# INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND – CLASS 2

Fund Manager's Report – 31 Oct 2025

INCOME PARTNERS

1 聯合評級國際 Lianhe Ratings Global BBBf

- HKSFC Authorized*
- Northbound MRF*
- New 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[4] |
|---|---|---|---|
| 2A Acc (USD) | $123.17 | | |
| 2A Dis (USD) | $40.76 | $0.26 | 8.0% |
| 2B Acc (RMB) | ¥136.18 | | |
| 2B Dis (RMB) | ¥44.48 | ¥0.28 | 7.8% |
| 2C Dis (USD)[5] | $44.43 | $0.26 | 7.0% |
| 2D Acc (HKD) | $74.40 | | |
| 2D Dis (HKD) | $40.01 | $0.25 | 7.8% |
| 2E Dis (AUD) | $52.57 | $0.30 | 7.2% |
| 2F Acc (AUD-H) | $88.06 | | |
| 2F Dis (AUD-H) | $48.22 | $0.29 | 7.5% |
| 2G Acc (USD-H) | $95.49 | | |
| 2G Dis (USD-H) | $43.65 | $0.29 | 8.3% |
| 2I Acc (SGD-H) | $70.04 | | |
| 2I Dis (SGD-H) | $47.21 | $0.27 | 7.1% |
| 2K Dis (EUR-H) | €50.55 | €0.24 | 5.9% |
| 2L Dis (HKD-H) | $46.44 | $0.31 | 8.3% |

H = Hedged currency share class
Record Date: 31 Oct 2025
Ex-Dividend Date: 3 Nov 2025
Payment/Reinvestment Date: 5 Nov 2025
Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

| Risk Measures 2B Acc (RMB) | 1 Year | 3 Years | Since Inception |
|---|---|---|---|
| Annualized Volatility | 4.08% | 15.57% | 10.23% |
| Sharpe Ratio[6] | -0.18 | 0.37 | -0.05 |

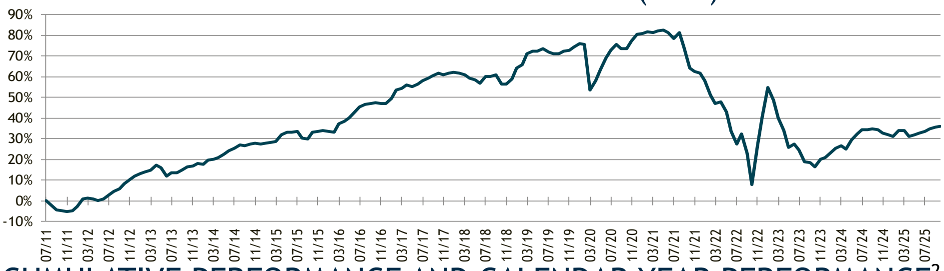
| Fund Characteristics | |
|---|---|
| Yield to Maturity in RMB[7,9] | 3.1% |
| Yield to Maturity in USD[8,9] | 5.4% |
| Modified Duration (years) | 3.1 |
| Average Credit Rating[10] | BBB- (Issuer) / BB+ (Bond) |
| Number of bond holdings | 55 |

| Top 10 Holdings[11]: 40.8% of NAV | |
|---|---|
| SoftBank Group Corp | 5.2% |
| HKT Limited | 4.5% |
| Vodafone Group PLC | 4.3% |
| Airport Authority | 4.2% |
| Ford Motor Credit Co LLC | 4.1% |
| Petroleos Mexicanos | 4.1% |
| Far East Horizon Ltd | 4.0% |
| Meiji Yasuda Life Insurance Co | 3.5% |
| China Hongqiao Group Ltd | 3.4% |
| Champion Path Holdings Ltd | 3.4% |

