO 9 3/4 11/18/24	400,000	1,473,843	0.67
HUARONG FINANCE HRAM 4 1/4 11/07/27	1,000,000	6,506,602	2.93
INCOME PART RMB BOND-4A USDA	32,500	25,060,657	11.29
KAISA GROUP 0% 30JUN2099	550,000	142,570	0.06
KAISA GROUP KAISAG 9 3/4 09/28/99	2,500,000	668,699	0.3
KWG GROUP KWGPRO 5.95 08/10/25	250,000	121,954	0.06
KWG PROPERTY KWGPRO 0% 11/10/24	500,000	249,249	0.11
LENOVO GROUP LTD 5.875% 24APR2025	200,000	1,431,243	0.65
LOGAN GROUP CO LTD 0.00% 12JUL2025	750,000	373,873	0.17
NEW METRO GLOBAL FTLNHD 4 1/2 05/02/26	300,000	534,980	0.24
NEW METRO GLOBAL FTLNHD 4 5/8 10/15/25	300,000	615,587	0.28
RKPF OVRS 2020 A ROADKG 5 1/8 07/26/26	500,000	854,638	0.39
SHUI ON DEVELOP SHUION 5 1/2 03/03/25	550,000	2,252,023	1.01
SUNAC CHINA HLDG SUNAC 1 09/30/32	276,698	152,121	0.07
SUNAC CHINA HLDG SUNAC 6 1/2 09/30/27	447,683	288,302	0.13
SUNAC CHINA HLDG SUNAC 6 1/4 09/30/26	223,841	151,436	0.07
SUNAC CHINA HLDG SUNAC 6 3/4 09/30/28	671,525	416,003	0.19
VANKE REAL ESTAT VNKRL 3.975 11/09/27	200,000	946,988	0.43
WEST CHINA CEM WESCHI 4.95 07/08/26	200,000	1,036,333	0.47
		59,723,064	26.91

* Represents dealing net asset value

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2023

	Holdings	Fair Value RMB	% of Net Assets*
Quoted Investments (Continued)			
Philippines (2.84%)			
SMC GLOBAL POWER SMCGL 5.95 PERP	1,000,000	6,308,769	2.84
		<u>6,308,769</u>	<u>2.84</u>
Singapore (0.50%)			
LMIRT CAPITAL PTE LTD 7.25% 19JUN2024	200,000	1,104,442	0.50
		<u>1,104,442</u>	<u>0.50</u>
Sri Lanka (3.90%)			
REP OF SRI LANKA 0.00% 11MAY2027	2,400,000	8,664,112	3.90
		<u>8,664,112</u>	<u>3.90</u>
United Kingdom (2.28%)			
HSBC HOLDINGS HSBC 6 3/8 12/29/49	200,000	1,411,916	0.64
STANDARD CHART STANLN 7 3/4 PERP	500,000	3,646,116	1.64
		<u>5,058,032</u>	<u>2.28</u>
Vietnam (2.75%)			
MONG DUONG FIN MONDFI 5 1/8 05/07/29	1,000,000	6,113,812	2.75
		<u>6,113,812</u>	<u>2.75</u>
Other net assets		<u>26,855,596</u>	<u>12.10</u>
Net assets attributable to unitholders as at 31 December 2023		<u><u>221,968,166</u></u>	
Total investments, at cost		<u><u>228,425,106</u></u>	

* Represents dealing net asset value

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments				
Australia				
MINERAL RESOURCE MINAU 8 11/01/27	-	200,000	-	200,000
PERENTI FINANCE ASLAU 6 1/2 10/07/25	200,000	-	(200,000)	-
British Virgin Islands				
RONGCHANGDA DEV RISSUN 9 1/2 09/17/24	1,000,000	1,000,000	(2,000,000)	-
Hong Kong				
BANK OF EAST ASIA LTD FRN 31DEC2049	500,000	-	-	500,000
CAS CAPITAL NO1 CASHLD 4 PERP	1,050,000	-	(500,000)	550,000
CELESTIAL DYNASTY LTD 4.25% 27JUN2029	255,000	-	-	255,000
CELESTIAL NWSZF 5 3/4 PERP	-	200,000	-	200,000
CHINA WATER AFF CWAHK 4.85 05/18/26	500,000	-	(300,000)	200,000
CTHY PCFC MTN HK CATHAY 4 7/8 08/17/26	-	200,000	-	200,000
FEC FINANCE LTD FAEACO 7 3/8 PERP	200,000	-	(200,000)	-
FWD LTD FWDINS 5 1/2 PERP	950,000	-	-	950,000
LAI SUN MTN LTD LASUDE 5 07/28/26	-	200,000	-	200,000
LI & FUNG LTD LIFUNG 4 1/2 08/18/25	-	200,000	-	200,000
LS FINANCE 2017 LIHK 4.8 06/18/26	500,000	200,000	(300,000)	400,000
MELCO RESORTS MPEL 5 3/4 07/21/28	1,500,000	400,000	(700,000)	1,200,000
NANYANG COMMERC NANYAN 6 1/2 PERP	750,000	-	(450,000)	300,000
NWD FINANCE (BVI) LTD FRN 31DEC2049	-	450,000	-	450,000
NWD MTN LTD NWDEVL 4 1/8 07/18/29	1,700,000	-	(1,700,000)	-
RH INTL FINANCE LTD 6.5% 31DEC2049	600,000	-	-	600,000
SUN HUNG KAI BVI SUNHKC 5 09/07/26	1,000,000	-	(500,000)	500,000
India				
ABJA INVESTMENT TATAIN 5.95 07/31/24	400,000	-	(400,000)	-
ADANI GREEN ENE ADANIG 4 3/8 09/08/24	300,000	-	(300,000)	-
ADANI TRANSMISSI ADTIN 4 1/4 05/21/36	350,000	-	(350,000)	-
AZURE POWER AZUPOE 3.575 08/19/26	400,000	-	(400,000)	-
CA MAGNUM HLDING HEXWIN 5 3/8 10/31/26	400,000	-	-	400,000

