



INCOME PARTNERS MANAGED VOLATILITY **HIGH YIELD BOND FUND - CLASS 2**

Fund Manager's Report - 30 August 2024

CIES Eligible*

IMPORTANT INFORMATION

- INFO THY OND INFORMATION

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- 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. The Fund is denominated in RMB, and RMB MB 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.

 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.

 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.

 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 may also, at its discretion pay distributions out of fee 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, resulti
- offering document.

Share Class	NAV per share²	Dividend per share	Annualized Dividend Yield⁵
2A Acc (USD)	\$122.05		
2A Dis (USD)	\$44.32	\$0.30	8.6%
2B Acc (RMB)	¥134.29		
2B Dis (RMB)	¥47.96	¥0.31	8.0%
2C Dis (USD) ⁵	\$47.76	\$0.26	7.0%
2D Acc (HKD)	\$73.98		
2D Dis (HKD)	\$43.57	\$0.29	8.4%
2E Dis (AUD)	\$54.21	\$0.30	6.7%
2F Acc (AUD-H)	\$85.86		
2F Dis (AUD-H)	\$50.48	\$0.27	6.6%
2G Acc (USD-H)	\$91.04		
2G Dis (USD-H)	\$45.60	\$0.29	7.9%
2I Acc (SGD-H)	\$73.11		
2I Dis (SGD-H)	\$50.14	\$0.27	6.6%
2K Dis (EUR-H)	€52.80	€0.22	5.1%
2L Dis (HKD-H)	\$49.48	\$0.32	8.0%

H = Hedged currency share class

Record Date: 30 August 2024 Ex-Dividend Date: 2 September 2024

Payment/Reinvestment Date: 4 September 2024 Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

Risk Measures 2B Acc (RMB)	3 Years	Since Inception
Annualized Volatility	19.13%	10.62%
Sharpe Ratio ⁶	-0.64	-0.04

Fund Characteristics	
Yield to Maturity in RMB ^{7,9}	6.2%
Yield to Maturity in USD ^{8,9}	10.4%
Modified Duration (years)	2.9
Average Credit Rating	BB-
Number of bond holdings	67

Top 10 Holdings ¹⁰ : 32.7% of NAV	
New World Development Company Ltd.	4.0%
Pakistan Government Bond	3.8%
Fosun International Ltd.	3.6%
FWD Group Holdings Ltd.	3.3%
Sri Lanka Government Bond	3.2%
Li & Fung Ltd.	3.2%
Far East Consortium Ltd.	3.0%
Sun Hung Kai & Co. Ltd.	3.0%
Standard Chartered PLC	2.9%
Lai Sun Development 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^{2,3}: CLASS 2B ACCUMULATION (RMB)



CUMULATIVE PERFORMANCE AND CALENDAR YEAR PERFORMANCE²

Share Class	Year-to- date (YTD)	1 Year	3 Years (Annual- ized)	5 Years (Annual- ized)	Since Inception (Annualized)	2019	2020	2021	2022	2023	Inception Date (dd/mm/yy)
2A Acc (USD)	11.55%	16.30%	-12.27%	-4.54%	1.53%	8.44%	10.75%	-8.23%	-20.22%	-16.37%	27/07/11
2A Dis (USD)	11.55%	16.31%	-12.26%	-4.54%	1.52%	8.45%	10.76%	-8.24%	-20.21%	-16.34%	03/08/11
2B Acc (RMB)	10.95%	12.88%	-9.53%	-4.72%	2.28%	9.79%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2B Dis (RMB)	10.95%	12.87%	-9.53%	-4.72%	2.29%	9.80%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2C Dis (USD) ⁵	11.54%	16.31%	-12.27%	-4.54%	1.65%	8.44%	10.76%	-8.23%	-20.22%	-16.35%	10/08/11
2D Acc (HKD)	11.35%	15.58%	-12.21%	-4.65%	-4.51%	7.83%	10.25%	-7.69%	-20.23%	-16.20%	21/02/18
2D Dis (HKD)	11.37%	15.58%	-12.21%	-4.65%	-4.49%	7.81%	10.28%	-7.71%	-20.23%	-16.19%	09/02/18
2E Dis (AUD)	11.63%	10.92%	-10.06%	-4.74%	-2.67%	9.16%	0.38%	-2.26%	-14.74%	-16.46%	04/05/18
2F Acc (AUD-H)	11.77%	13.75%	-10.04%	-6.06%	-1.70%	7.66%	0.76%	-13.35%	-14.59%	-13.40%	13/10/15
2F Dis (AUD-H)	11.81%	13.80%	-10.04%	-6.07%	-5.91%	0.15%	0.76%	-13.35%	-14.62%	-13.40%	02/05/19
2G Acc (USD-H)	12.59%	15.18%	-8.97%	-5.17%	-1.05%	8.95%	1.58%	-13.12%	-13.70%	-11.98%	13/10/15
2G Dis (USD-H)	12.56%	15.18%	-8.96%	-5.15%	-1.18%	9.18%	1.61%	-13.10%	-13.69%	-11.94%	19/10/15
2I Acc (SGD-H)	11.28%	13.19%	-9.87%	-5.80%	-5.70%	0.11%	1.23%	-13.06%	-14.03%	-13.26%	30/04/19
2l Dis (SGD-H)	11.33%	13.25%	-9.84%	-5.79%	-5.69%	-0.04%	1.20%	-13.10%	-14.03%	-13.18%	24/04/19
2K Dis (EUR-H)	11.65%	13.45%	-10.14%	-6.44%	-6.45%	-1.41%	0.02%	-13.84%	-15.73%	-12.24%	07/05/19
21 Dis (HKD-H)	11.80%	14.06%	-9.64%	-5.55%	-5.31%	0.90%	1.75%	-13.24%	-14.29%	-12.64%	17/04/19

MONTHLY PERFORMANCE2: CLASS 2B ACCUMULATION (RMB)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	0ct	Nov	Dec	YTD
2024	2.07%	1.46%	1.10%	-1.35%	3.55%	2.15%	1.72%	-0.19%					10.95%
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%

- ses stated otherwise, all data as of 30 August 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.

