



INCOME PARTNERS

INCOME PARTNERS STRATEGY FUND

(the “Fund”)

INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND

(the “Sub-Fund”)

NOTICE TO UNITHOLDERS

This document is important and requires your immediate attention. If you are in doubt about the contents of this notice, you should seek independent professional financial advice.

Words and phrases used in this notice shall, unless otherwise provided, have the same meanings as ascribed to them in the explanatory memorandum of the Fund and the Sub-Fund dated September 2022, as amended and supplemented by the addendum dated 3 March 2023, the 2nd addendum dated 13 October 2023 and the 3rd addendum dated 22 February 2024, as amended and supplemented from time to time (collectively, the “Explanatory Memorandum”).

29 November 2024

Dear Unitholders,

We, Income Partners Asset Management (HK) Limited, the manager of the Fund and Sub-Fund (the “**Manager**”), are writing to inform you of the following changes to the Fund and Sub-Fund.

1. Updates to “Notice for Fee Increase” under the section headed “FEES AND EXPENSES” in the Explanatory Memorandum

With effect from the date of this notice, the disclosure under the sub-section titled “**Notice for Fee Increase**” under the section headed “**FEES AND EXPENSES**” in the Explanatory Memorandum shall be amended as follows for better alignment with general industry practice which is in line with latest regulatory codes and guidance and the requirements as set out in the Trust Deed of the Fund:

Prior to the date of this notice	From the date of this notice
Unitholders shall be given not less than one month’s prior notice should there be any increase of the management fee, performance fee or Trustee’s or Administrator’s fee from the current level to the maximum level. Any increase in the maximum level of the management fee, performance fee or Trustee’s or Administrator’s fee of a Sub-Fund (or any Class thereof) shall be subject to the SFC’s prior approval and the sanction of	Unitholders shall be given not less than one month’s prior notice should there be any increase of the management fee, performance fee or Trustee’s or Administrator’s fee from the current level to the maximum level. Any increase in the maximum level of the management fee, performance fee or Trustee’s or Administrator’s fee of a Sub-Fund (or any Class thereof) shall be subject to the SFC’s prior approval, and <u>In addition, any increase in the maximum level of the management</u>



extraordinary resolution of the Unitholders of such Sub-Fund (or such Class).	<u>fee, performance fee or Trustee's fee of a Sub-Fund (or any Class thereof) shall also be subject to</u> the sanction of extraordinary resolution of the Unitholders of such Sub-Fund (or such Class).
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2. Change of Administrator, Registrar and Processing Agent of the Fund and the Sub-Fund (the "Service Providers") and consequential increase of fees payable to the Service Providers by the Fund and the Sub-Fund

The Manager intends to appoint, Apex Fund Services (Singapore) Pte. Ltd (as Administrator) and Apex Fund Services (HK) Limited (as Registrar and Processing Agent) (collectively, "**Apex**"), in place of Citibank, N.A., Hong Kong Branch (as administrator) ("**Citibank**") and Citicorp Financial Services Limited (as registrar and processing agent) ("**Citicorp**"), as the Service Providers of the Fund and the Sub-Fund (the "**Change of Administrator, Registrar and Processing Agent**"). Subject to Apex obtaining the necessary approvals from the China Securities Depository and Clearing Corporation, the Change of Administrator, Registrar and Processing Agent will take effect from 1 January 2025, or such later date as may be advised by the Manager (the "**Effective Date**").