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments (Continued)				
India (Continued)				
CONTINUUM ENERGY COGREN 9 1/2 02/24/27	-	200,000	-	200,000
DELHI INTL AIRPORT 6.125% 31OCT2026	-	200,000	-	200,000
DIAMOND II LTD RNW 7.95 07/28/26	-	200,000	-	200,000
GREENKO DUTCH BV GRNKEN 3.85 03/29/26	1,100,000	-	-	1,100,000
GREENKO INVESTMENT CO 4 7/8 08/16/23	659,000	-	(659,000)	-
HDFC BANK LTD HDFCB 3.7 PERP	400,000	-	-	400,000
JSW STEEL LTD JSTLIN 5.95 04/18/24	1,000,000	-	(1,000,000)	-
JSW STEEL LTD JSTLIN 5.05 04/05/32	-	700,000	-	700,000
NETWORK I2I LTD FRN 31DEC2049	700,000	-	(400,000)	300,000
RENEW POWER PVT LTD 5.875% 05MAR2027	400,000	400,000	(592,000)	208,000
VEDANTA RESOURCE	1,800,000	-	(1,800,000)	-
Indonesia				
ALAM SUTERA REAL ASRIIJ 8 1/4 11/02/25	-	200,000	-	200,000
BUKIT MAKMUR MAN DOIDIJ 7 3/4 02/10/26	600,000	-	(300,000)	300,000
DELTA MERLIN DUN DUNIAT 0 06/26/32	1,675,000	-	(1,675,000)	-
INDIKA ENERGY IV INDYIJ 8 1/4 10/22/25	600,000	-	(600,000)	-
JABABEKA INTL BV KIJAIJ 7 12/15/27	700,000	-	(400,000)	300,000
LLPL CAPITAL PTE LTD 6.875% 04FEB2039	-	200,000	-	200,000
MEDCO BELL MEDCIJ 6 3/8 01/30/27	-	550,000	(250,000)	300,000
MEDCO MAPLE TREE MEDCIJ 8.96 04/27/29	-	250,000	-	250,000
MINEJESA CAPITAL BV 4.625% 10AUG2030	200,000	-	(200,000)	-
MINEJESA CAPITAL MINCAP 5 5/8 08/10/37	-	200,000	-	200,000
PAKUWON JATI PWONIJ 4 7/8 04/29/28	200,000	400,000	(600,000)	-
THETA CAPITAL PTE LTD 8.125% 22JAN2025	250,000	-	-	250,000
Macao				
CHAMPION PATH SOCJOG 4 1/2 01/27/26	300,000	200,000	(300,000)	200,000
MGM CHINA HOLDIN MGMCHI 5 1/4 06/18/25	500,000	200,000	(500,000)	200,000
MGM CHINA HOLDIN MGMCHI 5 7/8 05/15/26	-	500,000	-	500,000
SANDS CHINA LTD SANLTD 4 3/8 06/18/30	2,000,000	500,000	(2,500,000)	-
STUDIO CITY FIN STCITY 5 01/15/29	-	900,000	(500,000)	400,000
STUDIO CITY FIN STCITY 6 07/15/25	800,000	-	(500,000)	300,000
WYNN MACAU LTD WYNMAC 5 1/2 01/15/26	1,500,000	-	(200,000)	1,300,000

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments (Continued)				
Mongolia				
MONGO MIN/ENG RE MONMIN 9 1/4 04/15/24	450,000	300,000	(750,000)	-
MONGOLIA MONGOL 5 5/8 05/01/23	800,000	-	(800,000)	-
MONGO MIN/ENG RE MONMIN 12 1/2 09/13/26	-	400,000	(200,000)	200,000
MONGOLIA MONGOL 7 7/8 06/05/29	-	500,000	(300,000)	200,000
Pakistan				
REP OF PAKISTAN PKSTAN 6 7/8 12/05/27	2,250,000	500,000	(1,150,000)	1,600,000
Peoples' Republic of China				
AAC TECHNOLOGIES AACTEC 3 3/4 06/02/31	400,000	-	(400,000)	-
AGILE GROUP AGILE 5 1/2 04/21/25	500,000	-	-	500,000
AGILE GROUP HOLDINGS LTD 6.05% 13OCT2025	300,000	-	-	300,000
AGILE GROUP HOLDINGS LTD FRN 31DEC2049	1,000,000	1,000,000	(2,000,000)	-
AOYUAN PROPERTY CAPG 5 3/8 09/13/22	2,000,000	-	(2,000,000)	-
BANK OF COMMUNICATIONS FRN 31DEC2020	-	1,650,000	(1,300,000)	350,000
CENTRAL CHINA CENCHI 7 1/2 07/14/25	300,000	1,941,395	(2,241,395)	-
CENTRAL CHINA CENCHI 7 1/4 07/16/24	300,000	300,000	(600,000)	-
CFLD CAYMAN INV CHFOTN 9 07/31/21	1,000,000	-	-	1,000,000
CHINA AOYUAN GROUP LTD 0.00% 01MAR2027	750,000	-	(750,000)	-
CHINA AOYUAN GROUP LTD 0.00% 19FEB2023	500,000	-	(500,000)	-
CHINA EVERGRANDE 0% 22JAN2023	2,995,000	-	(2,995,000)	-
CHINA OIL CHIOIL 4.7 06/30/26	500,000	200,000	(300,000)	400,000
CHINA SCE GRP CHINSC 0% 02/04/26	750,000	250,000	(1,000,000)	-
CHINA SCE GRP CHINSC 5.95 09/29/24	250,000	-	(250,000)	-
CHINA SCE GRP CHINSC 7 05/02/25	250,000	-	(250,000)	-
CHINA SOUTH CITY CSCHCN 7 1/4 11/20/22	200,000	-	(200,000)	-
CHONG HING BANK LTD FRN 31DEC2049	-	250,000	-	250,000
CIFI HOLDINGS CIFIHG 4.45 08/17/26	1,400,000	-	(1,400,000)	-
CIFI HOLDINGS CIFIHG 5 1/4 05/13/26	1,400,000	-	-	1,400,000
CMNWLTH BK OF AUST-0 NCD 21/03/22	-	3,000,000	(2,500,000)	500,000
COUNTRY GARDEN COGARD 3 1/8 10/22/25	1,500,000	-	(1,500,000)	-
COUNTRY GARDEN COGARD 4.8 08/06/30	1,000,000	-	(1,000,000)	-
COUNTRY GARDEN COGARD 7 1/4 04/08/26	1,500,000	1,900,000	(3,400,000)	-
COUNTRY GARDEN COGARD 8 01/27/24	500,000	-	(500,000)	-
DEXIN CHINA HLDN DEXICN 9.95 12/03/22	500,000	500,000	(1,000,000)	-
EASY TACTIC LTD GZRFP 6 1/2 07/11/27	1,524,885	1,757,905	(3,282,790)	-

