



INCOME PARTNERS

Interim Report 2020

INCOME PARTNERS RMB BOND FUND

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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MANAGEMENT AND ADMINISTRATION

MANAGER AND RQFII HOLDER

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RQFII CUSTODIAN

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SWISS REPRESENTATIVE AGENT

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MANAGER'S REPORT

2020 PERFORMANCE OVERVIEW

For the first six months of 2020, the Income Partners RMB Bond Fund (the "Fund") generated a total return¹ as per below table:

Income Partners RMB Bond Fund							
Value Date	Classes of shares	CCY	NAV per unit	YTD % return	Bloomberg Code	ISIN Code	
30-Jun-20	Class 1A Acc	USD	102.39	0.90%	IPRB1AA HK	HK0000204450	
30-Jun-20	Class 2A Dis	USD	86.10	0.78%	IPRB2AD HK	HK0000204526	
30-Jun-20	Class 2A Acc	USD	98.36	0.77%	IPRB2AA HK	HK0000204534	
30-Jun-20	Class 2B Dis	RMB	94.42	2.41%	IPRB2BD HK	HK0000204542	
30-Jun-20	Class 2B Acc	RMB	112.12	2.41%	IPRB2BA HK	HK0000204559	
30-Jun-20	Class 4A Acc	USD	100.08	0.08%	IPRB4AA HK	HK0000563327	

NOTE:

Past performance information presented is not indicative of future performance

1. Fund launch date: 2 July 2014
2. Share Class launch date : Class 1A Accumulation - 3 September 2018 (prior launch on 15 May 2015 and de-activated as of 4 February 2016); Class 1B Accumulation - 4 June 2015 and de-activated as of 4 December 2019 (fully redeemed); Class 2A Accumulation and Class 2B Accumulation - 4 July 2014; Class 2A Distribution - 8 July 2014; Class 2B Distribution - 11 July 2014; Class 2C Distribution - 15 June 2018 and de-activated as of 05 March 2019 (fully redeemed); Class 2D Distribution - 1 August 2014 and de-activated as of 6 April 2017 (fully redeemed); Class 2D Accumulation - 9 July 2014 and de-activated as of 11 November 2016 (fully redeemed); Class 4A Accumulation - 29 June 2020.
3. Classes 1A, 1B and 4A are not authorized by the SFC in Hong Kong and are not available to retail investors in Hong Kong.
4. For Accumulation Class, the computation basis of the performances is based on the calendar month-end for MTD return % and Calendar year-end for YTD return %, NAV-to-NAV. For Distribution classes, the computation basis of the performances is dividend adjusted based on the calendar month-end for MTD return % and calendar year-end for YTD return %, i.e. NAV-to-NAV adjusted for dividend payment (added back). Distribution classes provide monthly dividends, the rate of dividend is however not guaranteed and may be paid out from the Fund's capital.
5. Returns are based on RMB currency. Therefore, USD/HKD/EUR-based investors are therefore exposed to foreign exchange fluctuations.

The Fund paid an annualized 1% dividend yield for Classes 2A Distribution and 2B Distribution share classes.

MARKET OVERVIEW AND OUTLOOK

China's GDP growth suffered its first contraction (-6.8% year-over-year) in years in the first quarter of 2020 due to global pandemic. However, the economy proved to be resilient thanks to stringent preventive measures and a deep domestic market. In the second quarter, China topped major economies with a positive quarter-over-quarter GDP growth (+3.2% y-o-y).

The onshore bond market enjoyed good rally in 1Q2020 amid the impact of COVID-19. The 10-year government bond yield reached 2.50% after the central bank cut the banks' required reserve ratio and the interest on excessive reserves. China's bond market behaved calmly in March, when other financial assets, even the US treasury market, registered historical volatilities.

China's rates started to rebound in May as economy stabilized and the central bank turned less dovish. The central government shifted to a more expansionary fiscal approach instead of further loosening monetary policy. Large supply of special government bonds and local government bonds has weighted on bond prices. As a result, the 10-year government bond yield climbed to c2.80% at the end of second quarter.

¹ Adjusted for monthly dividend distributions

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MARKET OVERVIEW AND OUTLOOK (CONTINUED)

Looking forward, we expect the rates may test 3% in the short term as the economy recovers. However, over the medium term, we believe China rates offer good relative value in a world of negative and zero yields. The yield difference between China and US government bonds has been close to historical high. And a stable economy with disciplined fiscal and monetary policies shall continue to attract foreign interests. Lastly with a soft outlook of the greenback, we expect emergent market bonds will outperform.

