

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 <sup>2</sup>	Dividend per share	Annualized Dividend Yield <sup>5</sup>
2A Acc (USD)	\$121.51		
2A Dis (USD)	\$43.53	\$0.30	8.4%
2B Acc (RMB)	¥134.55		
2B Dis (RMB)	¥47.44	¥0.31	8.1%
2C Dis (USD) <sup>5</sup>	\$47.04	\$0.26	7.0%
2D Acc (HKD)	\$73.42		
2D Dis (HKD)	\$42.67	\$0.29	8.3%
2E Dis (AUD)	\$55.28	\$0.30	6.9%
2F Acc (AUD-H)	\$86.46		
2F Dis (AUD-H)	\$50.28	\$0.27	6.6%
2G Acc (USD-H)	\$91.79		
2G Dis (USD-H)	\$45.41	\$0.29	7.9%
2I Acc (SGD-H)	\$73.47		
2I Dis (SGD-H)	\$49.84	\$0.27	6.7%
2K Dis (EUR-H)	€52.66	€0.22	5.1%
2L Dis (HKD-H)	\$49.13	\$0.32	8.1%

H = Hedged currency share class  
 Record Date: 31 October 2024  
 Ex-Dividend Date: 1 November 2024  
 Payment/Reinvestment Date: 5 November 2024  
 Please see [www.incomepartners.com](http://www.incomepartners.com) for details of historical dividend information for all applicable share classes.

Risk Measures	1 Year	3 Years	Since Inception
Annualized Volatility	4.94%	18.80%	10.56%
Sharpe Ratio <sup>6</sup>	0.68	-0.49	-0.05

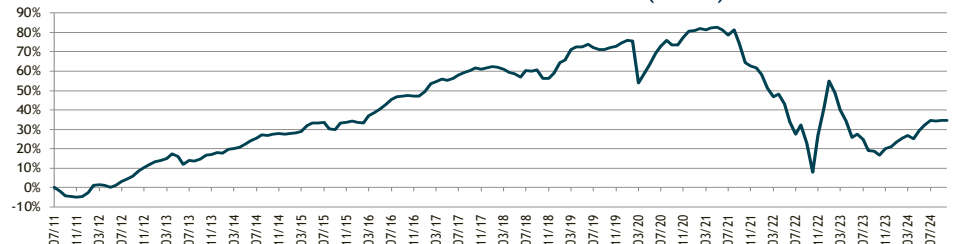
Fund Characteristics	
Yield to Maturity in RMB <sup>7,9</sup>	6.7%
Yield to Maturity in USD <sup>8,9</sup>	9.0%
Modified Duration (years)	2.8
Average Credit Rating	BB-
Number of bond holdings	65

Top 10 Holdings <sup>10</sup> : 32.5% of NAV	
FWD Group Holdings Ltd.	3.8%
San Miguel Global Power Holdings Corp.	3.8%
New World Development Company Ltd.	3.7%
Fosun International Ltd.	3.6%
Far East Consortium International Ltd.	3.3%
Pakistan Government Bond	3.1%
Sri Lanka Government Bond	3.1%
Lai Sun Development Company Ltd.	2.9%
Sun Hung Kai & Co Ltd.	2.6%
Vedanta Resources PLC	2.6%

