

IMPORTANT INFORMATION

- I. Income Partners Managed Volatility High Yield Bond Fund (the "Fund") invests primarily in high yield debt instruments, which are below investment grade or unrated. The Fund will invest in high yield debt instruments, and as a result may be subject to substantial credit/counterparty risk, credit rating related risks, interest rates risk, liquidity risks, and valuation risks. The investments held by the Fund may fall in value and therefore your investment in the Fund may suffer losses.
- II. The Fund's managed volatility strategy may not achieve the desired results under all circumstances. While the Fund's manager will endeavor to manage the Fund such that it does not exceed its pre-determined annualized volatility target, there is no guarantee that such targets can be reached in all market conditions. Managed volatility does not necessarily mean lower risk and the Fund may still suffer losses.
- III. The Fund is denominated in RMB, and RMB is currently not freely convertible and is subject to exchange controls and restrictions. There is no guarantee that RMB will not depreciate. If you convert Hong Kong Dollar or any other currency into RMB so as to invest in the Fund and subsequently convert the RMB redemption proceeds back into Hong Kong Dollar or any other currency, you may suffer a loss if RMB depreciates against Hong Kong Dollar or other currency. In addition, the underlying investments in the Fund may be denominated in currencies other than RMB. The NAV may be affected favorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in the exchange rate controls.
- IV. The Fund invests in the Greater China region and in the China market and there is subject to emerging market risk including political, economic, legal, regulatory and liquidity risks.
- V. The Fund may invest in derivative transactions such as swaps, futures and forwards for hedging purposes. There is no guarantee that the hedging techniques will be effective.
- VI. In respect of the distribution Units of the Fund (save for Class 2C Dis (USD) Units), the Fund's manager currently intends to make monthly dividend distribution. However, the distribution amount of dividend rate is not guaranteed. In respect of the Class 2C Dis (USD) Units, the Fund's manager makes non-discretionary monthly distributions. For certain classes of Units of the Fund, the Fund's manager may at its discretion pay distributions out of the capital of the Fund. The Fund's manager may also, at its discretion, pay distributions out of gross income, while paying all or part of the fees and expenses of the capital of the Fund, resulting in an increase in distributable income for payment of distributions by the Fund. Therefore the Fund may effectively make payment of dividend out of capital. Payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested of from any capital gains attributable to the original investment. Any such distributions may result in an immediate reduction of the net asset value per unit of the Fund.
- VII. Investment involves risk. Past performance is not a guarantee or a reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.
- VIII. In making investment decisions, investors should not rely solely on the information in this report and should read the offering document of the Fund of further details including the risk factors. This document does not constitute an offering document.

Share Class	NAV per share ³	Dividend per share	Annualized Dividend Yield ⁵
2A Acc (USD)	\$110.63		
2A Dis (USD)	\$42.21	\$0.30	9.0%
2B Acc (RMB)	¥123.55		
2B Dis (RMB)	¥46.22	¥0.31	8.5%
2C Dis (USD) ⁵	\$45.06	\$0.26	7.0%
2D Acc (HKD)	\$67.24		
2D Dis (HKD)	\$41.57	\$0.29	8.8%
2E Dis (AUD)	\$52.85	\$0.30	7.4%
2F Acc (AUD-H)	\$78.52		
2F Dis (AUD-H)	\$47.97	\$0.27	7.1%
2G Acc (USD-H)	\$82.70		
2G Dis (USD-H)	\$43.38	\$0.29	8.5%
2I Acc (SGD-H)	\$67.10		
2I Dis (SGD-H)	\$47.83	\$0.27	7.1%
2K Dis (EUR-H)	€49.87	€0.22	5.5%
2L Acc (HKD-H)	\$67.84		
2L Dis (HKD-H)	\$47.39	\$0.32	8.6%

H = Hedged currency share class
 Record Date: 31 January 2024
 Ex-Dividend Date: 1 February 2024
 Payment/Reinvestment Date: 5 February 2024
 Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

Risk Measures	3 Years	Since Inception
2B Acc (RMB)		
Annualized Volatility	18.84%	10.79%
Sharpe Ratio ⁷	-0.78	-0.10

Fund Characteristics	
Yield to Maturity in RMB ^{8,10}	7.0%
Yield to Maturity in USD ^{9,10}	9.4%
Modified Duration (years)	2.4
Average Credit Rating	BB-
Number of bond holdings	78