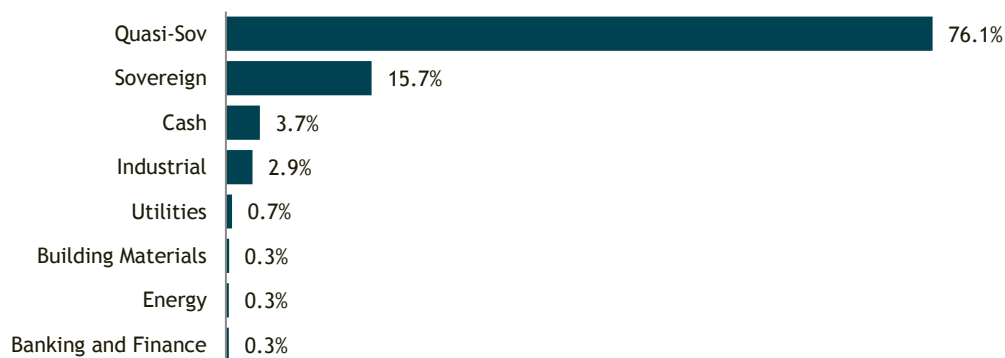
PORTFOLIO OVERVIEW AS OF 30 JUNE 2020

The following financial information is extracted and calculated before audit adjustments. For the detail of the audit adjustments, please refer to Note 11 to the financial statements.

Modified Duration:	Average Credit Rating ¹ :	Yield to Maturity (YTM):
6.6 years	A+	3.1%

Top 5 Holdings	95.0%
The Export-Import Bank of China	32.5%
China Development Bank	23.9%
Agricultural Development Bank of China	20.0%
China Government Bond	15.7%
China National Petroleum Corp	2.9%

Industry Exposure



Credit Rating Exposure



Total exposures may differ due to rounding. Please note the ratings exposures shown here include some of Income Partners' own implied internal 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 30 June 2020

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CORPORATE ACTION

As per a Notice to Unitholders dd. 31 December 2019, please be noted that the management fee has been resumed with effective date 1 February 2020 at a reduced rate of 0.50% for Class 1 units and 0.80% for Class 2 units. Additionally, a number of changes and updates to the prospectus were made, please refer to the respective Notice to investors and the latest prospectus.

Finally, as per a Notice to Unitholders dated 29 July 2020, please note that with effect from 31 July 2020, the address of the Manager was changed to the following:

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

The Manager's phone, fax and email will remain the same.

As of 10 June 2020 the trustee of the fund, Cititrust Limited, has adopted a Chinese name, namely 花旗信托有限公司 and the Chinese version of the Fund's prospectus and KFS have been updated accordingly.

Lastly, as part of the Manager's liquidity risk management policy, an internal liquidity assessment of the securities held by the Fund is conducted by the Manager on a monthly basis. An outline of such liquidity assessment is contained in the prospectus under the heading "Liquidity Risk Management" which sets out, amongst other things, certain factors that the Manager takes into account to assess the liquidity of each underlying asset of the Fund.

The Manager has clarified in the revised prospectus that input gathered from an independent secondary source is also one of the factors considered by it as part of the foregoing internal liquidity assessment.

The latest updated prospectus and revised KFS are available on the Manager's website (www.incomepartners.com). The Manager's website has not been reviewed by the Securities and Futures Commission.

For further details on the above changes, please refer to the respective Notice to investors.

INCOME PARTNERS RMB BOND FUND

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FINANCIAL STATEMENTS (UNAUDITED)**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 30 June 2020

	Note	As at 30 June 2020 (unaudited) RMB	As at 31 December 2019 (audited) RMB
Assets			
Cash and cash equivalents		11,939,288	190,328,171
Financial assets at fair value through profit or loss		301,100,920	212,422,088
Amounts due from brokers		-	188,482,167
Interest receivable		4,961,701	4,543,469
Total assets		318,001,909	595,775,895
Liabilities			
Amount due to brokers		-	363,340,631
Custodian fee payable	2(c)	18,543	17,101
Management fee payable	2(a)	146,509	-
Trustee fee payable	2(b)	41,787	41,042
Accruals and other payables		159,486	115,334
Total liabilities (excluding net assets attributable to unitholders)		366,325	363,514,108
Net assets attributable to unitholders		317,635,584	232,261,787
Total liabilities		318,001,909	595,775,895
Represented by:			
Net assets attributable to unitholders (in accordance with the Prospectus of the Fund)	6	317,728,671	232,333,337
Adjustment for different basis adopted by the Fund in arriving at net assets attributable to unitholders	6	(93,087)	(71,550)

For the number of units in issue, please refer to Note 4 for details.