### 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<sup>2,3</sup>: CLASS 2B ACCUMULATION (RMB)



### CUMULATIVE PERFORMANCE AND CALENDAR YEAR PERFORMANCE<sup>2</sup>

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)	11.06%	18.56%	-9.77%	-5.02%	1.48%	8.44%	10.75%	-8.23%	-20.22%	-16.37%	27/07/11
2A Dis (USD)	11.05%	18.56%	-9.76%	-5.01%	1.47%	8.45%	10.76%	-8.24%	-20.21%	-16.34%	03/08/11
2B Acc (RMB)	11.16%	15.38%	-6.44%	-4.81%	2.26%	9.79%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2B Dis (RMB)	11.18%	15.41%	-6.44%	-4.81%	2.27%	9.80%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2C Dis (USD) <sup>5</sup>	11.05%	18.58%	-9.76%	-5.01%	1.60%	8.44%	10.76%	-8.23%	-20.22%	-16.35%	10/08/11
2D Acc (HKD)	10.51%	17.83%	-9.78%	-5.17%	-4.51%	7.83%	10.25%	-7.69%	-20.23%	-16.20%	21/02/18
2D Dis (HKD)	10.54%	17.84%	-9.77%	-5.16%	-4.48%	7.81%	10.28%	-7.71%	-20.23%	-16.19%	09/02/18
2E Dis (AUD)	15.10%	15.16%	-5.52%	-4.08%	-2.14%	9.16%	0.38%	-2.26%	-14.74%	-16.46%	04/05/18
2F Acc (AUD-H)	12.55%	16.96%	-6.60%	-5.99%	-1.59%	7.66%	0.76%	-13.35%	-14.59%	-13.40%	13/10/15
2F Dis (AUD-H)	12.56%	17.01%	-6.61%	-6.00%	-5.61%	0.15%	0.76%	-13.35%	-14.62%	-13.40%	02/05/19
2G Acc (USD-H)	13.52%	18.32%	-5.47%	-5.11%	-0.94%	8.95%	1.58%	-13.12%	-13.70%	-11.98%	13/10/15
2G Dis (USD-H)	13.53%	18.35%	-5.44%	-5.08%	-1.07%	9.18%	1.61%	-13.10%	-13.69%	-11.94%	19/10/15
2I Acc (SGD-H)	11.83%	16.19%	-6.50%	-5.80%	-5.44%	0.11%	1.23%	-13.06%	-14.03%	-13.26%	30/04/19
2I Dis (SGD-H)	11.87%	16.24%	-6.46%	-5.78%	-5.44%	-0.04%	1.20%	-13.10%	-14.03%	-13.18%	24/04/19
2K Dis (EUR-H)	12.29%	16.54%	-6.70%	-6.34%	-6.16%	-1.41%	0.02%	-13.84%	-15.73%	-12.24%	07/05/19
2L Dis (HKD-H)	12.46%	17.07%	-6.22%	-5.52%	-5.05%	0.90%	1.75%	-13.24%	-14.29%	-12.64%	17/04/19

### MONTHLY PERFORMANCE<sup>2</sup>: CLASS 2B ACCUMULATION (RMB)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	2.07%	1.46%	1.10%	-1.35%	3.55%	2.15%	1.72%	-0.19%	0.30%	-0.10%			11.16%
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%	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%
2011								-1.88%	-2.50%	-0.41%	-0.40%	0.50%	-4.63%

Unless stated otherwise, all data as of 31 October 2024. 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 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.
2. 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.
3. The total return chart above shows the Fund's total return performance since inception.
4. 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:  $(\text{total dividend paid or to be paid over the current calendar year} / \text{last available net asset value of the Fund in the prior calendar year}) \times 100\%$ .
5. The calendar performance figures are calculated from share class launch dates to calendar year-end.
6. 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.
7. 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.
8. 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.
9. 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 apply zero yield for defaulted bonds. For bonds with YTM that is greater than 80%, we conservatively apply current yield in place of YTM.
10. Top 10 Holdings is grouped by issuer, the fund may hold multiple issues from the same issuer.

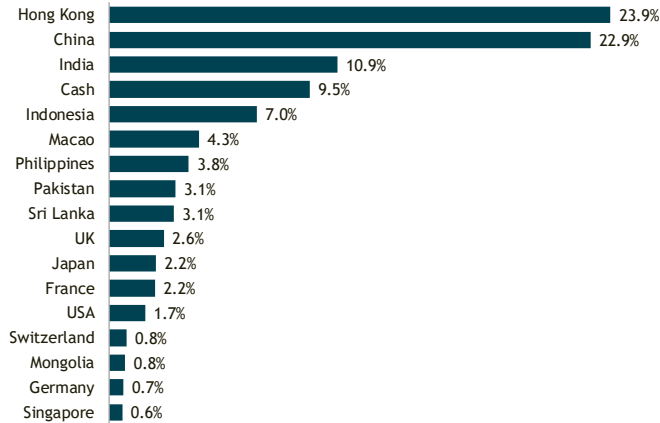
\* With effect from 1 March 2024, the fund is an eligible collective investment scheme in the new Capital Investment Entrant Scheme (New CIES) in Hong Kong.