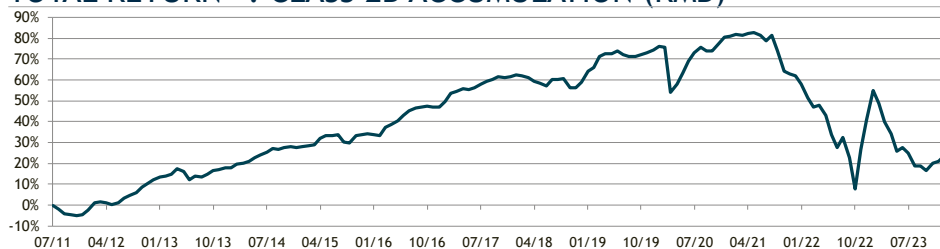
Top 10 Holdings ¹¹ : 34.4% of NAV	
China Development Bank*	4.2%
Pakistan Government Bond	3.9%
China Government Bond*	3.8%
WYNN MACAU LTD	3.6%
Sri Lanka Government Bond	3.4%
Greenko Energy Holdings	3.2%
Melco Resorts Finance	3.1%
Huarong Finance 2017 Co	3.1%
SMC Global Power Holdings	3.1%
Mong Duong Finance Holdings BV	2.9%

*Invested via an SFC-authorized fund

INVESTMENT OBJECTIVE

The Fund seeks to maximize total investment returns, comprising capital appreciation and interest income by primarily investing in high yield debt instruments that are below investment grade or unrated. It aims to deliver high yield returns with a reduced level of volatility compared against the broader high yield market through an active managed volatility strategy by using both quantitative and qualitative measures. The Fund has a geographical focus on Greater China and Asia.

TOTAL RETURN^{3,4}: CLASS 2B ACCUMULATION (RMB)



CUMULATIVE PERFORMANCE AND CALENDAR YEAR PERFORMANCE³

Share Class	Year-to-date (YTD)	1 Year	3 Years (Annualized)	5 Years (Annualized)	Since Inception (Annualized)	2019	2020	2021	2022	2023	Inception Date (dd/mm/yy)
2A Acc (USD)	1.12%	-25.00%	-15.03%	-6.79%	0.81%	8.44%	10.75%	-8.23%	-20.22%	-16.37%	27/07/11
2A Dis (USD)	1.10%	-25.00%	-15.02%	-6.79%	0.80%	8.45%	10.76%	-8.24%	-20.21%	-16.34%	03/08/11
2B Acc (RMB)	2.07%	-20.28%	-11.91%	-5.53%	1.70%	9.79%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2B Dis (RMB)	2.08%	-20.28%	-11.91%	-5.53%	1.71%	9.80%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2C Dis (USD) ⁵	1.10%	-25.00%	-15.03%	-6.79%	0.93%	8.44%	10.76%	-8.23%	-20.22%	-16.35%	10/08/11
2D Acc (HKD)	1.20%	-25.17%	-14.79%	-6.86%	-6.46%	7.83%	10.25%	-7.69%	-20.23%	-16.20%	21/02/18
2D Dis (HKD)	1.22%	-25.17%	-14.78%	-6.85%	-6.42%	7.81%	10.28%	-7.71%	-20.23%	-16.19%	09/02/18
2E Dis (AUD)	4.63%	-20.29%	-10.61%	-4.89%	-4.02%	9.16%	0.38%	-2.26%	-14.74%	-16.46%	04/05/18
2F Acc (AUD-H)	2.21%	-19.70%	-13.10%	-7.19%	-2.87%	7.66%	0.76%	-13.35%	-14.59%	-13.40%	13/10/15
2F Dis (AUD-H)	2.22%	-19.71%	-13.11%	-7.19%	-2.87%	7.66%	0.76%	-13.35%	-14.62%	-13.40%	02/05/19
2G Acc (USD-H)	2.28%	-18.52%	-12.24%	-6.28%	-2.26%	8.95%	1.58%	-13.12%	-13.70%	-11.98%	13/10/15
2G Dis (USD-H)	2.26%	-18.49%	-12.22%	-6.22%	-2.40%	9.18%	1.61%	-13.10%	-13.69%	-11.94%	19/10/15
2I Acc (SGD-H)	2.13%	-19.76%	-12.80%	-7.19%	-8.04%	0.11%	1.23%	-13.06%	-14.03%	-13.26%	30/04/19
2I Dis (SGD-H)	2.16%	-19.67%	-12.78%	-7.19%	-8.03%	-0.04%	1.20%	-13.10%	-14.03%	-13.18%	24/04/19
2K Dis (EUR-H)	2.32%	-18.52%	-13.23%	-7.19%	-8.90%	-1.41%	0.02%	-13.84%	-15.73%	-12.24%	07/05/19
2L Acc (HKD-H)	2.21%	-19.10%	-12.75%	-7.19%	-7.86%	0.50%	1.77%	-13.29%	-14.33%	-12.65%	07/05/19
2L Dis (HKD-H)	2.20%	-19.10%	-12.72%	-7.19%	-7.68%	0.90%	1.75%	-13.24%	-14.29%	-12.64%	17/04/19