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2020

	Note	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Income			
Interest income on financial assets at fair value through profit or loss		4,791,527	977,879
Interest income on bank deposits	2(d)	44,988	8,298
Net gains/(losses) on financial assets at fair value through profit or loss		2,523,792	(163,943)
Net foreign exchange differences		11,027	(12,564)
Miscellaneous income		-	10
Total income		7,371,334	809,680
Expenses			
Management fee	2(a)	(681,183)	-
Trustee fee	2(b)	(254,001)	(243,077)
Custodian fee	2(c)	(106,654)	(101,282)
Auditors remuneration		(97,008)	(92,700)
Legal fees		(4,860)	(235,523)
Bank charges		(1,232)	(661)
Brokerage fees and other transaction costs		(1,878)	(2,470)
Establishment cost		-	(15,605)
Other expenses		(285,065)	(171,246)
Total expenses		(1,431,881)	(862,564)
Operating profit/(loss)		5,939,453	(52,884)
Finance costs			
Distributions to unitholders	5	(9,428)	(33,630)
Profit/(loss) before taxation		5,930,025	(86,514)
Taxation			
Distribution tax		(1,001)	89,971
		(1,001)	89,971
Increase in net assets attributable to unitholders and total comprehensive income during the period		5,929,024	3,457

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

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the six months ended 30 June 2020

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Net assets attributable to unitholders at the beginning of the period	232,261,787	47,592,852
Issuance of redeemable units	98,799,282	4,912
Redemption of redeemable units	(19,354,509)	(1,135,932)
Increase in net assets attributable to unitholders from operations	<u>5,929,024</u>	<u>3,457</u>
Net assets attributable to unitholders of redeemable units at the end of the period	<u>317,635,584</u>	<u>46,465,289</u>
	For the six months ended 30 June 2020 (Unaudited) Units	For the six months ended 30 June 2019 (Unaudited) Units
Units outstanding at the beginning of the period	544,932	309,144
Units issued	140,311	8
Units redeemed	<u>(38,726)</u>	<u>(12,223)</u>
Units outstanding at the end of the period	<u>646,517</u>	<u>296,929</u>

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

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2020

1 Summary of significant accounting policies

The unaudited interim financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong, and the relevant disclosure provisions of the Trust Deed dated 23 June 2014, and the relevant disclosure provisions specified in Appendix E of the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. The financial statements are presented in RMB and all values are rounded to the nearest RMB except where otherwise indicated.

The accounting policies applied are consistent with those of the annual financial statements for the period ended 30 June 2020, as described in the Notes to the Financial Statements of the semi-annual financial statements.

2 Transactions with the Manager and its connected persons

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for what is disclosed below.

(a) Management fees

For the period ended 30 June 2019, the Manager is entitled to receive a management fee from the Sub-Fund, 0.75% per annum (with maximum of 1.5%) for Class 1 units, and at a rate of 1.25% per annum (with maximum of 1.5%) for Class 2 and 3 units with respect to the net asset value of the Sub-Fund calculated and accrued and payable monthly in arrears.

As at 31 December 2019, the Manager resumed the management fee with effect from 1 February 2020 until further notice, with the management fee reduced to 0.5% per annum for Class 1 units and 0.8% per annum for Class 2 units. Total management fees for the six months ended 30 June 2020 amounted to RMB681,183 (30 June 2019: RMB nil), with RMB146,509 (30 June 2019: RMB nil) remaining payable as at 30 June 2020.

(b) Trustee fee

For the period ended 30 June 2020, the Trustee is entitled to receive a trustee fee from the Sub-Fund based on a percentage of the net asset value of the Sub-Fund. For first US\$250 million of the net asset value of the Sub-Fund, 0.10% per annum will be payable, and for the remaining balance of the net asset value of the Sub-Fund, 0.08% per annum will be payable, subject to a minimum monthly fee of US\$6,000. The fees are accrued and payable monthly in arrears.

Administration fee for the above fund administration services form part of the trustee fee mentioned above.

Total trustee fee/administration fee for the six months ended 30 June 2020 amounted to RMB254,001 (30 June 2019: RMB243,077), with RMB41,787 (30 June 2019: RMB40,906) remaining payable as at 30 June 2020.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

2 Transactions with the Manager and its connected persons (Continued)

(c) Custodian fee

Pursuant to the Fund Administration Services Agreement between the Manager, the Trustee and Citibank, N.A. (the “Custodian”), the Trustee separately acting as a fund administrator has agreed to procure financial, accounting, administrative and other services to the Sub-Fund and has appointed the Custodian to provide these services.

Under the Trust deed, Citicorp Financial Services Limited is the transfer agent of the Fund.

The Trustee has appointed Citibank, N.A. (“Citibank”), acting through its Hong Kong Branch, to act as the Custodian of the Sub-Fund’s assets.

The Custodian and registrar fee 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 or the Registrar (as the case may be) from time to time. The custodian’s and the Registrar fees will be accrued daily and payable on a monthly basis.

Total custodian fee and registrar fee for the six months ended 30 June 2020 amounted to RMB127,852 (30 June 2019: RMB121,538), with RMB22,025 (30 June 2019: RMB20,453) remaining payable as at 30 June 2020.

Total custodian fee for the six months ended 30 June 2020 amounted to RMB106,654 (30 June 2019: RMB101,282), with RMB18,543 (30 June 2019: RMB17,044) remaining payable as at 30 June 2020.

Total registrar fee for the six months ended 30 June 2020 amounted to RMB21,198 (30 June 2019: RMB20,256), with RMB3,482 (30 June 2019: RMB3,409) remaining payable as at 30 June 2020.