Since certain classes of the Sub-Fund has obtained approval from the China Securities Regulatory Commission to be offered to Mainland China investors under the Mainland-Hong Kong Mutual Recognition of Funds arrangement, the appointment of Apex as the Service Providers is contingent upon regulatory approval in Mainland China in order for it to attend to necessary administrative matters, including SWIFT and file testing and documentation submitted by Apex to the relevant regulators in Mainland China. In the event that necessary regulatory approval is not obtained on or before 1 January 2025, the Effective Date of the Change of Administrator, Registrar and Processing Agent will be postponed. The Manager will advise investors as soon as possible by notice whether the Change of Administrator, Registrar and Processing Agent will take effect on 1 January 2025 on or before such date. If the Change of Administrator, Registrar and Processing Agent does not take effect on 1 January 2025, the Manager will notify investors of the actual effective date as soon as possible of the actual effective date of the Change of Administrator, Registrar and Processing Agent. The Manager will put in place appropriate arrangements to ensure that dealing requests will be properly received and processed prior to such date.

Changes to dealing and administrative arrangements after the Change of Administrator, Registrar and Processing Agent:

After the Effective Date, Apex as the Service Providers will perform the administrative, registrar and processing agent functions that are currently performed by Citibank and Citicorp with effect from and including the Effective Date.

The respective addresses of the Apex entities are as follows:

Apex Fund Services (Singapore) Pte. Ltd.: 9 Temasek Boulevard, Suntec Tower 2, #12-01/02, Singapore 038989; and



Apex Fund Services (HK) Limited: 17th Floor Beautiful Group Tower, 77 Connaught Road, Central, Hong Kong.

Please refer to Schedule A to this notice for Apex's profile.

As a result of the Change of Administrator, Registrar and Processing Agent, Unitholders should note that:

- a. The register of Unitholders will continue to be kept in Singapore.
- b. With effect from and including the Effective Date, applications for subscription, redemptions and conversion of Units should be sent to Apex by email, to the email address stated in the updated Application Form, Redemption Form and Conversion Form. Application for subscription, redemptions and conversion of Units by post or facsimile will no longer be accepted with effect from and including the Effective Date.

Please use the updated Application Form, Redemption Form and Conversion Form which will include Apex's contact details. The updated forms are available from Apex and Authorised Distributors on the Effective Date.

- c. With effect from the Effective Date, the definitions of "Administrator" and "Registrar" will be deleted in their entirety and be replaced by the following:

"Administrator" Apex Fund Services (Singapore) Pte. Ltd. in its capacity as the administrator of the Fund and its Sub-Funds or such other entity as may be appointed from time to time to provide administrative services to the Fund and its Sub-Funds"

"Registrar" Apex Fund Services (HK) Limited in its capacity as the registrar of the Fund and its Sub-Funds or such other entity as may be appointed from time to time as registrar of the Fund and its Sub-Funds"

- d. With effect from the Effective Date, the definition of "Processing Agent" will be deleted in its entirety and replaced by the following.

"Processing Agent" the entity responsible for processing the application, conversion and redemption requests of a Sub-Fund and unless otherwise notified by the Manager, shall mean Apex Fund Services(HK) Limited"

3. Changes to the fees payable to the administrator, registrar and processing agent as a result of the Change of Administrator, Registrar and Processing Agent

The changes to the fees payable to the administrator, registrar and processing agent will differ depending on the actual effective date of the Change of Administrator, Registrar and Processing Agent:



- a. If the Change of Administrator, Registrar and Processing Agent takes effect from 1 January 2025 (“**Scenario A**”); and
- b. If the Change of Administrator, Registrar and Processing Agent takes effect after 1 January 2025 (“**Scenario B**”).

As a result of the appointment of Apex as Administrator, Registrar and Processing agent, in place of Citibank and Citicorp, the way in which the fees payable to the administrator, registrar and processing agent are determined will be changed. Under Scenario A, Apex’s fee schedule will apply from 1 January 2025. Under Scenario B, Citibank and Citicorp will increase its fees during the period between 1 January 2025 and the actual date Apex is appointed as the Administrator, Registrar and Processing Agent (“**Interim Period**”).