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments (Continued)				
Peoples' Republic of China (Continued)				
EHICAR SERVICES EHI CAR 7 09/21/26	400,000	-	(200,000)	200,000
FANTASIA HOLDING 0.00% 01JUN2023	2,000,000	-	(2,000,000)	-
FORTUNE STAR FOSUNI 5 05/18/26	700,000	-	(500,000)	200,000
FORTUNE STAR FOSUNI 5.05 01/27/27	1,050,000	200,000	(750,000)	500,000
FRANSHION BRILLA CHJMAO 4 1/4 07/23/29	336,000	-	(336,000)	-
GEMDALE EVER GEMDAL 4.95 08/12/24	300,000	-	(300,000)	-
GREENLAND GLB INVST (DEFAULTED)	1,250,000	-	(1,250,000)	-
HILONG HOLDING HILOHO 9 3/4 11/18/24	-	400,000	-	400,000
HUARONG FINANCE HRAM 4 1/4 11/07/27	-	1,000,000	-	1,000,000
INCOME PART RMB BOND-4A USDA	63,800	-	(31,300)	32,500
KAISA GROUP 0% 30JUN2099	550,000	-	-	550,000
KAISA GROUP KAISAG 9 3/4 09/28/99	2,500,000	-	-	2,500,000
KWG GROUP KWGPRO 5.95 08/10/25	250,000	250,000	(250,000)	250,000
KWG GROUP KWGPRO 6 08/14/26	500,000	-	(500,000)	-
KWG GROUP KWGPRO 6.3 02/13/26	1,000,000	-	(1,000,000)	-
KWG PROPERTY KWGPRO 0% 11/10/24	500,000	500,000	(500,000)	500,000
LENOVO GROUP LTD 5.875% 24APR2025	-	200,000	-	200,000
LOGAN GROUP CO LTD 0.00% 06JUL2026	1,000,000	-	(1,000,000)	-
LOGAN GROUP CO LTD 0.00% 12JUL2025	750,000	-	-	750,000
NEW METRO GLOBAL FTLNHD 4 1/2 05/02/26	700,000	-	(400,000)	300,000
NEW METRO GLOBAL FTLNHD 4 5/8 10/15/25	500,000	-	(200,000)	300,000
POWERLONG REAL ESTATE 6.25% 10AUG2024	400,000	-	(400,000)	-
POWERLONG PWRLNG 4.9 05/13/26	250,000	-	(250,000)	-
POWERLONG PWRLNG 5.95 04/30/25	750,000	-	(750,000)	-
RED SUN PROPERTIES GRP 0.00% 16APR2025	250,000	-	(250,000)	-
RED SUN PROPERTI 0.00% 03 OCT 2099	250,000	-	(250,000)	-
RED SUN PROPERTIES GRP 0.00% 13JAN2025	500,000	-	(500,000)	-
RKPF 2019 E LTD ROADKG 7 3/4 PERP	1,550,000	-	(1,550,000)	-
RKPF OVRS 2020 A ROADKG 5 1/8 07/26/26	-	500,000	-	500,000
RONSHINE CHINA 0.00% 15DEC2023	500,000	-	(500,000)	-
RONSHINE CHINA 0.00% 22JAN2023	750,000	-	(750,000)	-
RONSHINE CHINA 0.00% 25JAN2025	250,000	-	(250,000)	-
SHIMAO GROUP HOLDINGS LT 0.00% 11JAN2031	1,000,000	-	(1,000,000)	-
SHIMAO GRP HLDGS 0.00% 13JUL2030	1,000,000	-	(1,000,000)	-
SHIMAO PROPERTY 0.00% 21FEB2024	1,000,000	-	(1,000,000)	-

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments (Continued)				
Peoples' Republic of China (Continued)				
SHUI ON DEVELOP SHUION 5 1/2 03/03/25	800,000	550,000	(800,000)	550,000
SINO OCEAN LAND SINOCE 2.7 01/13/25	500,000	-	(500,000)	-
SINO OCEAN LAND 0% 05/08/2029	1,600,000	700,000	(2,300,000)	-
SUNAC CHINA HLDG 0.00% 09JUL2023	250,000	-	(250,000)	-
SUNAC CHINA HLDG 0.00% 19APR2023	250,000	-	(250,000)	-
SUNAC CHINA HLDG SUNAC 1 09/30/32	-	276,698	-	276,698
SUNAC CHINA HLDG SUNAC 6 1/2 09/30/27	-	447,683	-	447,683
SUNAC CHINA HLDG SUNAC 6 1/4 09/30/26	-	223,841	-	223,841
SUNAC CHINA HLDG SUNAC 6 3/4 09/30/28	-	671,525	-	671,525
SUNAC CHINA HOLDINGS LTD 0.00% 20OCT2024	2,500,000	-	(2,500,000)	-
TIMES PROPERTY TPHL 6.6 03/02/23	1,000,000	1,000,000	(2,000,000)	-
TIMES CHINA HLDG LTD 0.00% 08JUL2025	750,000	750,000	(1,500,000)	-
TIMES CN HLDG 0.00% 22MAR2026	500,000	500,000	(1,000,000)	-
VANKE REAL ESTAT VNKRL 3.975 11/09/27	-	200,000	-	200,000
WENS FOODSTUFF GWFOOD 3.258 10/29/30	250,000	-	(250,000)	-
WEST CHINA CEM WESCHI 4.95 07/08/26	700,000	200,000	(700,000)	200,000
YANGO CAYMAN 0.00% 08SEP2022	500,000	-	(500,000)	-
YANGO JUSTICE 0.00% 15APR2099	250,000	-	(250,000)	-
YANGO JUSTICE INTL 0% 25NOV2023	1,750,000	-	(1,750,000)	-
YANLORD LAND HK YLLGSP 5 1/8 05/20/26	200,000	-	(200,000)	-
YUZHOU PROPRTIE YUZHOU 6 10/25/23	1,000,000	-	(1,000,000)	-
YUZHOU PROPRTIE 0.00% 04FEB2023	250,000	-	(250,000)	-
YUZHOU PROPRTIE 0.00% 13JAN2026	1,000,000	-	(1,000,000)	-
YUZHOU PROPRTIE 0.00% 13JAN2027	1,000,000	-	(1,000,000)	-
YUZHOU PROPRTIE 0.00% 30OCT2024	250,000	-	(250,000)	-
ZHENRO PROPERTIES 0.00% 15SEP2099	500,000	-	(500,000)	-
ZHENRO PROPERTIES GROUP 0.00% 10SEP2024	2,000,000	-	(2,000,000)	-
ZHONGAN ONLINE ZHONAN 3 1/2 03/08/26	500,000	-	(500,000)	-
Philippines				
JOLLIBEE WORLDWIDE PTE L FRN 31DEC2049	200,000	-	(200,000)	-
SMC GLOBAL POWER SMCGL 5.95 PERP	2,000,000	-	(1,000,000)	1,000,000
Singapore				
LMIRT CAPITAL PTE LTD 7.25% 19JUN2024	450,000	-	(250,000)	200,000

