

INCOME PARTNERS MANAGED VOLATILITY
HIGH YIELD BOND FUND - CLASS 2

Fund Manager's Report - 30 May 2025

CIES Eligible*

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 ²	Dividend per share	Annualized Dividend Yield ⁵
2A Acc (USD)	\$117.90		
2A Dis (USD)	\$40.29	\$0.26	8.1%
2B Acc (RMB)	¥131.83		
2B Dis (RMB)	¥44.44	¥0.28	7.9%
2C Dis (USD) ⁵	\$43.81	\$0.26	7.0%
2D Acc (HKD)	\$71.87		
2D Dis (HKD)	\$39.88	\$0.25	8.0%
2E Dis (AUD)	\$52.77	\$0.30	7.1%
2F Acc (AUD-H)	\$84.28		
2F Dis (AUD-H)	\$47.69	\$0.29	7.6%
2G Acc (USD-H)	\$91.35		
2G Dis (USD-H)	\$43.17	\$0.29	8.4%
2I Acc (SGD-H)	\$70.04		
2I Dis (SGD-H)	\$47.02	\$0.27	7.2%
2K Dis (EUR-H)	€50.04	€0.24	5.9%
2L Dis (HKD-H)	\$46.48	\$0.31	8.4%

H = Hedged currency share class

Record Date: 30 May 2025

Ex-Dividend Date: 2 June 2025

Payment/Reinvestment Date: 4 June 2025

Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

Risk Measures	1 Year	3 Years	Since Inception
2B Acc (RMB)			
Annualized Volatility	4.72%	18.55%	10.38%
Sharpe Ratio ⁶	-0.07	-0.28	-0.07

Fund Characteristics

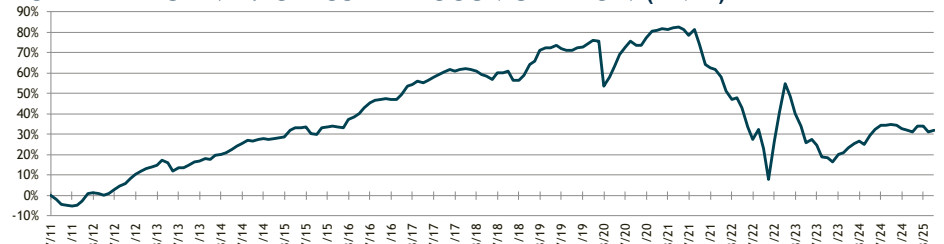
Yield to Maturity in RMB ^{7,9}	3.0%
Yield to Maturity in USD ^{8,9}	5.9%
Modified Duration (years)	3.0
Average Credit Rating	BB+
Number of bond holdings	50

Top 10 Holdings¹⁰: 33.6% of NAV

Electricite de France SA	4.0%
Ford Motor Credit Co LLC	3.8%
Hysan Development Co. Ltd	3.8%
Far East Horizon Ltd	3.7%
British Telecommunications PLC	3.6%
MGM China Holdings Ltd	3.4%
Rakuten Group Inc	2.9%
Las Vegas Sands Corp	2.8%
Zhongsheng Group Holdings Ltd	2.8%
SJM Holdings Limited	2.8%

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^{2,3}: CLASS 2B ACCUMULATION (RMB)CUMULATIVE PERFORMANCE AND CALENDAR YEAR PERFORMANCE²