 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. The awards may not be representative of any client income Partners by any client 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 or the fund.

 The total return chart above shows the Fund's total return performance since inception.

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 Annualized Dividend "Vaic": [14" of the Stribution per unit I, ex-dividend May," of stribution 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 from the properties of the calendar year and the current calendar year are calculated from share class launch dates to calendar year-end.

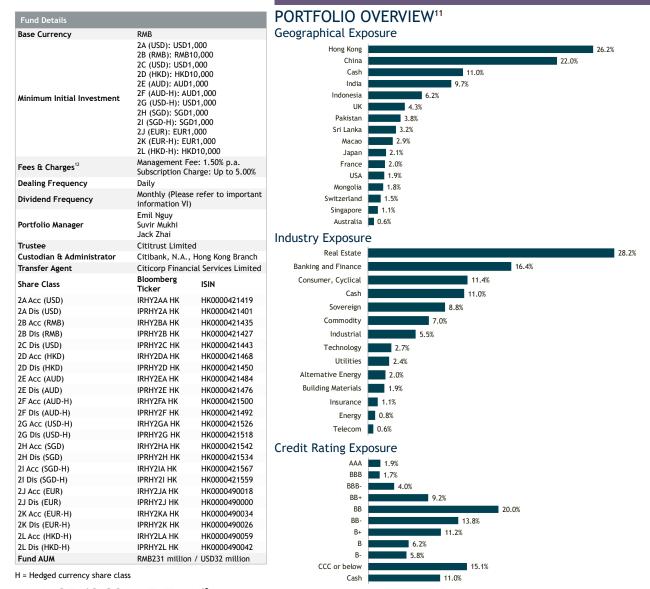
 The Calendar performance figures are calculated from share class launch dates to calendar year-end.

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INCOME PARTNERS MANAGED VOLATILITY HIGH YIELD BOND FUND - CLASS 2

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MANAGER'S COMMENTARY¹³

In August, the Asian high-yield bond market paused its long rally since last November due to a global risk asset sell-off in the first week. The market retreated by nearly 1% early in the month. However, as concerns on U.S. recession quickly faded, the sell-off proved short-lived. By the end of August, the market had recovered and reached a new high since 2021.

Throughout the month, a clear distinction emerged between mainland China and non-mainland China regions (including Hong Kong and Macau). China's prolonged economic weakness and bearish expectations, along with the ongoing struggles in its property market, led concerned investors to pull out. Consequently, bond valuations in China remained under pressure in August. High-beta Chinese industrial names like West China Cement and eHi Car Services experienced declines of 8.6% and 5.2%, respectively, month-to-date (MTD). Similarly, high-beta Chinese property names such as Road King (-9.4% MTD), bond (-4.3% MTD), and Longfor (-1.4% MTD) faced drops. In contrast, lower-beta names like Yanlord (+4.1% MTD), Jinmao (+2.3% MTD), and Greentown (+1.5% MTD) held up relatively well. Given the sluggish economic outlook in China, we anticipate continued pressure on bond valuations from Chinese issuers and have started to reduce the Fund's exposure to China, particularly in high-beta names, as a risk mitigation measure.

Outside mainland China, we saw broad-based modest gains benefiting from falling US interest rates, except in Sri Lanka, which experienced a notable sell-off in its sovereign issues. High-quality bonds with longer tenors outperformed due to their longer duration. In the Indian renewable sector, bonds like those from Adani Renewable Energy (+2.8% MTD), Continuum Green Energy (+2.6% MTD), and Adani Green Energy (+2.0% MTD) performed well. Additionally, perpetual bonds across various sectors rallied notably, including bank AT1 bonds like Standard Chartered Bank (+2.2% MTD) and corporate perpetual bonds like Li & Fung (+3.5% MTD) and Regal Hotels (+3.0% MTD). We believe the ongoing falling-rate environment will continue to benefit the market, prompting the Fund to extend its duration to capitalize on this advantage.

In Sri Lanka, uncertainty surrounding the presidential election dampened market sentiment as opposing candidates hinted at a more lenient fiscal environment and potential renegotiation of debt terms with the IMF and sovereign bondholders. This uncertainty triggered a significant market sell-off, leading to an average 5.9% MTD drop in bond prices across the curve. We remain cautious regarding Sri Lanka's sovereign bonds, anticipating continued volatility in valuation pre-election, with the Fund maintaining an underweight exposure relative to the market.

Looking ahead, we are adopting a balanced approach between risk and reward to navigate the potentially challenging environment in the coming months. Economic slowdowns in the US and China appear inevitable, compounded by potential policy shifts following the US presidential election, depending on the results. Reflecting this view, we have strategically reduced exposure to high-beta issues in China and Hong Kong to position the Fund more defensively. While maintaining a more defensive risk stance compared to the first half of the year, we remain vigilant for near-term opportunities that may arise from market volatility and aim to capitalize on assets resulting from overselling.

The total exposures may vary due to rounding. The credit rating exposures presented here are based on ratings from \$AP/Moody's/Fitch or equivalent ratings from other internationally recognized rating agencies. If \$AP/Moody's/Fitch ratings for bond holdings are not available, income Partners applies its internal

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