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
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STATEMENT OF MOVEMENT IN INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	1 January 2023	Additions	Disposals	31 December 2023
Quoted Investments (Continued)				
Sri Lanka				
REP OF SRI LANKA 0.00% 11MAY2027	3,700,000	-	(1,300,000)	2,400,000
United Kingdom				
HSBC HOLDINGS HSBC 6 3/8 12/29/49	-	200,000	-	200,000
JAGUAR LAND ROVER AUTOMO 7.75% 15OCT2025	600,000	-	(600,000)	-
STANDARD CHART STANLN 7 3/4 PERP	-	1,000,000	(500,000)	500,000
Vietnam				
MONG DUONG FIN MONDFI 5 1/8 05/07/29	1,000,000	-	-	1,000,000

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)
AS AT 31 DECEMBER 2023

Foreign exchange forward contracts

As at 31 December 2023, the Sub-Fund held the outstanding foreign exchange forward contracts as shown below:

Contract to deliver	In exchange for	Settlement date	Counterparty	Fair value RMB
Financial assets:				
AUD 708,691	CNH 3,397,109	22-JAN-24	Barclays Bank PLC	33,565
AUD 518,640	CNH 2,486,102	22-JAN-24	Barclays Bank PLC	24,564
SGD 564,517	CNH 3,024,352	22-JAN-24	Barclays Bank PLC	19,861
SGD 927,779	CNH 4,970,504	22-JAN-24	Barclays Bank PLC	32,642
EUR 97,237	CNH 757,684	22-JAN-24	Barclays Bank PLC	8,067
CNH 66,000,000	USD 9,256,766	31-JAN-24	Barclays Bank PLC	223,242
CNH 130,000,000	USD 18,234,712	31-JAN-24	UBS AG	427,700
USD 78,906	CNH 560,800	22-JAN-24	Barclays Bank PLC	245
HKD 3,978	CNH 3,620	22-JAN-24	Barclays Bank PLC	3
USD 15,611	CNH 110,950	22-JAN-24	Barclays Bank PLC	48
CNH 47,333	AUD 9,730	22-JAN-24	Barclays Bank PLC	231
CNH 41,932	SGD 7,775	22-JAN-24	Barclays Bank PLC	3
				770,171
Financial liabilities:				
USD 535,214	CNH 3,812,132	22-JAN-24	Barclays Bank PLC	(6,598)
USD 1,345,899	CNH 9,586,341	22-JAN-24	Barclays Bank PLC	(16,593)
USD 6,849,071	CNH 48,783,400	22-JAN-24	Barclays Bank PLC	(84,434)
HKD 128,964	CNH 117,788	22-JAN-24	Barclays Bank PLC	(333)
HKD 758,351	CNH 692,631	22-JAN-24	Barclays Bank PLC	(1,960)
USD 465,134	CNH 3,312,976	22-JAN-24	Barclays Bank PLC	(5,735)
AUD 19,460	CNH 94,615	22-JAN-24	Barclays Bank PLC	(412)
SGD 15,551	CNH 84,011	22-JAN-24	Barclays Bank PLC	(153)
CNH 279,977	USD 39,453	22-JAN-24	Barclays Bank PLC	(545)
CNH 1,806	HKD 1,989	22-JAN-24	Barclays Bank PLC	(5)
CNH 55,391	USD 7,805	22-JAN-24	Barclays Bank PLC	(109)
CNH 6,000,000	USD 847,775	31-JAN-24	Barclays Bank PLC	(24,218)
				(141,095)

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS
(UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2023 and 2022:

	2023 % of NAV	2022 % of NAV
Lowest gross exposure	82.82%	99.20%
Highest gross exposure	105.63%	147.44%
Average gross exposure	88.50%	112.93%

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2023 and 2022:

	2023 % of NAV	2022 % of NAV
Lowest net exposure	0.00%	0.00%
Highest net exposure	0.00%	0.00%
Average net exposure	0.00%	0.00%

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Net asset value	Net asset Value per unit
<u>At 31 December 2023</u>	RMB	RMB
Class 1A USD (Accumulation) Units	5,378,318	498.79
Class 1E USD (Distribution) Units	3,851,880	345.57
Class 2A USD (Distribution) Units	36,768,166	299.39
Class 2A USD (Accumulation) Units	9,725,198	779.10
Class 2B RMB (Distribution) Units	32,028,926	45.58
Class 2B RMB (Accumulation) Units	15,919,965	121.03
Class 2C USD (Distribution) Units	10,337,142	319.75
Class 2D HKD (Distribution) Units	27,031,055	37.71
Class 2D HKD (Accumulation) Units	3,302,252	60.56
Class 2E AUD (Distribution) Units	115,105	246.15
Class 2F AUD-Hedged (Distribution) Units	2,536,475	228.68
Class 2F AUD-Hedged (Accumulation) Units	3,485,245	372.18
Class 2G USD-Hedged (Distribution) Units	49,123,175	304.13
Class 2G USD-Hedged (Accumulation) Units	9,880,474	575.84
Class 2I SGD-Hedged (Distribution) Units	5,051,922	254.04
Class 2I SGD-Hedged (Accumulation) Units	3,091,349	354.44
Class 2K EUR-Hedged (Distribution) Units	773,172	385.74
Class 2L HKD-Hedged (Distribution) Units	697,603	42.57
Class 2L HKD-Hedged (Accumulation) Units	119,570	60.51
Class 2XB RMB (Accumulation) Units	490,180	96.91
Class 4C USD-Hedged (Accumulation) Units	3,373,531	537.95
	<hr/>	
Total net asset value	223,080,703	
	<hr/> <hr/>	