Share Class	Year-to-date (YTD)	1 Year	3 Years (Annualized)	5 Years (Annualized)	Since Inception (Annualized)	2020	2021	2022	2023	2024	Inception Date (dd/mm/yy)
2A Acc (USD)	1.72%	2.71%	-5.08%	-4.30%	1.20%	10.75%	-8.23%	-20.22%	-16.37%	5.94%	27/07/11
2A Dis (USD)	1.71%	2.71%	-5.08%	-4.29%	1.19%	10.76%	-8.24%	-20.21%	-16.34%	5.93%	03/08/11
2B Acc (RMB)	-0.23%	1.82%	-2.65%	-4.20%	2.01%	3.51%	-10.41%	-13.08%	-13.94%	9.16%	27/07/11
2B Dis (RMB)	-0.23%	1.83%	-2.65%	-4.20%	2.02%	3.51%	-10.41%	-13.08%	-13.94%	9.17%	27/07/11
2C Dis (USD) ⁵	1.71%	2.75%	-5.07%	-4.29%	1.31%	10.76%	-8.23%	-20.22%	-16.35%	5.96%	10/08/11
2D Acc (HKD)	2.72%	3.01%	-5.10%	-4.08%	-4.44%	10.25%	-7.69%	-20.23%	-16.20%	5.31%	21/02/18
2D Dis (HKD)	2.72%	3.02%	-5.09%	-4.07%	-4.42%	10.28%	-7.71%	-20.23%	-16.19%	5.33%	09/02/18
2E Dis (AUD)	-1.55%	6.46%	-1.45%	-3.60%	-2.08%	0.38%	-2.26%	-14.74%	-16.46%	16.00%	04/05/18
2F Acc (AUD-H)	-0.93%	2.23%	-2.34%	-5.24%	-1.76%	0.76%	-13.35%	-14.59%	-13.40%	10.74%	13/10/15
2F Dis (AUD-H)	0.37%	3.54%	-1.93%	-5.00%	-5.29%	0.76%	-13.35%	-14.62%	-13.40%	10.76%	02/05/19
2G Acc (USD-H)	1.07%	4.81%	-0.59%	-4.09%	-0.93%	1.58%	-13.12%	-13.70%	-11.98%	11.77%	13/10/15
2G Dis (USD-H)	1.07%	4.87%	-0.56%	-4.06%	-1.05%	1.61%	-13.10%	-13.69%	-11.94%	11.81%	19/10/15
2I Dis (SGD-H)	-0.09%	2.54%	-2.10%	-4.99%	-5.23%	1.20%	-13.10%	-14.03%	-13.18%	9.86%	24/04/19
2K Dis (EUR-H)	-0.12%	2.62%	-2.14%	-5.35%	-5.89%	0.02%	-13.84%	-15.73%	-12.24%	10.28%	07/05/19
2L Dis (HKD-H)	0.71%	3.84%	-1.46%	-4.64%	-4.73%	1.75%	-13.24%	-14.29%	-12.64%	10.63%	17/04/19

MONTHLY PERFORMANCE²: CLASS 2B ACCUMULATION (RMB)

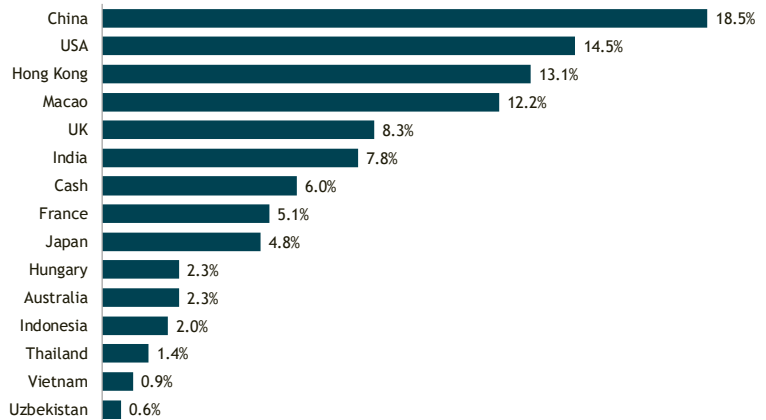
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	-0.86%	2.36%	-0.16%	-2.06%	0.56%								-0.23%
2024	2.07%	1.46%	1.10%	-1.35%	3.55%	2.15%	1.72%	-0.19%	0.30%	-0.10%	-1.39%	-0.41%	9.16%
2023	10.20%	-3.94%	-5.91%	-4.20%	-6.30%	1.28%	-2.05%	-4.63%	-0.22%	-1.77%	3.10%	0.68%	-13.94%
2022	-2.26%	-4.34%	-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%	-0.12%	0.48%	-2.72%	-0.03%	1.64%	-1.68%	-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%	-1.60%	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 30 May 2025. 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.

