

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 ⁵
2A Acc (USD)	\$115.91		
2A Dis (USD)	\$40.94	\$0.30	9.0%
2B Acc (RMB)	¥132.13		
2B Dis (RMB)	¥45.97	¥0.31	8.4%
2C Dis (USD) ⁵	\$44.37	\$0.27	7.0%
2D Acc (HKD)	\$69.97		
2D Dis (HKD)	\$40.10	\$0.29	8.9%
2E Dis (AUD)	\$55.10	\$0.30	7.0%
2F Acc (AUD-H)	\$85.07		
2F Dis (AUD-H)	\$48.94	\$0.27	6.8%
2G Acc (USD-H)	\$90.38		
2G Dis (USD-H)	\$44.15	\$0.29	8.2%
2I Acc (SGD-H)	\$72.07		
2I Dis (SGD-H)	\$48.41	\$0.27	6.9%
2K Dis (EUR-H)	€51.28	€0.22	5.2%
2L Dis (HKD-H)	\$47.70	\$0.32	8.3%

H = Hedged currency share class
 Record Date: 31 December 2024
 Ex-Dividend Date: 2 January 2025
 Payment/Reinvestment Date: 6 January 2025
 Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

Risk Measures	1 Year	3 Years	Since Inception
Annualized Volatility	5.25%	18.81%	10.50%
Sharpe Ratio ⁶	0.35	-0.49	-0.06

Fund Characteristics

Yield to Maturity in RMB ^{7,9}	9.4%
Yield to Maturity in USD ^{8,9}	9.8%
Modified Duration (years)	2.5
Average Credit Rating	BB-
Number of bond holdings	73

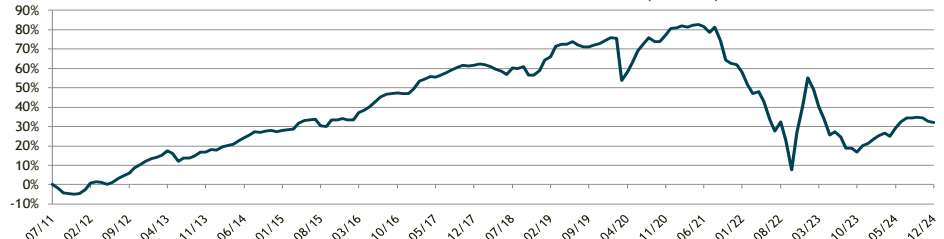
Top 10 Holdings¹⁰: 30.7% of NAV

Sri Lanka Government Bond	3.6%
Far East Consortium International Ltd.	3.5%
FWD Group Holdings Ltd.	3.2%
Pakistan Government Bond	3.2%
Fosun International Ltd.	3.1%
San Miguel Global Power Holdings Corp.	3.1%
Melco Resorts & Entertainment Ltd.	2.9%
Sun Hung Kai & Co Ltd.	2.8%
Vedanta Resources PLC	2.7%
Lai Sun Development Company Ltd.	2.5%

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 (Annualized)	5 Years (Annualized)	Since Inception (Annualized)	2019	2020	2021	2022	2023	Inception Date (dd/mm/yy)
2A Acc (USD)	5.94%	5.94%	-10.91%	-6.39%	1.10%	8.44%	10.75%	-8.23%	-20.22%	-16.37%	27/07/11
2A Dis (USD)	5.93%	5.93%	-10.90%	-6.39%	1.10%	8.45%	10.76%	-8.24%	-20.21%	-16.34%	03/08/11
2B Acc (RMB)	9.16%	9.16%	-6.53%	-5.40%	2.09%	9.79%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2B Dis (RMB)	9.17%	9.17%	-6.52%	-5.40%	2.11%	9.80%	3.51%	-10.41%	-13.08%	-13.94%	27/07/11
2C Dis (USD) ⁵	5.96%	5.96%	-10.90%	-6.38%	1.22%	8.44%	10.76%	-8.23%	-20.22%	-16.35%	10/08/11
2D Acc (HKD)	5.31%	5.31%	-11.03%	-6.44%	-5.07%	7.83%	10.25%	-7.69%	-20.23%	-16.20%	21/02/18
2D Dis (HKD)	5.33%	5.33%	-11.02%	-6.44%	-5.04%	7.81%	10.28%	-7.71%	-20.23%	-16.19%	09/02/18
2E Dis (AUD)	16.00%	16.00%	-6.16%	-4.11%	-1.97%	9.16%	0.38%	-2.26%	-14.74%	-16.46%	04/05/18
2F Acc (AUD-H)	10.74%	10.74%	-6.43%	-6.48%	-1.74%	7.66%	0.76%	-13.35%	-14.59%	-13.40%	13/10/15
2F Dis (AUD-H)	10.76%	10.76%	-6.44%	-6.48%	-5.72%	0.15%	0.76%	-13.35%	-14.62%	-13.40%	02/05/19
2G Acc (USD-H)	11.77%	11.77%	-5.30%	-5.60%	-1.09%	8.95%	1.58%	-13.12%	-13.70%	-11.98%	13/10/15
2G Dis (USD-H)	11.81%	11.81%	-5.27%	-5.58%	-1.21%	9.18%	1.61%	-13.10%	-13.69%	-11.94%	19/10/15
2I Acc (SGD-H)	9.70%	9.70%	-6.47%	-6.35%	-5.61%	0.11%	1.23%	-13.06%	-14.03%	-13.26%	30/04/19
2I Dis (SGD-H)	9.86%	9.86%	-6.39%	-6.32%	-5.59%	-0.04%	1.20%	-13.10%	-14.03%	-13.18%	24/04/19
2K Dis (EUR-H)	10.28%	10.28%	-6.57%	-6.80%	-6.28%	-1.41%	0.02%	-13.84%	-15.73%	-12.24%	07/05/19
2L Dis (HKD-H)	10.63%	10.63%	-6.08%	-6.06%	-5.18%	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	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%	-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%
2011								-1.88%	-2.50%	-0.41%	-0.40%	0.50%	-4.63%