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Net asset value	Net asset Value per unit
<u>At 31 December 2022</u>	RMB	RMB
Class 1A USD (Distribution)Units	9,037,632	451.88
Class 1A USD (Accumulation) Units	60,455,379	577.40
Class 1E USD (Distribution) Units	5,922,568	409.16
Class 2A USD (Distribution) Units	55,408,279	376.28
Class 2A USD (Accumulation)Units	23,187,137	906.40
Class 2B RMB (Distribution) Units	45,658,908	57.28
Class 2B RMB (Accumulation) Units	19,602,915	140.80
Class 2C USD (Distribution) Units	14,851,689	404.36
Class 2D HKD (Distribution) Units	40,862,393	47.37
Class 2D HKD (Accumulation) Units	3,940,652	70.46
Class 2E AUD (Distribution) Units	142,642	305.03
Class 2E AUD (Accumulation) Units	49,006	430.19
Class 2F AUD-Hedged (Distribution) Units	5,143,005	273.38
Class 2F AUD-Hedged (Accumulation) Units	3,911,335	417.68
Class 2G USD-Hedged (Distribution) Units	82,801,192	361.77
Class 2G USD-Hedged (Accumulation) Units	12,087,053	636.61
Class 2I SGD-Hedged (Distribution) Units	9,825,340	298.75
Class 2I SGD-Hedged (Accumulation) Units	4,584,428	391.47
Class 2K EUR-Hedged (Distribution) Units	5,244,529	434.15
Class 2K EUR-Hedged (Accumulation) Units	465,788	526.95
Class 2L HKD-Hedged (Distribution) Units	2,824,028	51.15
Class 2L HKD-Hedged (Accumulation) Units	265,926	67.53
Class 2XB RMB (Accumulation) Units	8,166,698	112.76
Class 4C USD-Hedged (Accumulation) Units	3,674,781	585.98
Total net asset value	<u>418,113,303</u>	

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Net asset value	Net asset Value per unit
<u>At 31 December 2021</u>	RMB	RMB
Class 1A USD (Distribution)Units	11,291,041	564.55
Class 1A USD (Accumulation) Units	50,003,742	660.23
Class 1E USD (Distribution) Units	11,489,817	469.42
Class 2A USD (Distribution) Units	94,622,719	471.30
Class 2A USD (Accumulation)Units	34,408,127	1,041.63
Class 2B RMB (Distribution) Units	104,879,498	73.33
Class 2B RMB (Accumulation) Units	32,055,320	161.81
Class 2C USD (Distribution) Units	21,702,987	510.13
Class 2D HKD (Distribution) Units	61,113,236	59.32
Class 2D HKD (Accumulation) Units	4,652,595	80.97
Class 2E AUD (Distribution) Units	739,601	377.95
Class 2E AUD (Accumulation) Units	56,316	494.36
Class 2F AUD-Hedged (Distribution) Units	8,045,363	338.51
Class 2F AUD-Hedged (Accumulation) Units	4,486,621	479.11
Class 2G USD-Hedged (Distribution) Units	116,358,623	417.23
Class 2G USD-Hedged (Accumulation) Units	18,701,755	676.23
Class 2I SGD-Hedged (Distribution) Units	12,986,594	343.56
Class 2I SGD-Hedged (Accumulation) Units	4,855,802	414.64
Class 2K EUR-Hedged (Distribution) Units	7,907,954	534.04
Class 2K EUR-Hedged (Accumulation) Units	2,987,894	608.86
Class 2L HKD-Hedged (Distribution) Units	7,168,913	59.42
Class 2L HKD-Hedged (Accumulation) Units	784,364	72.25
Class 2XB RMB (Accumulation) Units	49,881,068	99.76
Class 2XG USD-Hedged (Accumulation) Units	27,810,884	556.23
Class 4C USD-Hedged (Accumulation) Units	6,001,334	613.32
Total net asset value	<u>694,992,168</u>	

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Net asset value	Net asset Value per unit
<u>For the year ended 31 December 2023</u>			
Class 1A USD (Accumulation) Units	USD	755,234	70.04
Class 1E USD (Distribution) Units	USD	540,889	48.53
Class 2A USD (Distribution) Units	USD	5,163,059	42.04
Class 2A USD (Accumulation) Units	USD	1,365,632	109.40
Class 2B RMB (Distribution) Units	RMB	32,028,926	45.58
Class 2B RMB (Accumulation) Units	RMB	15,919,965	121.03
Class 2C USD (Distribution) Units	USD	1,451,562	44.90
Class 2D HKD (Distribution) Units	HKD	29,649,701	41.36
Class 2D HKD (Accumulation) Units	HKD	3,622,159	66.43
Class 2E AUD (Distribution) Units	AUD	23,759	50.81
Class 2F AUD-Hedged (Distribution) Units	AUD	523,559	47.20
Class 2F AUD-Hedged (Accumulation) Units	AUD	719,396	76.82
Class 2G USD-Hedged (Distribution) Units	USD	6,897,975	42.71
Class 2G USD-Hedged (Accumulation) Units	USD	1,387,436	80.86
Class 2I SGD-Hedged (Distribution) Units	SGD	936,409	47.09
Class 2I SGD-Hedged (Accumulation) Units	SGD	573,003	65.70
Class 2K EUR-Hedged (Distribution) Units	EUR	98,121	48.95
Class 2L HKD-Hedged (Distribution) Units	HKD	765,183	46.69
Class 2L HKD-Hedged (Accumulation) Units	HKD	131,154	66.37
Class 2XB RMB (Accumulation) Units	RMB	490,180	96.91
Class 4C USD-Hedged (Accumulation) Units	USD	473,718	75.74