## 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 PERFORMANCE[2]

| 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) | 6.26% | 1.37% | 9.14% | -5.92% | 1.47% | 10.75% | -8.23% | -20.22% | -16.37% | 5.94% | 27/07/11 |
| 2A Dis (USD) | 6.26% | 1.36% | 9.16% | -5.91% | 1.46% | 10.76% | -8.24% | -20.21% | -16.34% | 5.93% | 03/08/11 |
| 2B Acc (RMB) | 3.07% | 1.21% | 8.10% | -4.74% | 2.19% | 3.51% | -10.41% | -13.08% | -13.94% | 9.16% | 27/07/11 |
| 2B Dis (RMB) | 3.06% | 1.20% | 8.11% | -4.74% | 2.20% | 3.51% | -10.41% | -13.08% | -13.94% | 9.17% | 27/07/11 |
| 2C Dis (USD)[5] | 6.25% | 1.38% | 9.15% | -5.91% | 1.58% | 10.76% | -8.23% | -20.22% | -16.35% | 5.96% | 10/08/11 |
| 2D Acc (HKD) | 6.33% | 1.33% | 8.77% | -5.88% | -3.77% | 10.25% | -7.69% | -20.23% | -16.20% | 5.31% | 21/02/18 |
| 2D Dis (HKD) | 6.34% | 1.33% | 8.79% | -5.87% | -3.75% | 10.28% | -7.71% | -20.23% | -16.19% | 5.33% | 09/02/18 |
| 2E Dis (AUD) | 0.93% | 1.72% | 8.32% | -4.53% | -1.63% | 0.38% | -2.26% | -14.74% | -16.46% | 16.00% | 04/05/18 |
| 2F Acc (AUD-H) | 3.51% | 1.85% | 9.03% | -5.34% | -1.26% | 0.76% | -13.35% | -14.59% | -13.40% | 10.74% | 13/10/15 |
| 2F Dis (AUD-H) | 4.61% | 2.93% | 9.43% | -5.15% | -4.35% | 0.76% | -13.35% | -14.62% | -13.40% | 10.76% | 02/05/19 |
| 2G Acc (USD-H) | 5.65% | 4.03% | 10.87% | -4.20% | -0.46% | 1.58% | -13.12% | -13.70% | -11.98% | 11.77% | 13/10/15 |
| 2G Dis (USD-H) | 5.68% | 4.09% | 10.91% | -4.17% | -0.56% | 1.61% | -13.10% | -13.69% | -11.94% | 11.81% | 19/10/15 |
| 2I Dis (SGD-H) | 3.23% | 1.38% | 8.80% | -5.30% | -4.43% | 1.20% | -13.10% | -14.03% | -13.18% | 9.86% | 24/04/19 |
| 2K Dis (EUR-H) | 3.34% | 1.48% | 9.18% | -5.59% | -5.02% | 0.02% | -13.84% | -15.73% | -12.24% | 10.28% | 07/05/19 |
| 2L Dis (HKD-H) | 4.05% | 2.37% | 9.64% | -4.99% | -3.96% | 1.75% | -13.24% | -14.29% | -12.64% | 10.63% | 17/04/19 |

## MONTHLY PERFORMANCE[2]: 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% | 0.61% | 0.69% | 0.94% | 0.73% | 0.27% | | | 3.07% |
| 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% | 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 October 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.

1. Source: Lianhe Ratings Global Limited, an international credit rating company, has assigned 'BBBf' Fund Credit Quality Rating ("FCQR") to Income Partners Managed Volatility High Yield Bond Fund at on November 2025
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 + 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%.
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 use zero yield for defaulted bonds. For bonds 9. with YTM that is greater than 80%, we conservatively apply current yield in place of YTM.

* The fund is approved by The Hong Kong Securities and Futures Commission (SFC) for public offering in Hong Kong.
* The fund is recognized under the Mainland–Hong Kong Mutual Recognition of Funds (MRF) scheme for distribution in mainland China.
* 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.

# INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND – CLASS 2

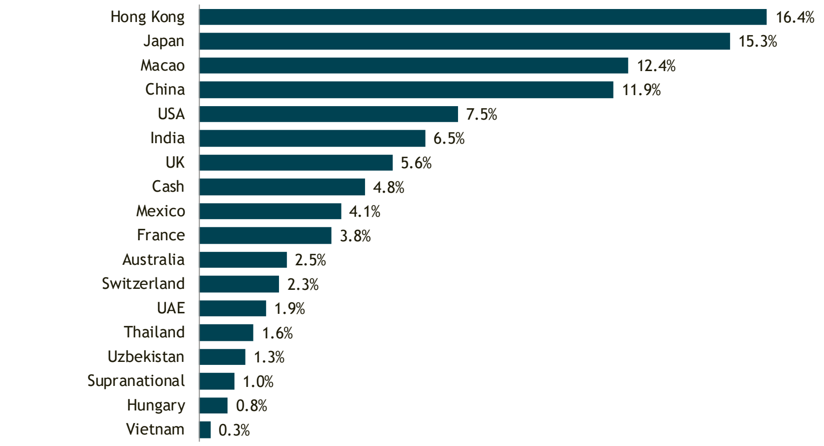
Fund Manager's Report – 31 Oct 2025

| Fund Details | | |
|---|---|---|
| **Base Currency** | RMB | |
| **Minimum Initial Investment** | 2A (USD): USD1,000<br>2B (RMB): RMB10,000<br>2C (USD): USD1,000<br>2D (HKD): HKD10,000<br>2E (AUD): AUD1,000<br>2F (AUD-H): AUD1,000<br>2G (USD-H): USD1,000<br>2H (SGD): SGD1,000<br>2I (SGD-H): SGD1,000<br>2J (EUR): EUR1,000<br>2K (EUR-H): EUR1,000<br>2L (HKD-H): HKD10,000 | |
| **Fees & Charges**[13] | Management Fee: 1.50% p.a.<br>Subscription Charge: Up to 5.00% | |
| **Dealing Frequency** | Daily | |
| **Dividend Frequency** | Monthly (Please refer to important information VI) | |
| **Portfolio Manager** | Emil Nguy<br>Jack Zhai<br>Jason Wong | |
| **Investment Advisor**[14] | 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** | RMB742 million / USD104 million | |