- a. In respect of Administrator Fee and fees related to the Administrator Fee

Prior to the Effective Date	Scenario A	Scenario B (during the Interim Period)
<p>Administrator Fee</p> <p>The Administrator is entitled to an administration fee at 0.1% per annum for the first USD250 million of the Net Asset Value of the Sub-Fund and 0.08% per annum for the remaining balance of the Net Asset Value of the Sub-Fund, subject to a minimum monthly fee of USD6,000.</p> <p>The Administrator also charges a compliance monitoring fee of 0.01% per annum of the Sub-Fund’s Net Asset Value, subject to a minimum annual fee of USD1,500 and a financial statement preparation fee of USD5,000 per financial statement.</p> <p>The Administrator will also be entitled to reimbursement by the relevant Sub-Fund for any out-of-pocket expenses incurred in the course of its</p>	<p>Administrator Fee</p> <p>The Administrator is entitled to a fund and portfolio accounting fee at a monthly fixed rate of USD6,150 plus 0.02% per annum on the Net Asset Value of the Sub-Fund and fee of USD2,800 per annum per Class.</p> <p>The Administrator also charges a financial statement preparation fee of USD6,500 per annual financial statement, and USD3,000 per interim financial statement.</p>	<p>Administrator Fee</p> <p>Same as Prior to Effective Date</p>



duties wholly and exclusively in respect of the relevant Sub-Fund.		
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b. In respect of Registrar and Processing Agent Fee

Prior to the Effective Date	Scenario A	Scenario B (during the Interim Period)
<p>Registrar and Processing Agent Fee</p> <p>The Processing Agent is entitled to, among others, transaction fees and account maintenance fee at customary market rates, payable out of the assets of the Sub-Fund, subject to a minimum monthly fee of USD500.</p>	<p>Registrar and Processing Agent Fee</p> <p>The Processing Agent is entitled to, among others, transaction fees at USD 15 per transaction (for the Hong Kong market), payable out of the assets of the Sub-Fund and an annual transfer agency service fee as well as an onboarding fee per new investor.</p>	<p>Registrar and Processing Agent Fee</p> <p>Same as Prior to Effective Date</p>

Please note that both the existing administrator, registrar and processing agent (i.e. Citibank and Citicorp) and new Service Providers (i.e. Apex) are entitled to such other fees and expenses for services provided to the Fund and Sub-Fund as permitted under the Trust Deed.

4. Increase of fees payable to the Trustee and the Custodian by the Fund and the Sub-Fund

The Trustee Fee and the Custodian Fee payable by the Fund and the Sub-Fund to the Trustee and the Custodian respectively, will also be increased to align the respective fee arrangement in respect of the Trustee Fee and the Custodian Fee with prevailing market rates (the “**Trustee and Custodian Fee Increases**”).

The Trustee and Custodian Fee Increases will differ depending on the actual effective date of the Change of Administrator, Registrar and Processing Agent:

- a. If the Change of Administrator, Registrar and Processing Agent takes effect from 1 January 2025 (“**Scenario A**”); and
- b. If the Change of Administrator, Registrar and Processing Agent takes effect after 1 January 2025 (“**Scenario B**”).
 - i. In respect of Trustee Fee and fees related to the Trustee Fee

Currently, the types of fees payable to the Trustee, Cititrust Limited, includes a Trustee Fee of 0.0075% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of USD10,000.



Scenario A	Scenario B
With effect from 1 January 2025, the minimum <u>annual</u> Trustee Fee of USD10,000 will be increased to a minimum annual fee of <u>USD20,000</u>	During the Interim Period, the minimum annual Trustee Fee of USD10,000 will be increased to a minimum annual fee of <u>USD20,000</u>

Accordingly, the Trustee Fee under Scenario A and Scenario B respectively will be updated as follows:

Prior to the Effective Date	Scenario A	Scenario B (during the Interim Period)
<p>Trustee Fee</p> <p>0.0075% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of USD10,000.</p>	<p>Trustee Fee</p> <p>0.0075% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of <u>USD20,000</u>.</p> <p>The Trustee also charges a compliance monitoring fee of 0.01% per annum of the Sub-Fund's Net Asset Value, subject to a minimum annual fee of USD1,500. (note: the compliance monitoring fee of 0.01% per annum of the Sub-Fund's Net Asset Value, subject to a minimum annual fee of USD1,500, which is currently payable to the current Administrator, Citibank, N.A., Hong Kong Branch, will be payable to the Trustee for the provision of relevant services.</p>	<p>Trustee Fee</p> <p>0.0075% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of <u>USD20,000</u>.</p>

ii. In respect of Custodian Fee

Currently, the types of fees payable to the Custodian, Citibank N.A., Hong Kong Branch, includes (among others) safekeeping fees of up to 0.075% per annum of the market value of the Sub-Fund (inclusive of a safekeeping fee charged by the Custodian at a rate of 0.06%



per annum of the market value of the Sub-Fund for custody services in respect of the Bond Connect Scheme), subject to a minimum monthly fee of USD2,500.

Scenario A	Scenario B
With effect from 1 January 2025, the minimum monthly Custodian Fee of USD2,500 will be increased to <u>USD5,000</u>	During the Interim Period, the minimum monthly Custodian Fee of USD2,500 will be increased to <u>USD5,000</u>

Accordingly, the Custodian Fee under Scenario A and Scenario B respectively is updated as follows:

Prior to the Effective Date	Scenario A	Scenario B (during the Interim Period)
<p>Custodian Fee</p> <p>The Custodian is entitled to (among others) safekeeping fees at a rate of up to 0.075% per annum of the market value of the Sub-Fund (inclusive of a safekeeping fee charged by the Custodian at a rate of 0.06% per annum of the market value of the Sub-Fund for custody services in respect of the Bond Connect Scheme), subject to a minimum monthly fee of USD2,500. The Custodian is entitled to transaction fees and other service fees at customary market rates. Such fees will be calculated monthly and will be paid monthly in arrears, out of the assets of the Sub-Fund. The Custodian will be entitled to reimbursement by the Sub-Fund for any out-of-pocket expenses incurred in the course of its duties.</p>	<p>Custodian Fee</p> <p>The Custodian is entitled to (among others) safekeeping fees at a rate of up to 0.075% per annum of the market value of the Sub-Fund (inclusive of a safekeeping fee charged by the Custodian at a rate of 0.06% per annum of the market value of the Sub-Fund for custody services in respect of the Bond Connect Scheme), subject to a minimum monthly fee of <u>USD5,000</u>. The Custodian is entitled to transaction fees and other service fees at customary market rates. Such fees will be calculated monthly and will be paid monthly in arrears, out of the assets of the Sub-Fund. The Custodian will be entitled to reimbursement by the Sub-Fund for any out-of-pocket expenses incurred in the course of its duties.</p>	<p>Custodian Fee</p> <p>The Custodian is entitled to (among others) safekeeping fees at a rate of up to 0.075% per annum of the market value of the Sub-Fund (inclusive of a safekeeping fee charged by the Custodian at a rate of 0.06% per annum of the market value of the Sub-Fund for custody services in respect of the Bond Connect Scheme), subject to a minimum monthly fee of <u>USD5,000</u>. The Custodian is entitled to transaction fees and other service fees at customary market rates. Such fees will be calculated monthly and will be paid monthly in arrears, out of the assets of the Sub-Fund. The Custodian will be entitled to reimbursement by the Sub-Fund for any out-of-pocket expenses incurred in the course of its duties.</p>

5. Impact and/or Action required



The Change of Administrator, Registrar and Processing Agent and the Trustee and Custodian Fee Increases are expected to result in an increase in the ongoing charges figures as follows:

Scenario A	Scenario B (during the Interim Period)
The estimated ongoing charges figure is expected to be 3.00%	The estimated ongoing charges figure is expected to be 2.98%
The estimated ongoing charges figure is calculated by dividing the estimated expenses of the relevant class over a 12-month period by the estimated average net asset value of the relevant class over the same period.	