MONTHLY PERFORMANCE³: CLASS 2B ACCUMULATION (RMB)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	2.07%												2.07%
2023	10.20%	-3.94%	-5.91%	-4.20%	-6.30%	1.28%	-2.05%	-4.63%	-0.22%	-1.77%	3.10%	0.68%	-13.94%
2022	-2.26%	-4.34%	-2.91%	0.75%	-3.45%	-6.38%	-4.71%	3.80%	-7.14%	-12.30%	17.57%	10.99%	-13.08%
2021	0.13%	0.62%	-0.41%	0.65%	0.16%	-0.68%	-1.61%	1.60%	-4.04%	-5.54%	-1.01%	-0.57%	-10.41%
2020	0.85%	-0.28%	-12.34%	2.84%	3.29%	3.42%	2.25%	1.77%	-1.23%	-0.01%	2.10%	1.87%	3.51%
2019	3.32%	1.02%	3.26%	0.72%	-0.03%	0.75%	-1.01%	-0.54%	-0.02%	0.70%	0.39%	0.93%	9.79%
2018	0.43%	-0.28%	-0.61%	-0.89%	-0.51%	-1.04%	2.04%	-0.12%	0.48%	-2.72%	-0.03%	1.64%	-1.68%
2017	1.74%	2.65%	0.67%	0.90%	-0.38%	0.70%	0.98%	0.89%	0.68%	0.77%	-0.30%	0.30%	10.00%
2016	-0.49%	-0.10%	2.76%	1.04%	1.33%	1.80%	1.68%	0.96%	0.18%	0.35%	-0.31%	-0.05%	9.50%
2015	0.32%	0.38%	0.40%	2.37%	0.97%	0.15%	0.26%	-2.55%	-0.24%	2.58%	0.20%	0.49%	5.35%
2014	-0.25%	1.59%	0.38%	0.69%	1.40%	1.30%	1.11%	1.40%	-0.36%	0.57%	0.31%	-0.43%	7.95%
2013	1.18%	0.58%	0.88%	2.16%	-1.24%	-3.38%	1.60%	-0.16%	0.99%	1.60%	0.25%	0.95%	5.40%
2012	2.21%	3.60%	0.43%	-0.23%	-0.91%	0.91%	2.03%	1.34%	1.26%	2.42%	1.60%	1.58%	17.41%

Unless stated otherwise, all data as of 31 January 2023. Source: Income Partners, fund performance is calculated on NAV to NAV basis in denominated currency with dividends re-invested. Performance is presented on a net-of-fees basis. Past performance is not indicative of future results.

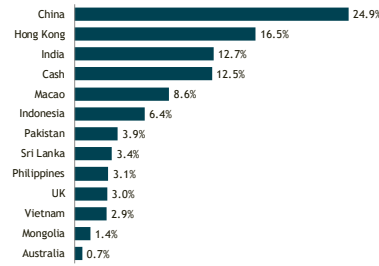
1. The award is based on the performance from 1 October 2021 to 30 September 2022. Any awards won are not indicative of Income Partners' future performance. The awards should not be considered an endorsement of Income Partners by any client. The awards may not be representative of any client's experience.
2. Morningstar, as of 31 January 2023 © Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.
3. This document contains fund performance or NAV numbers which may be subject to amendments and further verification by the fund administrator. The fund administrator, rather than the manager, publishes the official fund NAV. Any performance numbers contained herein should not be relied on as official or final NAV of the fund.
4. The total return chart above shows the Fund's total return performance since inception.
5. 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. In respect of the Class 2C (USD) Distribution Units, pay out non-discretionary monthly distributions at a fixed percentage of 7% per annum. The 7% annualized yield is calculated as follows: (total dividend paid or to be paid over the current calendar year / last available net asset value of the Fund) in the prior calendar year) x 100%.
6. The calendar performance figures are calculated from share class launch dates to calendar year-end.
7. The Sharpe Ratio is calculated as annualized return minus risk free rate (RFR) divided by annualized standard deviation. RFR is the simple average of 1 year CNH cross-currency swap rate.
8. Yield to Maturity in RMB applies to all Unhedged share classes in RMB (2B), USD (2A), HKD (2D), AUD (2E), SGD (2H), EUR (2J), as investors are exposed to RMB risk.
9. Yield to Maturity in USD applies to all Hedged share classes in USD-Hedged (2G), AUD-Hedged (2F), HKD-Hedged (2I), SGD-Hedged (2L), EUR-Hedged (2K), RMB (USD Exposure) (2X) as investors are not exposed to RMB risk.
10. Where applicable, workout dates are used for the calculation of yield to maturity for callable bonds (sourced from Bloomberg). When calculating average YTM of the Fund, we conservatively use zero yield for defaulted bonds. For bonds with YTM that is greater than 80%, we conservatively apply current yield in place of YTM.
11. Top 10 Holdings is grouped by issuer, the fund may hold multiple issues from the same issuer.

Fund Details	
Base Currency	RMB
Minimum Initial Investment	2A (USD): USD1,000 2B (RMB): RMB10,000 2C (USD): USD1,000 2D (HKD): HKD10,000 2E (AUD): AUD1,000 2F (AUD-H): AUD1,000 2G (USD-H): USD1,000 2H (SGD): SGD1,000 2I (SGD-H): SGD1,000 2J (EUR): EUR1,000 2K (EUR-H): EUR1,000 2L (HKD-H): HKD10,000
Fees & Charges¹³	Management Fee: 1.50% p.a. Subscription Charge: Up to 5.00%
Dealing Frequency	Daily
Dividend Frequency	Monthly (Please refer to important information VI)
Portfolio Manager	Emil Nguy Suvir Mukhi
Trustee	Cititrust Limited
Custodian & Administrator	Citibank, N.A., Hong Kong Branch
Transfer Agent	Citicorp Financial Services Limited
Share Class	Bloomberg Ticker ISIN
2A Acc (USD)	IRHY2AA HK HK0000421419
2A Dis (USD)	IPRHY2A HK HK0000421401
2B Acc (RMB)	IRHY2BA HK HK0000421435
2B Dis (RMB)	IPRHY2B HK HK0000421427
2C Dis (USD)	IPRHY2C HK HK0000421443
2D Acc (HKD)	IRHY2DA HK HK0000421468
2D Dis (HKD)	IPRHY2D HK HK0000421450
2E Acc (AUD)	IRHY2EA HK HK0000421484
2E Dis (AUD)	IPRHY2E HK HK0000421476
2F Acc (AUD-H)	IRHY2FA HK HK0000421500
2F Dis (AUD-H)	IPRHY2F HK HK0000421492
2G Acc (USD-H)	IRHY2GA HK HK0000421526
2G Dis (USD-H)	IPRHY2G HK HK0000421518
2H Acc (SGD)	IRHY2HA HK HK0000421542
2H Dis (SGD)	IPRHY2H HK HK0000421534
2I Acc (SGD-H)	IRHY2IA HK HK0000421567
2I Dis (SGD-H)	IPRHY2I HK HK0000421559
2J Acc (EUR)	IRHY2JA HK HK0000490018
2J Dis (EUR)	IPRHY2J HK HK0000490000
2K Acc (EUR-H)	IRHY2KA HK HK0000490034
2K Dis (EUR-H)	IPRHY2K HK HK0000490026
2L Acc (HKD-H)	IRHY2LA HK HK0000490059
2L Dis (HKD-H)	IPRHY2L HK HK0000490042
Fund AUM	RMB217 million / USD30 million

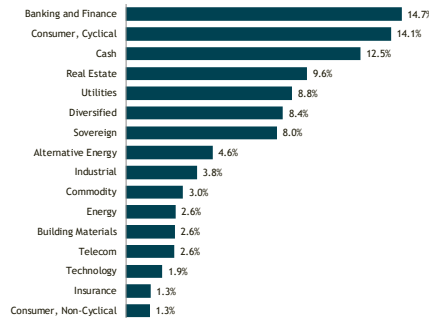
H = Hedged currency share class

PORTFOLIO OVERVIEW¹²

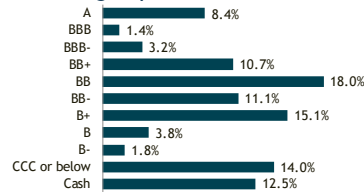
Geographical Exposure



Industry Exposure



Credit Rating Exposure



MANAGER'S COMMENTARY¹⁴

During January, the Asian high yield bond market experienced a continued and widespread rebound, led by China and India, following the positive trends seen in November and December. As we enter the new year, it appears that investors are carefully assessing their appetite for risk, considering that the spreads on Asian investment-grade bonds are already quite narrow. Capital is being redirected towards relatively stable credits that offer attractive potential returns within the high yield space. Simultaneously, it is not surprising that new targeted policies have been introduced to provide further support to the Chinese property sector. Of these policies, two have garnered significant attention. Firstly, the People's Bank of China (PBOC) has optimized the terms for loans backed by investment properties, enabling the funds obtained through these loans to be used for purposes beyond the collateral properties themselves. Additionally, the loan-to-value (LTV) ratio has been raised from the current 50% to 70%. Secondly, Guangzhou, a tier-1 city in the greater bay area, has relaxed its house purchasing restrictions for large-sized apartments. However, the property sales figures for our tracked developers during January were disappointing, and we anticipate weak demand persisting in the coming months.

In terms of fundamental data, China's manufacturing PMI came in at 49.2% in January, slightly up from 49.0% in December, but still staying in contractionary territory for the 4th consecutive month. The latest PMI data points to a further weakening of China's industrial activities. China's CPI for December was -0.3% YoY. The increase in food (especially vegetable) prices was mostly offset by the drop in domestic fuel prices. December's PPI dropped to -2.7% YoY. China December's PMI suggested a smaller decline in industrial product prices in December on a MoM basis, leading a slight recovery in headline PPI to -2.7% YoY from -3.0% YoY of prior month. China's exports grew by 2.3% YoY in December, while imports up by 0.2% YoY. Both have slightly exceeded market expectations (1.5% YoY for exports, -0.5% YoY for imports). The biggest factor supporting export improvement was still base effect. Excluding base effect and on a two-year-average basis, exports growth only mildly improved by 0.3ppt from -4.1% in November to -3.8% in December, pointing to a much smaller improvement than the headline figure suggests. China's total social financing reached RMB 1.9 trillion, up from RMB1.3trn a year ago. China's new loan net issuance was at RMB1.17trn in December, declining by 16.4% YoY, also falling short of market consensus at RMB1.4trn. However, the drag from loan was more than offset by the robust government bond issuance (RMB928bn vs. RMB281bn a year before). China's retail sales showed relatively strong growth of 7.4% YoY in December, which, however, also benefited from the low base of last year.

Looking ahead, we tend to think the Chinese economy is now going through a significant transition. While it's difficult for the old growth engines—property, infrastructures, and exports—to deliver meaningful growth due to various structural constraints, the new growth engines in emerging manufacturing are also facing the headwinds from overcapacity with consumption challenged by downbeat consumer confidence. As for the medium to long-term prospects, a series of market-oriented structural reforms is needed to unleash the potential in consumption and the broader economy. Currently, the Asian High Yield market continues to present appealing yields. Additionally, with the US interest rates reaching their peak and a restricted influx of new bond issuances, we anticipate that the valuations will remain well supported in the short to medium term.

¹² The total exposures may vary due to rounding. The credit rating exposures presented here are based on ratings from S&P/Moody's/Fitch or equivalent ratings from other internationally recognized rating agencies. If S&P/Moody's/Fitch ratings for bond holdings are not available, Income Partners applies its internal credit ratings.

¹³ For other fees and charges, please refer to the offering documents.

¹⁴ Index or benchmark data are for reference purposes only and no comparability or relevance is warranted or implied.

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