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Net asset value	Net asset value per unit
<u>For the year ended 31 December 2022</u>			
Class 1A USD (Distribution) Units	USD	1,305,829	65.29
Class 1A USD (Accumulation) Units	USD	8,735,077	83.43
Class 1E USD (Distribution) Units	USD	855,740	59.12
Class 2A USD (Distribution) Units	USD	8,005,831	54.37
Class 2A USD (Accumulation) Units	USD	3,350,263	130.96
Class 2B RMB (Distribution) Units	RMB	45,658,908	57.28
Class 2B RMB (Accumulation) Units	RMB	19,602,915	140.80
Class 2C USD (Distribution) Units	USD	2,145,891	58.43
Class 2D HKD (Distribution) Units	HKD	46,031,036	53.36
Class 2D HKD (Accumulation) Units	HKD	4,439,101	79.37
Class 2E AUD (Distribution) Units	AUD	30,331	64.86
Class 2E AUD (Accumulation) Units	AUD	10,421	91.48
Class 2F AUD-Hedged (Distribution) Units	AUD	1,093,602	58.13
Class 2F AUD-Hedged (Accumulation) Units	AUD	831,701	88.81
Class 2G USD-Hedged (Distribution) Units	USD	11,963,779	52.27
Class 2G USD-Hedged (Accumulation) Units	USD	1,746,434	91.98
Class 2I SGD-Hedged (Distribution) Units	SGD	1,903,316	57.87
Class 2I SGD-Hedged (Accumulation) Units	SGD	888,073	75.83
Class 2K EUR-Hedged (Distribution) Units	EUR	710,189	58.79
Class 2K EUR-Hedged (Accumulation) Units	EUR	63,075	71.36
Class 2L HKD-Hedged (Distribution) Units	HKD	3,181,236	57.63
Class 2L HKD-Hedged (Accumulation) Units	HKD	299,562	76.07
Class 2XB RMB (Accumulation) Units	RMB	8,166,698	112.76
Class 4C USD-Hedged (Accumulation) Units	USD	530,962	84.67

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Net asset value	Net asset value per unit
<u>For the year ended 31 December 2021</u>			
Class 1A USD (Distribution) Units	USD	1,777,470	88.87
Class 1A USD (Accumulation) Units	USD	7,871,739	103.93
Class 1E USD (Distribution) Units	USD	1,808,761	73.90
Class 2A USD (Distribution) Units	USD	14,895,792	74.19
Class 2A USD (Accumulation) Units	USD	5,416,631	163.98
Class 2B RMB (Distribution) Units	RMB	104,879,498	73.33
Class 2B RMB (Accumulation) Units	RMB	32,055,320	161.81
Class 2C USD (Distribution) Units	USD	3,416,549	80.31
Class 2D HKD (Distribution) Units	HKD	75,016,987	72.81
Class 2D HKD (Accumulation) Units	HKD	5,711,098	99.39
Class 2E AUD (Distribution) Units	AUD	160,328	81.93
Class 2E AUD (Accumulation) Units	AUD	12,208	107.17
Class 2F AUD-Hedged (Distribution) Units	AUD	1,744,045	73.38
Class 2F AUD-Hedged (Accumulation) Units	AUD	972,593	103.86
Class 2G USD-Hedged (Distribution) Units	USD	18,317,524	65.68
Class 2G USD-Hedged (Accumulation) Units	USD	2,944,086	106.45
Class 2I SGD-Hedged (Distribution) Units	SGD	2,759,312	73.00
Class 2I SGD-Hedged (Accumulation) Units	SGD	1,031,731	88.10
Class 2K EUR-Hedged (Distribution) Units	EUR	1,099,244	74.23
Class 2K EUR-Hedged (Accumulation) Units	EUR	415,332	84.64
Class 2L HKD-Hedged (Distribution) Units	HKD	8,799,899	72.94
Class 2L HKD-Hedged (Accumulation) Units	HKD	962,813	88.69
Class 2XB RMB (Accumulation) Units	RMB	49,881,068	99.76
Class 2XG USD-Hedged (Accumulation) Units	USD	4,378,073	87.56
Class 4C USD-Hedged (Accumulation) Units	USD	944,748	96.55

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2023</u>			
Class 1A USD (Distribution)Units	USD	73.48	65.29
Class 1A USD (Accumulation) Units	USD	95.05	65.21
Class 1E USD (Distribution) Units	USD	65.04	46.90
Class 2A USD (Distribution) Units	USD	61.16	39.62
Class 2A USD (Accumulation)Units	USD	149.13	101.95
Class 2B RMB (Distribution) Units	RMB	62.69	44.27
Class 2B RMB (Accumulation) Units	RMB	156.27	116.14
Class 2C USD (Distribution) Units	USD	65.66	42.34
Class 2D HKD (Distribution) Units	HKD	60.42	36.63
Class 2D HKD (Accumulation) Units	HKD	90.96	58.12
Class 2E AUD (Distribution) Units	AUD	71.18	50.34
Class 2E AUD (Accumulation) Units	AUD	101.44	78.13
Class 2F AUD-Hedged (Distribution) Units	AUD	63.86	45.72
Class 2F AUD-Hedged (Accumulation) Units	AUD	98.58	73.7
Class 2G USD-Hedged (Distribution) Units	USD	57.48	41.3
Class 2G USD-Hedged (Accumulation) Units	USD	102.34	77.32
Class 2I SGD-Hedged (Distribution) Units	SGD	63.64	45.63
Class 2I SGD-Hedged (Accumulation) Units	SGD	84.31	63.05
Class 2K EUR-Hedged (Distribution) Units	EUR	64.67	47.44
Class 2K EUR-Hedged (Accumulation) Units	EUR	79.17	63.69
Class 2L HKD-Hedged (Distribution) Units	HKD	63.28	42.09
Class 2L HKD-Hedged (Accumulation) Units	HKD	84.54	59.45
Class 2XB RMB (Accumulation) Units	RMB	125.15	92.99
Class 4C USD-Hedged (Accumulation) Units	USD	94.33	72.04