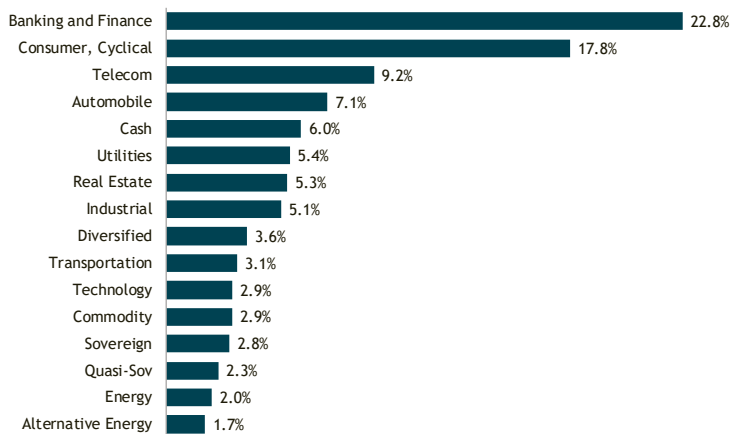
- The award is based on the performance from 1 October 2021 to 30 September 2022. Any awards won are not indicative on Income Partners' future performance. The awards should not be considered an endorsement of Income Partners by any client. The awards may not be representative of any client's experience. Income Partners may be required to pay a fee to participate in the nomination of the award.
- 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.
- The total return chart above shows the Fund's total return performance since inception.
- 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. 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: $(\text{total dividend paid or to be paid over the current calendar year} / \text{last available net asset value of the Fund in the prior calendar year}) \times 100\%$.
- The calendar performance figures are calculated from share class launch dates to calendar year-end.
- 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.
- 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.
- Yield to Maturity in USD applies to all Hedged share classes in USD-Hedged (2G), AUD-Hedged (2F), HKD-Hedged (2L), SGD-Hedged (2I), EUR-Hedged (2K), RMB (USD Exposure) (2X) as investors are not exposed to RMB risk.
- 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.
- Top 10 Holdings is grouped by issuer, the Fund may hold multiple issues from the same issuer.
- * With effect from 1 March 2024, the Fund is an eligible collective investment scheme in the new Capital Investment Entrant Scheme (New CIES) in Hong Kong.

PORTFOLIO OVERVIEW¹¹

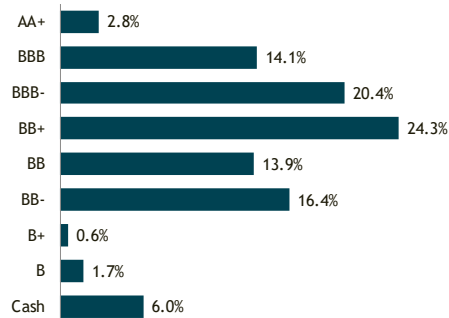
Geographical Exposure



Industry Exposure



Credit Rating Exposure



Fund Details

Base Currency	RMB
	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
Minimum Initial Investment	Management Fee: 1.50% p.a. Subscription Charge: Up to 5.00%
Fees & Charges ¹²	
Dealing Frequency	Daily
Dividend Frequency	Monthly (Please refer to important information VI)
Portfolio Manager	Emil Nguy Jack Zhai Jason Wong
Investment Advisor ¹³	Zhong Ou Asset Management International Limited
Trustee	Cititrust Limited
Custodian & Administrator	Citibank, N.A., Hong Kong Branch
Transfer Agent	Citicorp Financial Services Limited
Share Class	Bloomberg 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	RMB255 million / USD35 million

H = Hedged currency share class

MANAGER'S COMMENTARY¹⁴

In May, the Asia high-yield bond market sustained its broad-based rebound, continuing the recovery that began in late April. The market is now on track to reclaim its year-to-date highs from March.