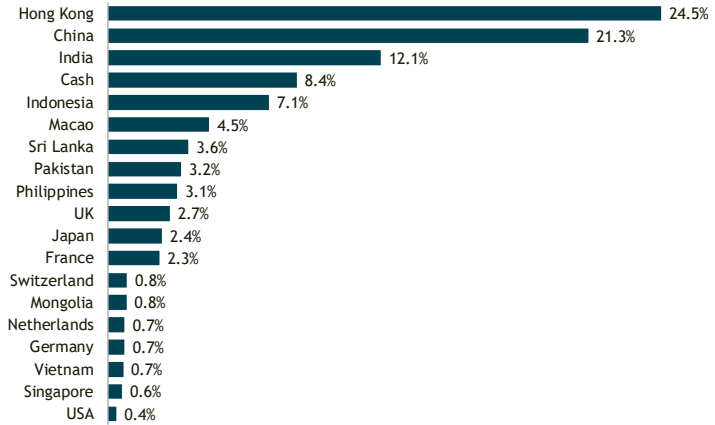
Unless stated otherwise, all data as of 31 December 2024. Source: Income Partners, fund performance is calculated on NAV to NAV basis in denominated currency with dividends re-invested. Performance is presented on a net-of-fees basis. Past performance is not indicative of future results.

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 + 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 % per annum. The % 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 Hedged 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 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.

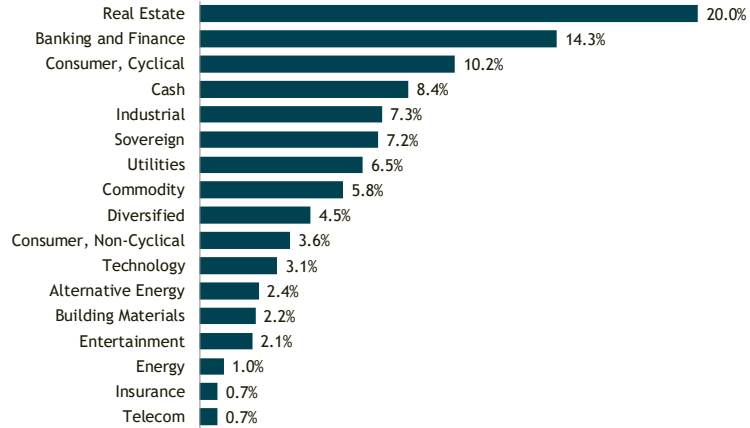
* With effect from 1 March 2024, the fund is an eligible collective investment scheme in the new Capital Investment Entrant Scheme (New CIES) in Hong Kong.