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2022</u>			
Class 1A USD (Distribution)Units	USD	87.88	46.64
Class 1A USD (Accumulation) Units	USD	103.67	59.10
Class 1E USD (Distribution) Units	USD	73.37	44.49
Class 2A USD (Distribution) Units	USD	73.54	38.87
Class 2A USD (Accumulation)Units	USD	163.56	92.85
Class 2B RMB (Distribution) Units	RMB	72.68	43.47
Class 2B RMB (Accumulation) Units	RMB	161.80	105.81
Class 2C USD (Distribution) Units	USD	79.55	41.79
Class 2D HKD (Distribution) Units	HKD	72.17	38.41
Class 2D HKD (Accumulation) Units	HKD	99.14	56.65
Class 2E AUD (Distribution) Units	AUD	82.61	49.66
Class 2E AUD (Accumulation) Units	AUD	108.65	69.56
Class 2F AUD-Hedged (Distribution) Units	AUD	72.89	43.93
Class 2F AUD-Hedged (Accumulation) Units	AUD	103.82	66.66
Class 2G USD-Hedged (Distribution) Units	USD	65.21	39.37
Class 2G USD-Hedged (Accumulation) Units	USD	106.41	68.78
Class 2I SGD-Hedged (Distribution) Units	SGD	72.48	43.70
Class 2I SGD-Hedged (Accumulation) Units	SGD	88.07	56.84
Class 2K EUR-Hedged (Distribution) Units	EUR	73.82	44.52
Class 2K EUR-Hedged (Accumulation) Units	EUR	84.60	53.72
Class 2L HKD-Hedged (Distribution) Units	HKD	72.42	43.44
Class 2L HKD-Hedged (Accumulation) Units	HKD	88.65	56.91
Class 2XB RMB (Accumulation) Units	RMB	112.76	66.45
Class 2XG USD-Hedged (Accumulation) Units	USD	87.53	77.52
Class 4C USD-Hedged (Accumulation) Units	USD	96.52	63.15

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2021</u>			
Class 1A USD (Distribution)Units	USD	143.24	87.37
Class 1A USD (Accumulation) Units	USD	117.03	101.30
Class 1E USD (Distribution) Units	USD	90.38	73.23
Class 2A USD (Distribution) Units	USD	87.29	72.82
Class 2A USD (Accumulation)Units	USD	185.19	159.93
Class 2B RMB (Distribution) Units	RMB	89.26	72.57
Class 2B RMB (Accumulation) Units	RMB	183.51	158.75
Class 2C USD (Distribution) Units	USD	94.82	78.86
Class 2D HKD (Distribution) Units	HKD	85.27	71.39
Class 2D HKD (Accumulation) Units	HKD	111.74	96.84
Class 2E AUD (Distribution) Units	AUD	92.81	78.61
Class 2E AUD (Accumulation) Units	AUD	118.79	102.22
Class 2F AUD-Hedged (Distribution) Units	AUD	89.94	72.80
Class 2F AUD-Hedged (Accumulation) Units	AUD	120.40	102.43
Class 2G USD-Hedged (Distribution) Units	USD	80.70	65.13
Class 2G USD-Hedged (Accumulation) Units	USD	123.09	104.87
Class 2I SGD-Hedged (Distribution) Units	SGD	89.69	72.38
Class 2I SGD-Hedged (Accumulation) Units	SGD	101.82	86.77
Class 2J EUR-Hedged (Distribution)	EUR	94.22	93.66
Class 2K EUR-Hedged (Distribution) Units	EUR	90.59	73.61
Class 2K EUR-Hedged (Accumulation) Units	EUR	98.84	83.57
Class 2L HKD-Hedged (Distribution) Units	HKD	89.76	72.35
Class 2L HKD-Hedged (Accumulation) Units	HKD	102.74	87.39
Class 2XB RMB (Accumulation) Units	RMB	100.00	99.76
Class 2XG USD-Hedged (Accumulation) Units	USD	100.23	86.25
Class 4C USD-Hedged (Accumulation) Units	USD	110.49	94.90

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2020</u>			
Class 1A USD (Distribution)Units	USD	137.97	123.79
Class 1A USD (Accumulation) Units	USD	103.31	92.70
Class 1B RMB (Accumulation)	RMB	101.05	98.43
Class 1E USD (Distribution) Units	USD	101.06	95.29
Class 1E USD (Accumulation) Units	USD	102.07	99.68
Class 2A USD (Distribution) Units	USD	91.50	81.96
Class 2A USD (Accumulation)Units	USD	165.22	148.45
Class 2B RMB (Distribution) Units	RMB	98.16	92.05
Class 2B RMB (Accumulation) Units	RMB	174.50	158.65
Class 2C USD (Distribution) Units	USD	98.17	88.39
Class 2D HKD (Distribution) Units	HKD	90.39	80.90
Class 2D HKD (Accumulation) Units	HKD	100.75	90.39
Class 2E AUD (Distribution) Units	AUD	101.39	92.41
Class 2E AUD (Accumulation) Units	AUD	111.76	99.42
Class 2F AUD-Hedged (Distribution) Units	AUD	100.35	94.59
Class 2F AUD-Hedged (Accumulation) Units	AUD	120.06	110.29
Class 2G USD-Hedged (Distribution) Units	USD	90.66	85.01
Class 2G USD-Hedged (Accumulation) Units	USD	121.37	110.52
Class 2I SGD-Hedged (Distribution) Units	SGD	100.26	94.39
Class 2I SGD-Hedged (Accumulation) Units	SGD	100.65	98.22
Class 2J EUR-Hedged (Distribution) Units	EUR	100.93	95.82
Class 2K EUR-Hedged (Distribution) Units	EUR	99.85	94.38
Class 2K EUR-Hedged (Accumulation) Units	EUR	100.15	97.31
Class 2L HKD-Hedged (Distribution) Units	HKD	100.54	94.94
Class 2L HKD-Hedged (Accumulation) Units	HKD	100.84	98.40
Class 4B RMB (Accumulation) Units	RMB	106.66	100.14
Class 4C USD-Hedged (Accumulation) Units	USD	106.05	100.12