## PORTFOLIO OVERVIEW<sup>11</sup>

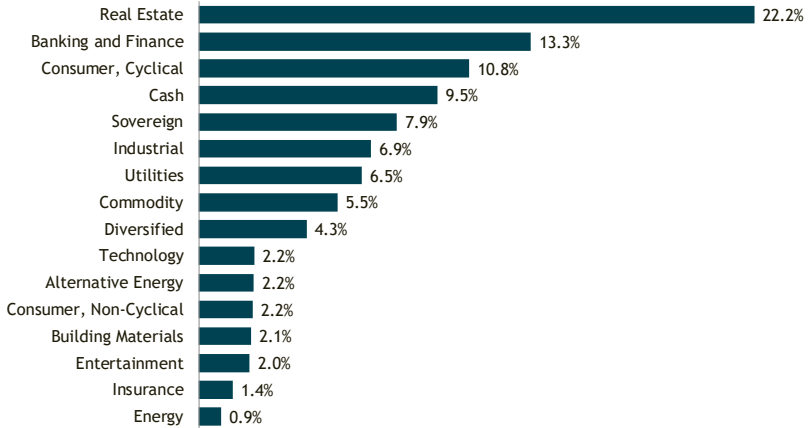
### Geographical Exposure

Fund Details	
<b>Base Currency</b>	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
<b>Minimum Initial Investment</b>	
	Management Fee: 1.50% p.a.
	Subscription Charge: Up to 5.00%
<b>Fees &amp; Charges<sup>12</sup></b>	
<b>Dealing Frequency</b>	Daily
<b>Dividend Frequency</b>	Monthly (Please refer to important information VI)
<b>Portfolio Manager</b>	Emil Nguy Jack Zhai Jason Wong
<b>Trustee</b>	Cititrust Limited
<b>Custodian &amp; Administrator</b>	Citibank, N.A., Hong Kong Branch
<b>Transfer Agent</b>	Citicorp Financial Services Limited
<b>Share Class</b>	<b>Bloomberg Ticker</b> <b>ISIN</b>
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
<b>Fund AUM</b>	RMB208 million / USD29 million

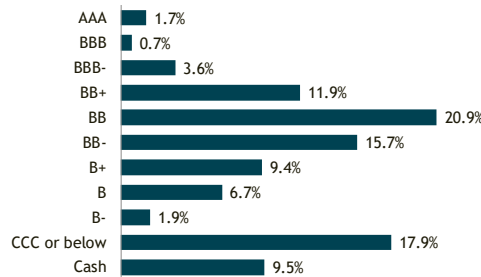
H = Hedged currency share class



### Industry Exposure



### Credit Rating Exposure



## MANAGER'S COMMENTARY<sup>13</sup>

In October, the Asian High Yield bond market continued its rally in September, primarily influenced by the China property sector and Sri Lankan sovereign bonds. Despite a notable sell-off in US treasuries, with the 10-year yield rising over 50bps in anticipation of a Donald Trump victory in the US election, Asian high yield bonds remained resilient. The rally in the Asian High Yield bond market has now completed a 12-month journey since last November, indicating a positive trajectory for the market's recovery after facing challenges in recent years. We are optimistic about the future prospects of the vibrant market. As investor interests continue to rise, we eagerly anticipate exploring the exciting investment opportunities alongside our clients.

Since our September update, the market has witnessed several impactful events, most notably the outcome of the US elections. The victory of Donald Trump and a Republican sweep could reshape US policies and have enduring effects on the global financial landscape in the coming years. The prevailing sentiment suggests that policies under the Trump administration will favor economic growth and more sticky inflation, potentially leading to a sustained period of higher interest rates in the US, as evidenced by the bear-steepening US treasury curve. In China, the initial enthusiasm following a policy shift in late September waned due to a lack of follow-up on fiscal policies. The recent meetings of the National People's Congress Standing Committee in early November resulted in fiscal measures that primarily address local government debt concerns, falling short of market expectations.

In terms of market sector performance, the rally in the China property sector, especially for distressed names like Sunac (+70.2% MoM), continued its momentum from late September. Companies like Seazen (+8.4% MoM), Roadking (+6.6% MoM), and Longfor (+4.3% MoM) outperformed their peers due to their high beta nature. Property sales have notably recovered across the board, with both primary and secondary home prices stabilizing. Property sales have shown a noticeable recovery across the board, evident from the operational data released by major developers. Both primary and secondary home prices have stabilized, with buyers returning to primary markets while secondary sellers are hesitant to sell their homes. We interpret this trend as a positive sign, indicating the release of pent-up demand and a containment of home buyers' fears of price drops, although complete restoration of dampened confidence will require more time. Given this changing landscape, we wouldn't be surprised to see the housing market potentially reaching a bottom soon. We anticipate a period of consolidation where demand gradually picks up while the limited supply persists, until the market establishes a new equilibrium. From an investment standpoint, our strategy remains focused on issuers with quality investment properties and robust recurring cash flows.