Save and except for the Change of Administrator, Registrar and Processing Agent, the changes to the Administrator Fee and Registrar and Processing Agent and the Trustee and Custodian Fee Increases, the updates described in item 2, item 3 and item 4 above will not result in any change in the investment objective and policy of the Sub-Fund, the risk profiles of the Sub-Fund, the level of other fees payable by the Unitholders, the operation of the Fund and the Sub-Fund and/or manner in which the Fund and the Sub-Fund are currently being managed and do not materially prejudice the interests of Unitholders.

If you do not agree with the above changes, you may redeem your Units in the Sub-Fund on a Redemption Day from the date of this notice until 5:00 p.m. (Hong Kong time) on the Redemption Day prior to the Effective Date at the then prevailing Redemption Price per Unit on the relevant Valuation Day (calculated by reference to the to the applicable Net Asset Value per Unit), free of any redemption charge. Redemption proceeds will be paid in accordance with the process as set out under the sub-sections titled “**Redemption Procedures**” and “**Payment of Redemption Proceeds**” under the section headed “**REDEMPTION OF UNITS**” in the Explanatory Memorandum.

Please note that, although there is no redemption charge imposed by the Manager, you should check with your distributors or intermediaries to confirm the applicable transaction fees and expenses which may be incurred on the redemption of Units.

The costs and expenses incurred in connection with the changes set out in this notice are estimated to be around USD58,800 and will be borne by the Sub-Fund.

6. Change in the investment committee members

With effect from 31 October 2024, Mr. Jason Wong has replaced Mr. Suvir Mukhi as a member of the Manager’s investment committee.

The Explanatory Memorandum will be amended by way of a fourth addendum on or around the Effective Date. The updated Product Key Fact Statement of the Sub-Fund reflecting Apex’s fees is also expected to be issued upon on or around the Effective Date.



The revised Explanatory Memorandum and the Product Key Facts Statement of the Sub-Fund will be available on the Manager's website (www.incomepartners.com¹) on or around the Effective Date. The revised Explanatory Memorandum and the Product Key Facts Statement of the Sub-Fund may also be inspected free of charge during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the office of the Manager (see address below) and a copy may be obtained from the Manager's address at a reasonable fee.

If you have any queries or require further information in relation to any aspect of this notice, please contact the Manager at 3503-4 Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong or by electronic mail at marketing@incomepartners.com or by phone at +852 2169 2100.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice.

For and on behalf of
Income Partners Managed Volatility High Yield Bond Fund

¹ Please note that this website has not been reviewed or authorised by the SFC and may contain information on funds not authorised by the SFC.



Schedule A

Profile of Apex

Apex Fund Services (Singapore) Pte. Ltd. (the “**Administrator**”) has been appointed as the Administrator, Registrar and Processing Agent of the Fund and the Sub-Fund. The Administrator is part of the Apex Group, a global provider of fund administration services with over 80 offices across the globe, ISAE 3402/SSAE18 audited, independently owned with USD 3 trillion under administration. Apex Group provides specialist fund administration, share registrar, custody, corporate secretarial services and directors to funds and collective investment schemes globally. The Administrator will perform all general administrative tasks for the Fund and the Sub-Fund, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. The Administrator shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out-of-pocket expenses properly incurred in performing its duties as Administrator of the Fund and the Sub-Fund.

The Administrator is responsible for providing certain administrative services required in connection with the operations of the Fund and the Sub-Fund, including, compiling and publishing the Net Asset Value and the Subscription Price, providing registrar and transfer agent services in connection with the issue, conversion and redemption of Units and collecting subscription payments and disbursing redemption payments.

The initial term of the Administration Agreement is for one (1) year from the effective date and is automatically renewed for each subsequent one-year period. Written notice of termination shall be provided no less than ninety (90) days before each automatic renewal (or such shorter notice period as the parties may agree to accept) or earlier on the liquidation of either the Fund or the Administrator.