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2019</u>			
Class 1A USD (Distribution)Units	USD	137.97	123.79
Class 1A USD (Accumulation) Units	USD	103.31	92.70
Class 1B RMB (Accumulation)	RMB	101.05	98.43
Class 1E USD (Distribution) Units	USD	101.06	95.29
Class 1E USD (Accumulation) Units	USD	102.07	99.68
Class 2A USD (Distribution) Units	USD	91.50	81.96
Class 2A USD (Accumulation)Units	USD	165.22	148.45
Class 2B RMB (Distribution) Units	RMB	98.16	92.05
Class 2B RMB (Accumulation) Units	RMB	174.50	158.65
Class 2C USD (Distribution) Units	USD	98.17	88.39
Class 2D HKD (Distribution) Units	HKD	90.39	80.90
Class 2D HKD (Accumulation) Units	HKD	100.75	90.39
Class 2E AUD (Distribution) Units	AUD	101.39	92.41
Class 2E AUD (Accumulation) Units	AUD	111.76	99.42
Class 2F AUD-Hedged (Distribution) Units	AUD	100.35	94.59
Class 2F AUD-Hedged (Accumulation) Units	AUD	120.06	110.29
Class 2G USD-Hedged (Distribution) Units	USD	90.66	85.01
Class 2G USD-Hedged (Accumulation) Units	USD	121.37	110.52
Class 2I SGD-Hedged (Distribution) Units	SGD	100.26	94.39
Class 2I SGD-Hedged (Accumulation) Units	SGD	100.65	98.22
Class 2J EUR-Hedged (Distribution) Units	EUR	100.93	95.82
Class 2K EUR-Hedged (Distribution) Units	EUR	99.85	94.38
Class 2K EUR-Hedged (Accumulation) Units	EUR	100.15	97.31
Class 2L HKD-Hedged (Distribution) Units	HKD	100.54	94.94
Class 2L HKD-Hedged (Accumulation) Units	HKD	100.84	98.40
Class 4B RMB (Accumulation) Units	RMB	106.66	100.14
Class 4C USD-Hedged (Accumulation) Units	USD	106.05	100.12

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2018</u>			
	USD	137.77	120.01
Class 1A USD (Accumulation)Units	USD	103.18	89.87
Class 1B RMB (Distribution)Units	RMB	100.96	99.74
Class 2A USD (Distribution) Units	USD	103.10	82.60
Class 2A USD (Accumulation) Units	USD	165.95	144.00
Class 2B RMB (Distribution) Units	RMB	103.70	91.44
Class 2B RMB (Accumulation) Units	RMB	162.72	155.21
Class 2C USD (Distribution) Units	USD	108.11	88.16
Class 2D HKD (Distribution) Units	HKD	100.55	81.43
Class 2D HKD (Accumulation) Units	HKD	101.04	87.64
Class 2E AUD (Distribution) Units	AUD	102.05	93.82
Class 2E AUD (Accumulation) Units	AUD	100.41	88.38
Class 2F AUD-Hedged (Accumulation) Units	AUD	115.43	108.10
Class 2G USD-Hedged (Distribution) Units	USD	95.55	84.31
Class 2G USD-Hedged (Accumulation) Units	USD	115.33	108.28

For the year ended 31 December 2017

Class 1A USD (Distribution)Units	USD	132.49	112.36
Class 1B RMB (Distribution)Units	RMB	121.50	99.93
Class 2A USD (Distribution) Units	USD	100.19	88.57
Class 2A USD (Accumulation) Units	USD	159.66	136.08
Class 2B RMB (Distribution) Units	RMB	106.21	102.57
Class 2B RMB (Accumulation) Units	RMB	161.91	147.31
Class 2C USD (Distribution) Units	USD	105.74	94.66
Class 2F AUD-Hedged (Accumulation) Units	AUD	115.35	107.96
Class 2G USD-Hedged (Distribution) Units	USD	98.78	95.59
Class 2G USD-Hedged (Accumulation) Units	USD	115.33	108.28

For the year ended 31 December 2016

Class 1A USD (Distribution)Units	USD	117.26	106.25
Class 1B RMB (Distribution)Units	RMB	117.87	104.41
Class 2A USD (Distribution) Units	USD	96.17	89.01
Class 2A USD (Accumulation) Units	USD	142.27	129.26
Class 2B RMB (Distribution) Units	RMB	106.24	99.14
Class 2B RMB (Accumulation) Units	RMB	147.56	131.18
Class 2C USD (Distribution) Units	USD	101.89	94.96
Class 2F AUD-Hedged (Accumulation) Units	AUD	108.53	98.22
Class 2G USD-Hedged (Distribution) Units	USD	101.57	95.88
Class 2G USD-Hedged (Accumulation) Units	USD	109.00	98.41

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the year ended 31 December 2015</u>			
Class 1A USD (Distribution)Units	USD	113.88	104.8
Class 1B RMB (Distribution)Units	RMB	106.76	99.27
Class 2A USD (Distribution) Units	USD	104.15	93.95
Class 2B RMB (Distribution) Units	RMB	107.16	101.23
Class 2C USD (Distribution) Units	USD	108.23	98.25
Class 2A USD (Accumulation) Units	USD	138.82	127.7
Class 2B RMB (Accumulation) Units	RMB	134.21	125.4
<u>For the year ended 31 December 2014</u>			
Class 1A USD (Distribution)Units	USD	109.83	100.59
Class 1B RMB (Distribution)Units	RMB	101.23	99.39
Class 2A USD (Distribution) Units	USD	106.57	101.45
Class 2B RMB (Distribution) Units	RMB	107.68	102.39
Class 2C USD (Distribution) Units	USD	109.87	104.43
Class 2A USD (Accumulation) Units	USD	134.35	123.45
Class 2B RMB (Accumulation) Units	RMB	127.95	117.23
<u>For the year ended 31 December 2013</u>			
Class 1A USD (Distribution)Units	USD	102.07	94.18
Class 2A USD (Distribution) Units	USD	110.81	102.24
Class 2B RMB (Distribution) Units	RMB	108.82	100.76
Class 2C USD (Distribution) Units	USD	112.55	104.24
Class 2A USD (Accumulation) Units	USD	125.40	116.01
Class 2B RMB (Accumulation) Units	RMB	118.40	110.80
<u>For the year ended 31 December 2012</u>			
Class 2A USD (Distribution) Units	USD	107.10	95.13
Class 2B RMB (Distribution) Units	RMB	104.90	94.51
Class 2C USD (Distribution) Units	USD	108.70	96.50
Class 2A USD (Accumulation) Units	USD	115.82	97.89
Class 2B RMB (Accumulation) Units	RMB	111.97	96.02

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND
(Sub-Fund of Income Partners Strategy Fund)

PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Class currency	Highest unit price	Lowest unit price
<u>For the period from 27 July 2011 (date of inception) to 31 December 2011</u>			
Class 2A USD (Distribution) Units	USD	99.06	92.62
Class 2B RMB (Distribution) Units	RMB	100.11	93.57
Class 2C USD (Distribution) Units	USD	100.70	94.15
Class 2A USD (Accumulation) Units	USD	100.27	92.87
Class 2B RMB (Accumulation) Units	RMB	100.11	93.57