Total financial statement preparation fee for the six months ended 30 June 2020 amounted to RMB35,434 (30 June 2019: RMB33,718), with RMB69,472 (30 June 2019: RMB66,821) remaining payable as at 30 June 2020.

(d) Bank deposits held by the Trustee's affiliates

As at 30 June 2020, the Sub-Fund placed bank deposits amounted to RMB8,001,083 (31 December 2019: RMB188,096,644) with Citibank N.A., Hong Kong branch, a related company of the Trustee and Register. Bank interest income amounted to RMB44,988 for the period ended 30 June 2020 (30 June 2019: RMB8,298) has been earned by the Sub-Fund.

(e) Cross Trade

During the period ended 30 June 2020 and 30 June 2019, there were no investment holdings which were bought from or sold to other funds also managed by the Manager of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

2 Transactions with the Manager and its connected persons (Continued)**(f) Holdings in the Sub-Fund**

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 30 June 2020 and 30 June 2019 were as follows:

Units held by IP All Seasons Asian Credit Fund, a fund managed by the Manager:

As at 30 June 2020

	As at 1 January 2020 Units	Subscribed during the period Units	Redeemed during the period Units	As at 30 June 2020 Units
Class 1A USD (Accumulation)	20,000	-	(20,000)	-
Class 4A USD (Accumulation)	-	20,462	-	20,462

As at 30 June 2019

	As at 1 January 2019 Units	Subscribed during the period Units	Redeemed during the period Units	As at 30 June 2019 Units
Class 1A USD (Accumulation)	20,000	-	-	20,000
Class 4A USD (Accumulation)	-	-	-	-

Units held by Income Partners Managed Volatility High Yield Bond Fund, a fund managed by the Manager:

As at 30 June 2020

	As at 1 January 2020 Units	Subscribed during the period Units	Redeemed during the period Units	As at 30 June 2020 Units
Class 2B RMB (Accumulation)	234,816	-	-	234,816

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

2 Transactions with the Manager and its connected persons (Continued)

(f) Holdings in the Sub-Fund (Continued)

As at 30 June 2019

	As at 1 January 2019 Units	Subscribed during the period Units	Redeemed during the period Units	As at 30 June 2019 Units
Class 2B RMB (Accumulation)	<u>234,816</u>	<u>-</u>	<u>-</u>	<u>234,816</u>

All transactions entered into during the period between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms.

3 Soft commission arrangements

The Manager and/or any of its connected person reserves the right to effect transactions by or through the agency of another person with whom the Manager and/or any of its connected person has an arrangement under which that party will from time to time provide to or procure for the Manager and/or any of its connected person goods or services for which no direct payment is made but instead the Manager and/or any of its connected person undertakes to place business with that party. The Manager shall procure that no such arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to the unitholders (taken as a body and in their capacity as such) whether by assisting the Manager in its ability to manage the relevant Sub-Fund or otherwise and the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates. Such goods and services may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

Since the inception of the Sub-Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

4 Number of units in issue

The following is the subscription/(redemption) of units of the Sub-Fund for the six months ended 30 June 2020:

	Class 1A USD (Accumulation) units Number of units	Class 2A USD (Distribution) units Number of units	Class 2A USD (Accumulation) units Number of units	Class 2B RMB (Distribution) units Number of units	Class 2B RMB (Accumulation) units Number of units	Class 4A USD (Accumulation) units Number of units	Total Number of units
At the beginning of the period	286,798.418	1,118.555	2,179.315	20,019.540	234,815.743	-	544,931.571
Subscription of units	116,015.831	5.538	-	3,827.624	-	20,462.000	140,310.993
Redemption of units	<u>(24,894.762)</u>	<u>-</u>	<u>-</u>	<u>(13,830.624)</u>	<u>-</u>	<u>-</u>	<u>(38,725.386)</u>
At the end of the period	<u>377,919.487</u>	<u>1,124.093</u>	<u>2,179.315</u>	<u>10,016.540</u>	<u>234,815.743</u>	<u>20,462.000</u>	<u>646,517.178</u>

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

4 Number of units in issue (Continued)

The following is the subscription/(redemption) of units of the Sub-Fund for the six months ended 30 June 2019:

	Class 1A USD (Accumulation) units Number of units	Class 1B RMB (Accumulation) units Number of units	Class 2A USD (Distribution) units Number of units	Class 2A USD (Accumulation) units Number of units	Class 2B RMB (Distribution) units Number of units	Class 2B RMB (Accumulation) units Number of units	Class 2C HKD (Distribution) units Number of units	Total Number of units
At the beginning of the period	20,000.000	2,000.000	3,180.558	2,179.315	26,818.268	251,919.807	3,045.861	309,143.809
Subscription of units	-	-	8.216	-	-	-	-	8.216
Redemption of units	-	-	-	-	(6,798.728)	(2,378.020)	(3,045.861)	(12,222.609)
At the end of the period	<u>20,000.000</u>	<u>2,000.000</u>	<u>3,188.774</u>	<u>2,179.315</u>	<u>20,019.540</u>	<u>249,541.787</u>	<u>-</u>	<u>296,929.416</u>

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

4 Number of units in issue (Continued)

Units can be issued and redeemed on each valuation day. A valuation day is each business day on which the net asset value of a unit or a class of unit falls to be calculated and in relation to each subscription day or redemption day (as the case may be) of any class or classes of units means either such subscription day or redemption day (as the case may be) or such other business day or day as the Trustee and the Manager may from time to time determine, either generally or in relation to a class of units. The unitholders may redeem the units on any valuation day by no later than the redemption deadline. Redemption requests received after such time will be deemed to have been received on the next business day.

As stated in the explanatory memorandum, redemption deadline refers to 5:00 p.m. (Hong Kong time) on the business day immediately preceding the relevant redemption day by which a redemption request in respect of the Sub-Fund or a class of units must be received or such other time or on such other business day or day as the Manager may from time to time determine generally or in relation to any particular jurisdiction in which units of the Sub-Fund or the relevant class may from time to time be sold.

Applications for redemption of units may be made to the processing agent by completing the redemption form and sent by post or by facsimile to the processing agent at the business address or facsimile number on the redemption form. The redemption form is available from the processing agent and/or the authorised distributors.

A redemption form received by the processing agent by the redemption deadline of a redemption day will be dealt with on that redemption day. If an application for redemption of units is received after the redemption deadline in respect of a redemption day then the application will be held over until the next redemption day provided that the Manager may in the event of system failure which is beyond the reasonable control of the Manager or events of natural disaster and with the approval of the Trustee (or the registrar on its behalf) after taking into account the interest of other unitholders of the Sub-Fund, exercise its discretion to accept a redemption request in respect of a redemption day which is received after the redemption deadline if it is received prior to the valuation point relating to that redemption day. Notwithstanding the aforesaid, where in the reasonable opinion of the Trustee (or the registrar on its behalf), the Trustee's or the registrar's operational requirements cannot support accepting any such redemption request, the Manager shall not exercise its discretion to accept any redemption request.

A request for redemption once given cannot be revoked without the consent of the Manager.

The Manager may suspend the redemption or delay the payment of redemption proceeds during any periods in which the determination of the net asset value of the Sub-Fund is suspended under certain conditions as set out in the explanatory memorandum of the Sub-Fund.

With a view to protecting the interests of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units of the Sub-Fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the Sub-Fund who have validly requested to redeem units of the Sub-Fund on that dealing day will redeem the same proportion of such units of the Sub-Fund.

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

5 Distribution to unitholders

	For the six months ended 30 June 2020 (unaudited) RMB	For the six months ended 30 June 2019 (unaudited) RMB
Undistributed income at 1 January	16,092,410	15,351,940
Increase in net assets attributable to unitholders during the period	5,929,024	3,457
Distribution to unitholders	9,428	33,630
Unrealized losses on financial assets at fair value through profit or loss	585,638	516,606
Undistributed income before distribution	22,616,500	15,905,633
Monthly distribution declared on 2 January 2019 of USD0.30 per unit for Class 2A	-	(6,553)
Monthly distribution declared on 2 January 2019 of RMB0.30 per unit for Class 2B	-	(8,045)
Monthly distribution declared on 2 January 2019 of HKD0.30 per unit for Class 2CH	-	(801)
Monthly distribution declared on 1 February 2019 of USD0.07 per unit for Class 2A	-	(1,503)
Monthly distribution declared on 1 February 2019 of RMB0.08 per unit for Class 2B	-	(2,145)
Monthly distribution declared on 1 February 2019 of HKD0.08 per unit for Class 2CH	-	(209)
Monthly distribution declared on 1 March 2019 of USD0.07 per unit for Class 2A	-	(1,496)
Monthly distribution declared on 1 March 2019 of RMB0.08 per unit for Class 2B	-	(2,145)
Monthly distribution declared on 1 March 2019 of HKD0.08 per unit for Class 2CH	-	(208)
Monthly distribution declared on 1 April 2019 of USD0.07 per unit for Class 2A	-	(1,499)
Monthly distribution declared on 1 April 2019 of RMB0.08 per unit for Class 2B	-	(1,993)
Monthly distribution declared on 2 May 2019 of USD0.07 per unit for Class 2A	-	(1,501)
Monthly distribution declared on 2 May 2019 of RMB0.08 per unit for Class 2B	-	(1,993)
Monthly distribution declared on 3 June 2019 of USD0.07 per unit for Class 2A	-	(1,546)
Monthly distribution declared on 3 June 2019 of RMB0.08 per unit for Class 2B	-	(1,993)
Monthly distribution declared on 2 January 2020 of USD0.08 per unit for Class 2A	(623)	-
Monthly distribution declared on 2 January 2020 of RMB0.07 per unit for Class 2B	(1,401)	-
Monthly distribution declared on 3 February 2020 of USD0.07 per unit for Class 2A	(550)	-
Monthly distribution declared on 3 February 2020 of RMB0.07 per unit for Class 2B	(1,401)	-
Monthly distribution declared on 2 March 2020 of USD0.07 per unit for Class 2A	(547)	-
Monthly distribution declared on 2 March 2020 of RMB0.07 per unit for Class 2B	(701)	-