MANAGER'S COMMENTARY (Cont'd)<sup>13</sup>

In other sectors across Greater China, industrial names like Fosun International (+1.5% MoM) and China Water Affairs (+1.3% MoM) performed well, while eHi Car Services (-1.0% MoM) continued to face challenges and West China Cement (-1.2% MoM) dropped following the downgrade by Moody's. GLP Pte Ltd made a few headlines this month, with notable events including Ares confirming the acquisition of GLP Capital Partners International and a setback in attracting sufficient interest for its new issues. Consequently, its straight bonds saw a 3.8% increase with a reduced likelihood of default, while perpetual bonds declined by 3.0% due to their relatively high valuation. In Hong Kong, a positive trend was observed across the board, with companies like Lifestyle International (+3.9% MoM), Regal Hotels International (+2.0% MoM), Far East Consortium (+1.9% MoM), Li & Fung (+1.5% MoM), and FWD Group (+1.2%) registering gains. However, Standard Chartered Bank's AT1 bonds faced challenges due to rising interest rates, acting as a significant drag on the market. In Macau, the gaming sector experienced a slight decline of 0.4% month-on-month, impacted by rising rates. Despite this pressure, the overall correction in the sector was relatively contained.

Apart from Greater China, the significant rally in Sri Lanka sovereign bonds contributed to the market performance, with a surge of 10.3% month-on-month. We see three key factors contributed to this rally: (1) the resolution of uncertainties surrounding the presidential election in September, (2) the new government's commitment to honoring the previously reached agreement with the IMF, and (3) promising headlines indicating progress in negotiations between the new government and bondholders regarding restructuring terms, with a potential deal on the horizon by year-end. While these developments are undoubtedly positive, it is worth noting that current bond valuations largely reflect this optimism. In other parts of the Asian market, performance has remained relatively flat to slightly positive.

In terms of fund allocation, on the macro front, we have reduced the overweight in duration in light of potential upside risk in the interest rates under a Trump administration. Additionally, we have revised our outlook on the Chinese currency to slightly negative. This adjustment is in anticipation of potential tariff increases on Chinese goods, which could lead to currency depreciation, or voluntary devaluation by the Chinese government to counteract tariff effects. On the credit side, we continue to find value in Chinese industrial names. Despite concerns that a hawkish Trump administration may raise investor anxieties regarding Chinese assets, the issuers we are monitoring are primarily focused on the domestic market. Their fundamentals are closely tied to domestic demand and supply dynamics rather than international factors. With a supportive policy environment in China, we observe improvements in the domestic business landscape. We anticipate additional fiscal policies to be announced later this year or in Q1 2025, as in our view the policies released thus far mainly aimed to stabilize the economy in Q4 2024, and are not enough to completely turn the tide. Our fund holds a significant allocation in the Hong Kong property sector, which we believe has experienced the worst already. Issuers in this sector are actively addressing their balance sheets through cost-cutting measures and asset disposals. We believe the credit cycle in this sector has bottomed out, with credit metrics gradually improving as interest rates decrease. However, progress may be slower than expected due to recent political shifts. As we approach the year-end, where investors typically sell some assets to realize gains and reallocate for the upcoming year, we remain vigilant for promising opportunities to capitalize on these market dynamics.

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. Index or benchmark data are for reference purposes only and no comparability or relevance is warranted or implied.  
This document is issued by Income Partners Asset Management (HK) Ltd ("Income Partners"), has not been reviewed by any regulatory authority including the Hong Kong Securities and Futures Commission ("SFC") and authorization by the SFC does not imply official recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. Accordingly, the information is qualified in its entirety by the terms applicable to the Fund as set out in its constitutive and offering documents ("Fund Documents"), and should be read together with such Fund Documents. This document is for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. There is no guarantee that these investment strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest, especially during periods of downturn in the market. Fund investments are subject to risks, fund prices may go up as well as down, and in a worst case scenario, the value of the funds may be worth substantially less than the original amount you invested. Past performance is not indicative of future performance. In Switzerland, this document may only be provided to qualified investors within the meaning of art. 10 para. 3 and 3ter CISA. In Switzerland, the representative is Acolin Fund Services AG (formerly Hugo Fund Services Sa), Leutschenbachstrasse 50, 8050 Zurich, Switzerland, whilst the paying agent is Banque Cantonale de Geneve, 17 quai de l'île, 1204 Geneva, Switzerland. The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative.