

### 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)	\$124.00		
2A Dis (USD)	\$44.72	\$0.30	8.5%
2B Acc (RMB)	¥134.69		
2B Dis (RMB)	¥47.79	¥0.31	8.1%
2C Dis (USD) <sup>5</sup>	\$48.26	\$0.26	7.0%
2D Acc (HKD)	\$74.86		
2D Dis (HKD)	\$43.79	\$0.29	8.4%
2E Dis (AUD)	\$53.84	\$0.30	6.9%
2F Acc (AUD-H)	\$86.32		
2F Dis (AUD-H)	\$50.48	\$0.27	6.6%
2G Acc (USD-H)	\$91.63		
2G Dis (USD-H)	\$45.61	\$0.29	8.0%
2I Acc (SGD-H)	\$73.46		
2I Dis (SGD-H)	\$50.10	\$0.27	6.7%
2K Dis (EUR-H)	€52.85	€0.22	5.1%
2L Dis (HKD-H)	\$49.39	\$0.32	8.1%

H = Hedged currency share class  
 Record Date: 30 September 2024  
 Ex-Dividend Date: 2 October 2024  
 Payment/Reinvestment Date: 4 October 2024  
 Please see [www.incomepartners.com](http://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	19.03%	10.59%
Sharpe Ratio <sup>6</sup>	-0.57	-0.04

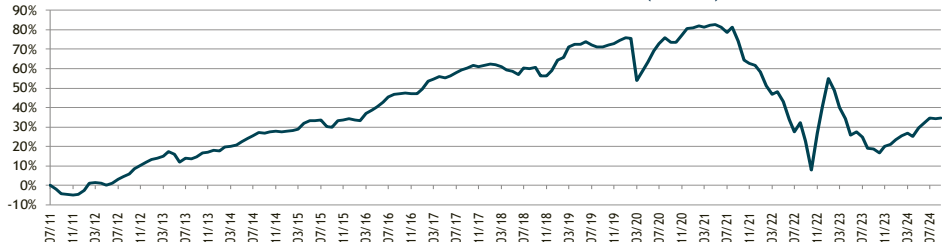
Fund Characteristics	
Yield to Maturity in RMB <sup>7,9</sup>	6.1%
Yield to Maturity in USD <sup>8,9</sup>	9.3%
Modified Duration (years)	3.3
Average Credit Rating	BB-
Number of bond holdings	68

Top 10 Holdings <sup>10</sup> : 33.8% of NAV	
Fosun International Ltd.	4.1%
FWD Group Holdings Ltd.	3.7%
San Miguel Global Power Holdings Corp.	3.6%
US Treasury Bond	3.6%
New World Development Company Ltd.	3.5%
Far East Consortium International Ltd.	3.2%
Standard Chartered PLC	3.2%
Sun Hung Kai & Co Ltd.	3.2%
Pakistan Government Bond	3.1%
Lai Sun Development Company Ltd.	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<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)	13.34%	18.35%	-10.52%	-4.25%	1.64%	8.44%	10.75%	-8.23%	-20.22%	-16.37%	27/07/11
2A Dis (USD)	13.32%	18.36%	-10.51%	-4.24%	1.64%	8.45%	10.76%	-8.24%	-20.21%	-16.34%	03/08/11
2B Acc (RMB)	11.28%	13.46%	-8.18%	-4.66%	2.28%	9.79%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2B Dis (RMB)	11.27%	13.45%	-8.18%	-4.66%	2.29%	9.80%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2C Dis (USD) <sup>2</sup>	13.32%	18.36%	-10.52%	-4.25%	1.76%	8.44%	10.76%	-8.23%	-20.22%	-16.35%	10/08/11
2D Acc (HKD)	12.67%	17.41%	-10.61%	-4.43%	-4.29%	7.83%	10.25%	-7.69%	-20.23%	-16.20%	21/02/18
2D Dis (HKD)	12.69%	17.40%	-10.60%	-4.43%	-4.26%	7.81%	10.28%	-7.71%	-20.23%	-16.19%	09/02/18
2E Dis (AUD)	11.48%	9.91%	-9.37%	-4.71%	-2.65%	9.16%	0.38%	-2.26%	-14.74%	-16.46%	04/05/18
2F Acc (AUD-H)	12.37%	14.62%	-8.50%	-5.93%	-1.63%	7.66%	0.76%	-13.35%	-14.59%	-13.40%	13/10/15
2F Dis (AUD-H)	12.41%	14.65%	-8.50%	-5.93%	-5.72%	0.15%	0.76%	-13.35%	-14.62%	-13.40%	02/05/19
2G Acc (USD-H)	13.32%	16.06%	-7.39%	-5.03%	-0.97%	8.95%	1.58%	-13.12%	-13.70%	-11.98%	13/10/15
2G Dis (USD-H)	13.30%	16.06%	-7.38%	-5.01%	-1.10%	9.18%	1.61%	-13.10%	-13.69%	-11.94%	19/10/15
2I Acc (SGD-H)	11.81%	14.00%	-8.36%	-5.69%	-5.53%	0.11%	1.23%	-13.06%	-14.03%	-13.26%	30/04/19
2I Dis (SGD-H)	11.85%	14.04%	-8.32%	-5.67%	-5.53%	-0.04%	1.20%	-13.10%	-14.03%	-13.18%	24/04/19
2K Dis (EUR-H)	12.23%	14.31%	-8.60%	-6.28%	-6.26%	-1.41%	0.02%	-13.84%	-15.73%	-12.24%	07/05/19
2L Dis (HKD-H)	12.32%	14.84%	-8.12%	-5.44%	-5.15%	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%				11.28%
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 30 September 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 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. 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. Income Partners may be required to pay a fee to participate in the nomination of the award.
5. The dividend rate is not guaranteed and distributions may be paid from capital. In respect of the Class 2C Dis (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 (2I), EUR-Hedged (2K), RMB (USD Exposure) (2L) 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.

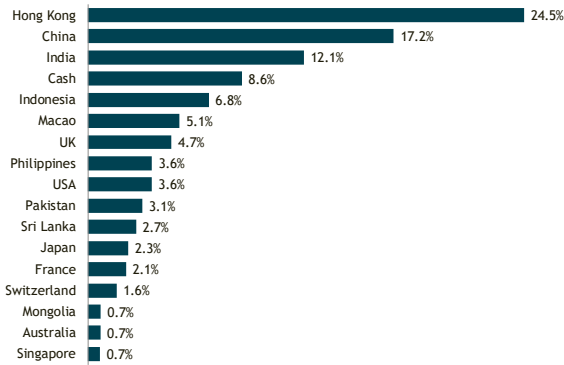
\* With effect from 1 March 2024, the fund is an eligible collective investment scheme in the new Capital Investment Entrant Scheme (New CIES) in Hong Kong.

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>		
	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>Fees &amp; Charges<sup>12</sup></b>	Management Fee: 1.50% p.a. Subscription Charge: Up to 5.00%	
<b>Dealing Frequency</b>	Daily	
<b>Dividend Frequency</b>	Monthly (Please refer to important information VI)	
<b>Portfolio Manager</b>	Emil Nguy Suvir Mukhi Jack Zhai	
<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>	RMB211 million / USD30 million	

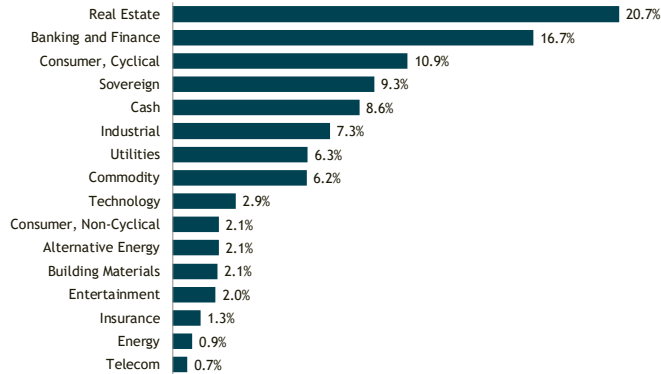
H = Hedged currency share class

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

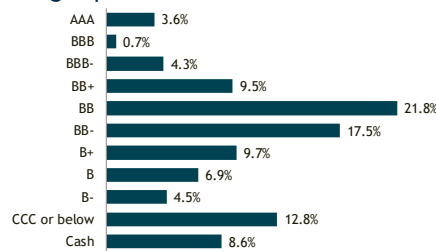
### Geographical Exposure



### Industry Exposure



### Credit Rating Exposure



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

In September, the Asian high-yield bond market experienced a robust rally in the latter half of the month. This surge was propelled by the US Federal Reserve's decision to implement a 50-basis point cut in policy rates, marking the initiation of a rate cut cycle. The market was further invigorated by a policy shift in China aimed at bolstering its faltering economy.

Initially, the market faced setbacks in early September, particularly within the Chinese property sector, owing to mounting concerns regarding the Chinese economy and domestic property market. However, sentiment swiftly reversed later in the month following the announcement of a series of financial policies by Chinese government officials to support the economy, with a particular focus on the property and equity markets. This positive momentum was reinforced by an unexpected Politburo meeting where Chinese leaders emphasized halting the decline in housing prices and unveiled a package of fiscal measures to stimulate the economy. These actions were perceived as a significant policy shift and were met with a strong market response. Chinese domestic equity market surged by nearly 20% in just three days, attracting substantial inflows from both domestic and foreign investors. The Asian high-yield bond market also followed suit, with China property bonds more than recovering the losses incurred since early August.

While it may be premature to declare a definitive turnaround in the weakening Chinese economy, the recent policy announcements signify a crucial pivot in policy direction. Many market participants view this shift as comparable to the decision to lift all pandemic control measures in November 2022. There is a discernible determination among the country's top leaders to stabilize the housing market and revitalize the economy, with expectations of further fiscal policies to follow. Attention will be directed towards the real estate market, particularly the stabilization of housing prices, which is essential for restoring confidence among home buyers and for supportive housing policies to take effects. Additionally, there will be a focus on potential measures that enhance household incomes, consequently boosting consumer spending. Despite a positive prospective, it is imperative to acknowledge that China's economic growth remains weak, with new PMI numbers indicating contraction and persistent concerns regarding deflation. The fourth quarter will be pivotal in determining whether the improved sentiment and optimistic expectations can translate into a tangible reversal of the downward economic trajectory.

The positive developments mentioned above propelled Chinese high-yield bonds to rally by an average of 2.2% in September, with property bonds registering a notable increase of 5.5%. Notable performers included Vanke (+12.4% MoM), Road King (+11.9% MoM), Seazen (+10.4% MoM), and Shui On (+8.8% MoM). Conversely, the Hong Kong property sector witnessed an average decline of -1.6%, led by Lai Sun (-6.4% MoM), Lifestyle International (-3.0% MoM), and New World Development (-2.4% MoM), which were impacted by the early September sell-off and had not fully recovered by month-end. In Greater China, eHi Car Services lagged notably (-7.6% MoM) due to limited trading liquidity, although the shifting sentiment in China could potentially benefit the company as consumer spending on travel increases. Outside of China and Hong Kong, there was a general market rally, with India up 1.1%, Indonesia up 1.1%, Macao up 1.8%, and the Philippines up 1.4%, partly attributed to the US rate cuts. In Sri Lanka, Dissanayake's victory in the presidential election marked a significant political realignment, alleviating uncertainty and prompting government bonds to rise by an average of 5.5%.

Looking ahead, while the recovery from the downturns of August and September is encouraging, caution is warranted as valuations appear fair across most market segments. Presently, we perceive most potential upside from China industrial, China property and Hong Kong property sectors, as they still exhibit attractive valuations, and we'll continue to look for opportunities in these sectors. Our strategy entails maintaining an overall slight overweight position and taking advantage of market volatility to gain profit-taking and bottom-fishing opportunities. Additionally, we hold a bullish outlook on US interest rates and the Chinese Yuan in the medium term, driven by the US rates cycle and expected expansionary fiscal policies in China, and plan to increase the fund's exposure accordingly. Despite the positive outlook, we anticipate heightened market volatility moving forward, particularly amidst uncertainties surrounding the US elections and geopolitical tensions. Therefore, we will adopt a more conservative approach to risk-taking compared to the first half of the year.

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.

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