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

5 Distribution to unitholders (Continued)

	For the six months ended 30 June 2020 (unaudited) RMB	For the six months ended 30 June 2019 (unaudited) RMB
Monthly distribution declared on 1 April 2020 of USD0.07 per unit for Class 2A	(558)	-
Monthly distribution declared on 1 April 2020 of RMB0.07 per unit for Class 2B	(701)	-
Monthly distribution declared on 6 May 2020 of USD0.70 per unit for Class 2A	(559)	-
Monthly distribution declared on 6 May 2020 of RMB0.08 per unit for Class 2B	(1,024)	-
Monthly distribution declared on 1 June 2020 of USD0.70 per unit for Class 2A	(562)	-
Monthly distribution declared on 1 June 2020 of RMB0.08 per unit for Class 2B	(801)	-
Undistributed income at 30 June	<u>22,607,072</u>	<u>15,872,003</u>

The amount available for distribution is the total net amount receivable by the Sub-Fund in respect of the relevant period ("Total Income") minus any expenses chargeable against income, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits and debt securities), or other receipts as determined by the Manager to be in the nature of income. Unrealized capital gains or losses do not form part of Total Income and therefore would not impact on the amounts available for distribution.

	30 June 2020 RMB
Distribution declared on 2 January 2020:	
- Class 2A USD (Distribution) at USD0.08 per unit	623
- Class 2B RMB (Distribution) at RMB0.07 per unit	1,401
Distribution declared on 3 February 2020:	
- Class 2A USD (Distribution) at USD0.07 per unit	550
- Class 2B RMB (Distribution) at RMB0.07 per unit	1,401
Distribution declared on 2 March 2020:	
- Class 2A USD (Distribution) at USD0.07 per unit	547
- Class 2B RMB (Distribution) at RMB0.07 per unit	701
Distribution declared on 1 April 2020:	
- Class 2A USD (Distribution) at USD0.07 per unit	558
- Class 2B RMB (Distribution) at RMB0.07 per unit	701
Distribution declared on 6 May 2020:	
- Class 2A USD (Distribution) at USD0.07 per unit	559
- Class 2B RMB (Distribution) at RMB0.08 per unit	1,024
Distribution declared on 1 June 2020:	
- Class 2A USD (Distribution) at USD0.07 per unit	562
- Class 2B RMB (Distribution) at RMB0.08 per unit	801
	<u>9,428</u>

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

5 Distribution to unitholders (Continued)

	30 June 2019 RMB
Distribution declared on 2 January 2019:	
- Class 2A USD (Distribution) at USD0.30 per unit	6,553
- Class 2B RMB (Distribution) at RMB0.30 per unit	8,045
- Class 2CH HKD (Distribution) at HKD0.30 per unit	801
Distribution declared on 1 February 2019:	
- Class 2A USD (Distribution) at USD0.07 per unit	1,503
- Class 2B RMB (Distribution) at RMB0.08 per unit	2,145
- Class 2CH HKD (Distribution) at HKD0.08 per unit	209
Distribution declared on 1 March 2019:	
- Class 2A USD (Distribution) at USD0.07 per unit	1,496
- Class 2B RMB (Distribution) at RMB0.08 per unit	2,145
- Class 2CH HKD (Distribution) at HKD0.08 per unit	208
Distribution declared on 1 April 2019:	
- Class 2A USD (Distribution) at USD0.07 per unit	1,499
- Class 2B RMB (Distribution) at RMB0.08 per unit	1,993
Distribution declared on 2 May 2019:	
- Class 2A USD (Distribution) at USD0.07 per unit	1,501
- Class 2B RMB (Distribution) at RMB0.08 per unit	1,993
Distribution declared on 3 June 2019:	
- Class 2A USD (Distribution) at USD0.07 per unit	1,546
- Class 2B RMB (Distribution) at RMB0.08 per unit	1,993
	<hr/>
	<u>33,630</u>

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the six months ended 30 June 2020

6 Net assets attributable to unitholders

The published net asset value per unit issued is calculated in accordance with the explanatory memorandum while the net asset value per unit as reported in the statement of financial position included the adjustment for recognition of various fees incurred by the Sub-Fund in profit or loss.