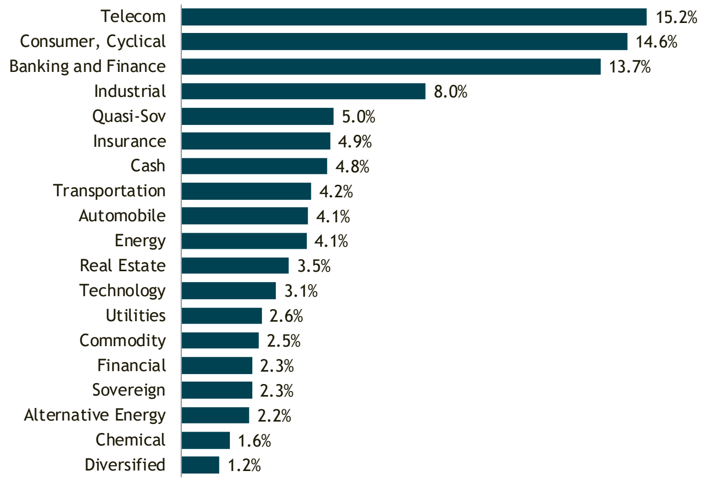
H = Hedged currency share class

## PORTFOLIO OVERVIEW[12]

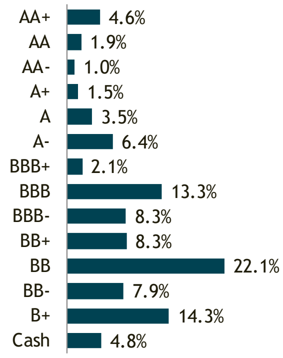
### Geographical Exposure



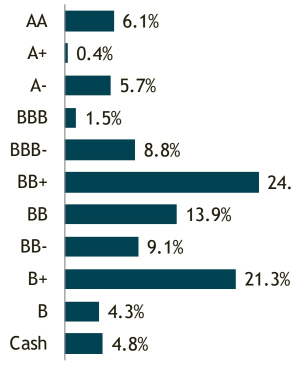

### Industry Exposure




### Credit Rating Exposure (Issuer)[10]




### Credit Rating Exposure (Bond)[10]




## MANAGER'S COMMENTARY[15]

In October, the Asia high-yield bond market experienced heightened volatility, with momentum slowing after five consecutive months of gains. Sentiment fluctuated as investors reacted to escalating U.S.-China trade tensions and their subsequent easing during the APEC 2025 meeting. Mid-month, the U.S. announced a 100% tariff on all Chinese imports in response to China's tightened restrictions on rare-earth exports, triggering risk-off selling. However, toward the end of October, a high-profile meeting between Presidents Trump and Xi resulted in significant concessions, rolling back most of the measures imposed earlier in the year. Markets welcomed this temporary truce with a meaningful rebound in risk asset prices, as both sides appeared to reach a short-term equilibrium on trade.

China's economy faced ongoing challenges in October. GDP growth for the first three quarters of 2025 reached 5.2% year-on-year, keeping the government's target of "around 5%" achievable, though third-quarter growth slowed to 4.8%, the weakest pace this year. The manufacturing PMI dropped further to 49.0, marking the seventh consecutive month of contraction. On the other hand, deflationary pressures eased as headline CPI rose 0.2% year-on-year, reversing the prior month's decline, while core CPI accelerated to 1.2%, the fastest pace in nearly two years. Stock markets were volatile, initially rallying on hopes of stimulus before retreating on weaker economic data. Consumption during the National Day "super golden week" holiday showed modest growth, with retail and catering sales rising 2.7% year-on-year and passenger traffic increasing 8.8%.

## MANAGER'S COMMENTARY (Cont'd)[15]

In the U.S., the Federal Reserve cut interest rates by 25 basis points in both September and October, bringing the federal funds rate to 3.75%-4.00%. The 10-year Treasury yield fluctuated between 3.9% and 4.2%, reflecting shifting expectations around growth and policy. Private-sector employment rebounded in October, adding 42,000 jobs. Meanwhile, the U.S. government shutdown, beginning October 1, became the longest on record, lasting 36 days by early November.

The Asia high-yield bond market rally in October was led by high-beta sectors. Hong Kong property posted strong gains of +9.49% month-to-date, driven by sharp price increases in bonds from Far East Consortium (+79.56%) and Regal Hotels (+55.75%), supported by improved risk sentiment. Sri Lanka also delivered a solid return of +3.08% month-to-date. Looking ahead, volatility is expected to persist into year-end, driven by China's economic trajectory, global trade dynamics, and geopolitical uncertainties. With strong year-to-date gains across sectors, some profit-taking may occur as investors adopt more defensive positions ahead of the holiday season.

During October, we maintained hedging positions to guard against potential credit spread widening in the first half of the month as sentiment turned cautious. The fund's allocation remained stable, with selective adjustments to optimize the portfolio's risk-return profile. Exposure to credits where price actions had already played out was reduced, while selective additions were made to high-conviction names at attractive valuations. As we approach year-end, we remain focused on capital preservation, managing volatility, and positioning the portfolio to capture opportunities from market dislocations while maintaining disciplined risk management.

10. The lower rating among equivalent ratings from S&P, Moody's, Fitch, or other internationally recognized rating agencies will be adopted. For bond holdings that are not rated by S&P, Moody's, Fitch, or other internationally recognized rating agencies, Income Partners will exercise discretion to apply internal credit ratings.
11. Top 10 Holdings is grouped by issuer, the Fund may hold multiple issues from the same issuer.
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. 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.
15. Index or benchmark data are for reference purposes only and no comparability or relevance is warranted or implied.