A key regional development was the de-escalation of the U.S.-China trade dispute. Both countries reached a preliminary breakthrough with a 90-day truce, accompanied by tariff reductions (U.S. tariffs fell from 145% to 30%, and China's from 125% to 10%). However, this progress was tempered by new U.S. restrictions on technology exports and student visas, prompting China to threaten curbs on rare earth mineral exports. While negotiations resumed in June, the outcome remains uncertain, with the potential for ongoing back-and-forth in the coming months.

MANAGER'S COMMENTARY (Cont'd)¹⁴

In terms of economic outlook, in the U.S., the labor market continued to show resilience despite softer-than-expected inflation in May, as indicated by subdued CPI data. This tempered market expectations for near-term rate cuts from U.S. Fed, driving U.S. Treasury yields higher. The 5-year and 10-year Treasury yields rose by 23 and 24 basis points, respectively, as investors reassessed the Fed's urgency to ease policy. In contrast, China's economy remains under pressure. Although the manufacturing PMI slightly improved to 49.5 in May (from 49.0 in April), aggregate demand remains weak, reflected in a subdued CPI reading of -0.1% YoY and a deeper contraction in PPI (-2.7% in May vs. -2.5% in April). The tariff truce brought short-term relief, encouraging exporters to front-load shipments ahead of potential future uncertainty. However, weaknesses in China's property market persisted, with the top 100 developers' sales declining further to -10% YoY in May (from -7% in April). While state-owned developers showed some improvement, private developers continued to struggle with weak sales and land purchases.

For performance highlights, the Asia high-yield bond market experienced strong performance across most segments in May, with the exception of Hong Kong (-0.2% MTD) and Singapore (-1% MTD). Sri Lanka and Pakistan led the region, posting impressive MTD returns of 8.4% and 6.7%, respectively, followed by India (+2.4% MTD) and Indonesia (+1.9% MTD). China gained 1% MTD, driven by high-beta names such as eHi Car Services (+6% MTD) and West China Cement (+3.9% MTD). However, Hong Kong's property sector faced headwinds, largely due to New World Development's decision not to call a perpetual bond on its first call date, leading to a coupon step-up above 10%. The issuer later announced a deferral of coupon payments on its perpetual bonds, signaling liquidity stress despite ongoing refinancing efforts. This announcement surprised investors and dragged the Hong Kong property sector down by approximately 5% MTD. On a brighter note, Macau's gross gaming revenue (GGR) grew +5% YoY in May, reaching a five-year high of MOP21.2 billion and exceeding consensus estimates of +2% YoY. The recovery rate of 82% vs. pre-COVID levels marked the best performance since reopening, boosting sector valuations. Additionally, as the first pure private-owned Chinese property company exploring new issuance opportunities since Dalian Wanda in 2023, Seazen Group hosted non-deal roadshows in late May. The issuance, if successful, would signal that the worst may be behind for the sector, marking a significant milestone.

In May, we continued to prioritize volatility management amid heightened uncertainty in global markets. We reduced exposure to high-beta holdings in favor of credits with more stable profiles, helping to lower the fund's overall volatility. Given the recent rise in U.S. Treasury yields, we also extended the fund's duration to position for a potential economic slowdown in the second half of the year, which typically results in lower long-term interest rates. At month-end, the fund maintained a credit rating of BB+ and a lower volatility outlook, positioning it well to navigate potential market turbulence and macroeconomic challenges. We remain committed to preserving an attractive spread over U.S. Treasuries while maintaining a disciplined approach to risk management.

11. 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.

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

13. The Fund utilizes the advisory services of Zhong Ou Asset Management International Limited. Income Partners is solely responsible for all related costs. No costs will be borne by the Fund.

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

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