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders as determined for the purposes of processing unit subscriptions and redemptions is provided below:

	As at 30 June 2020 (Unaudited) RMB	As at 31 December 2019 (Audited) RMB
Published net assets attributable to unitholders	317,728,671	232,333,337
Adjustments on various fees	<u>(93,087)</u>	<u>(71,550)</u>
Net assets attributable to unitholders as per unaudited financial statements	<u>317,635,584</u>	<u>232,261,787</u>

	As at 30 June 2020 (Unaudited) RMB	As at 31 December 2019 (Audited) RMB
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT		
(in accordance with the Prospectus of the Fund)		
Class 1A USD (Accumulation) Units	724.40	706.49
Class 2A USD (Distribution) Units	609.12	597.75
Class 2A USD (Accumulation) Units	695.90	679.54
Class 2B RMB (Distribution) Units	94.42	92.63
Class 2B RMB (Accumulation) Units	112.12	109.48
Class 4A USD (Accumulation) Units	708.03	-

	As at 30 June 2020 (Unaudited) Class Currency	As at 31 December 2019 (Audited) Class Currency
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT		
(in accordance with the Prospectus of the Fund)		
Class 1A USD (Accumulation) Units	102.39	101.48
Class 2A USD (Distribution) Units	86.10	85.86
Class 2A USD (Accumulation) Units	98.36	97.61
Class 2B RMB (Distribution) Units	94.42	92.63
Class 2B RMB (Accumulation) Units	112.12	109.48
Class 4A USD (Accumulation) Units	100.08	-

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2020

QUOTED DEBT SECURITIES (94.77%)

	Holding/ nominal value	Fair value RMB	% of net assets
Denominated in RMB (94.77%)			
<i>China (94.77%)</i>			
Agricul Dev Bank Adbch 3.24 08/14/24	10,000,000	10,060,540	3.17%
Agricul Dev Bank Adbch 3.28 05/13/22	1,000,000	1,018,200	0.32%
Agricul Dev Bank Adbch 3.51 04/03/24	10,000,000	10,174,260	3.20%
Agricul Dev Bank Adbch 3.63 07/19/26	10,000,000	10,178,100	3.20%
Agricul Dev Bank Adbch 3.74 07/12/29	10,000,000	10,260,470	3.23%
Agricul Dev Bank Adbch 3.75 01/25/29	10,000,000	10,260,329	3.23%
Agricul Dev Bank Adbch 3.95 02/26/31	10,000,000	10,371,300	3.27%
Anhui Conch-H Anhcon 5.10 11/07/22	1,000,000	1,063,400	0.33%
China Dev Bank Sdbc 3.42 07/02/24	20,000,000	20,350,000	6.41%
China Dev Bank Sdbc 3.43 01/14/27	10,000,000	10,089,980	3.18%
China Dev Bank Sdbc 3.45 09/20/29	10,000,000	10,138,430	3.19%
China Dev Bank Sdbc 3.50 08/13/26	10,000,000	10,114,060	3.18%
China Dev Bank Sdbc 3.65 05/21/29	10,000,000	10,219,140	3.22%
China Dev Bank Sdbc 3.68 02/26/26	10,000,000	10,228,100	3.22%
China Dev Bank Sdbc 3.87 08/01/23	1,000,000	1,032,403	0.33%
China Dev Bank Sdbc 3.91 04/06/22	1,000,000	1,025,209	0.32%
China Dev Bank Sdbc 4.49 08/01/38	1,000,000	1,100,468	0.35%
China Govt Bond Cgb 3.27 08/22/46	6,000,000	5,669,898	1.78%
China Govt Bond Cgb 3.39 03/16/50	30,000,000	29,095,230	9.16%
China Govt Bond Cgb 3.40 04/17/23	3,000,000	3,068,592	0.97%
China Govt Bond Cgb 3.86 07/22/49	10,000,000	10,447,550	3.29%
China Govt Bond Cgb 4.26 07/31/21	1,000,000	1,025,284	0.32%
China Natl Petro Cnpcc 5.00 02/22/27	8,330,000	8,951,193	2.81%
China Petro Chem Sinopc 4.90 06/01/22	1,000,000	1,052,900	0.33%
Exp-lmp Bk China Eximch 2.93 03/02/25	20,000,000	19,877,980	6.26%
Exp-lmp Bk China Eximch 3.23 11/04/22	20,000,000	20,252,120	6.38%
Exp-lmp Bk China Eximch 3.26 02/24/27	10,000,000	9,987,030	3.14%
Exp-lmp Bk China Eximch 3.28 02/11/24	10,000,000	10,110,480	3.18%
Exp-lmp Bk China Eximch 3.37 06/03/22	10,000,000	10,151,660	3.20%
Exp-lmp Bk China Eximch 3.86 05/20/29	20,000,000	20,694,180	6.51%
Exp-lmp Bk China Eximch 4.89 03/26/28	10,000,000	10,997,130	3.46%
State Grid Corp Of China 5.14 12/08/21	1,000,000	1,033,488	0.33%
State Power Inv Powinv 4.60 07/10/22	1,000,000	1,001,816	0.32%
Total quoted debt securities		<u>301,100,920</u>	<u>94.79%</u>

INCOME PARTNERS RMB BOND FUND
(A sub-fund of Income Partners Investment Fund)
(Established as an umbrella fund under the laws of Hong Kong)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2020

QUOTED DEBT SECURITIES (94.77%) (Continued)

	Holding/ nominal value	Fair value RMB	% of net assets
Denominated in RMB (94.77%) (Continued)			
<i>China (94.77%) (Continued)</i>			
<u>TOTAL NET ASSETS</u>			
Total debt securities (Cost: RMB300,394,324)		301,100,920	94.79%
Cash and cash equivalents		11,939,288	3.76%
		<u>313,040,208</u>	
Other net liabilities		4,595,376	1.45%
Total net assets		<u>317,635,584</u>	<u>100.00%</u>
Total investment, at cost		<u>300,394,324</u>	

INCOME PARTNERS RMB BOND FUND

(A sub-fund of Income Partners Investment Fund)

(Established as an umbrella fund under the laws of Hong Kong)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the six months ended 30 June 2020

<u>QUOTED DEBT SECURITIES</u>	At	<u>Movement in holdings</u>		At
	1 January 2020	Additions	Disposals	30 June 2020
Denominated in RMB				
<i>China</i>				
Agricul Dev Bank Adbch 3.24 08/14/24	10,000,000	-	-	10,000,000
Agricul Dev Bank Adbch 3.28 05/13/22	-	1,000,000	-	1,000,000
Agricul Dev Bank Adbch 3.51 04/03/24	10,000,000	-	-	10,000,000
Agricul Dev Bank Adbch 3.63 07/19/26	10,000,000	-	-	10,000,000
Agricul Dev Bank Adbch 3.74 07/12/29	10,000,000	-	-	10,000,000
Agricul Dev Bank Adbch 3.75 01/25/29	10,000,000	-	-	10,000,000
Agricul Dev Bank Adbch 3.95 02/26/31	-	10,000,000	-	10,000,000
Anhui Conch-H Anhcon 5.10 11/07/22	-	1,000,000	-	1,000,000
China Dev Bank Sdbc 3.03 01/18/22	10,000,000	-	10,000,000	-
China Dev Bank Sdbc 3.18 05/17/22	10,000,000	-	10,000,000	-
China Dev Bank Sdbc 3.42 07/02/24	10,000,000	20,000,000	10,000,000	20,000,000
China Dev Bank Sdbc 3.43 01/14/27	-	10,000,000	-	10,000,000
China Dev Bank Sdbc 3.45 09/20/29	20,000,000	40,000,000	50,000,000	10,000,000
China Dev Bank Sdbc 3.50 08/13/26	10,000,000	-	-	10,000,000
China Dev Bank Sdbc 3.65 05/21/29	10,000,000	-	-	10,000,000
China Dev Bank Sdbc 3.68 02/26/26	10,000,000	-	-	10,000,000
China Dev Bank Sdbc 3.87 08/01/23	-	1,000,000	-	1,000,000
China Dev Bank Sdbc 3.91 04/06/22	1,000,000	-	-	1,000,000
China Dev Bank Sdbc 4.07 04/27/21	-	10,000,000	10,000,000	-
China Dev Bank Sdbc 4.49 08/01/38	-	1,000,000	-	1,000,000
China Govt Bond Cgb 2.31 01/17/20	3,000,000	-	3,000,000	-
China Govt Bond Cgb 3.27 08/22/46	4,000,000	2,000,000	-	6,000,000
China Govt Bond Cgb 3.29 05/23/29	10,000,000	-	10,000,000	-
China Govt Bond Cgb 3.39 03/16/50	-	30,000,000	-	30,000,000
China Govt Bond Cgb 3.40 04/17/23	3,000,000	-	-	3,000,000
China Govt Bond Cgb 3.86 07/22/49	-	80,000,000	70,000,000	10,000,000
China Govt Bond Cgb 4.26 07/31/21	1,000,000	-	-	1,000,000
China Natl Petro CNPCC 5.00 02/22/27	8,330,000	-	-	8,330,000
China Petro Chem Sinopc 4.90 06/01/22	-	1,000,000	-	1,000,000
Exp-Imp Bk China Eximch 2.93 03/02/25	-	20,000,000	-	20,000,000
Exp-Imp Bk China Eximch 3.23 11/04/22	-	20,000,000	-	20,000,000
Exp-Imp Bk China Eximch 3.26 02/24/27	-	10,000,000	-	10,000,000
Exp-Imp Bk China Eximch 3.28 02/11/24	10,000,000	-	-	10,000,000
Exp-Imp Bk China Eximch 3.37 06/03/22	10,000,000	-	-	10,000,000
Exp-Imp Bk China Eximch 3.86 05/20/29	20,000,000	-	-	20,000,000
Exp-Imp Bk China Eximch 4.89 03/26/28	10,000,000	-	-	10,000,000
State Grid Corp Of China 5.14 12/08/21	-	1,000,000	-	1,000,000
State Power Inv Powinv 4.60 07/10/22	-	1,000,000	-	1,000,000