PORTFOLIO OVERVIEW¹¹

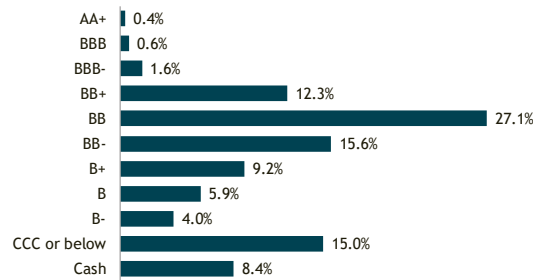
Geographical Exposure



Industry Exposure



Credit Rating Exposure



Fund Details	
Base Currency	RMB
	2A (USD): USD1,000
	2B (RMB): RMB10,000
	2C (USD): USD1,000
	2D (HKD): HKD10,000
	2E (AUD): AUD1,000
Minimum Initial Investment	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
Fees & Charges¹²	Management Fee: 1.50% p.a. Subscription Charge: Up to 5.00%
Dealing Frequency	Daily
Dividend Frequency	Monthly (Please refer to important information VI)
Portfolio Manager	Emil Nguy Jack Zhai Jason Wong
Trustee	Cititrust Limited
Custodian & Administrator	Citibank, N.A., Hong Kong Branch
Transfer Agent	Citicorp Financial Services Limited
Share Class	Bloomberg Ticker 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	RMB203 million / USD28 million

H = Hedged currency share class

MANAGER'S COMMENTARY¹³

As is typical, December has been relatively quiet for the Asian high-yield bond market due to the holiday season. We would like to take this opportunity to reflect on 2024, particularly the Asian high-yield market, and share our outlook for 2025.

In 2024, as the second year after the pandemic, global economic growth was moderate, hovering around 3% for the year. The U.S. economy led the developed markets, demonstrating resilience despite a restrictive high-interest-rate environment. The U.S. job market has remained strong, with recent data exceeding market expectations by a wide margin, and inflation has steadily declined. These positive developments have led the U.S. Federal Reserve to signal a slower pace of rate cuts in 2025. On the other hand, the Eurozone has faced greater pressures, prompting a more active approach to rate cuts. Years of elevated energy prices and increasing competition from emerging markets have challenged the Eurozone's position in the global value chain. These issues have triggered societal discontent, which is reshaping the political landscape in the region.

Turning to Asia, the growth outlook appears much brighter, with economies in the region benefiting from the recovery post-pandemic and continuing along a sturdy upward trajectory. China, however, is likely the laggard in the region, facing headwinds in 2024 due to sluggish domestic investment and consumption. On the investment side, the lingering effects of the property sector crackdown continue to weigh on buyers' confidence and constrain local government spending due to reduced land sales and property-related tax revenue. On the consumption front, tighter regulations sectors homing sizable middle-class, including internet and finance, have forced consumers to adopt a more austere spending approach. In response to these challenges, the Chinese government signaled a major policy shift in September 2024, with the aim of stabilizing the property sector, alleviating the fiscal strain on local governments, and boosting domestic consumption. A series of measures were released in the fourth quarter, and while we have observed some improvement, particularly in the property market, we believe additional measures will be necessary before a full turnaround can be declared.

MANAGER'S COMMENTARY (Cont'd)¹³

Given weak sentiment, Asian high-yield bonds, especially those issued by Chinese private-sector companies, have been priced with substantial discounts, with yields to maturity (YTM) in the high single-digit range and above. Looking ahead to 2025, we expect continued pressure on the valuations of Chinese bonds, which will continue to offer attractive yields to investors. However, we anticipate increased differentiation, with higher-quality issuers beginning to tap the market at sub-10% yields, while others will face challenges and may need to seek alternative sources of funding to manage maturing debt. In terms of portfolio strategy, we plan to reduce our exposure to the property sector, which contributed notably to performance in 2024, while continuing to focus on industrial sectors that offer attractive upside potential.

Outside China, there has been increasing enthusiasm for other developing Asian countries, with India leading the charge due to its strong growth prospects. India, with its large, youthful population, has emerged as one of the most dynamic economies, attracting capital from around the world. This positive sentiment is reflected in the steady rise of Indian bonds in the Asian high-yield market. In fact, India overtook Hong Kong in 2024 to become the second-largest region in the market, with a weighting of nearly 19%, compared to 22% for mainland China. The Indian high-yield bond market is diversified, but renewable energy stands out as the most sought-after sector, driven by favorable government policies and increasing electricity demand from the country's rapidly expanding economy. We expect the Indian high-yield market to continue its growth trend in 2025, with more issuances expected. Despite relatively higher valuations of Indian bonds, the fund has steadily increased its exposure to India, as valuations in other regions have also been climbing, narrowing the gap. The overall positive sentiment in India provides issuers with smoother access to capital markets, leading to a larger market share for Indian bonds.

In other parts of Asia, Hong Kong accounts for 16% of the Asian high-yield market, ranking third behind mainland China and India, with average YTM at high single digits. Hong Kong faces challenges, such as the outflow of individuals and businesses over the past few years and structural changes in retail sales patterns, which have put pressure on its property sector, especially commercial real estate. Nevertheless, we see selective opportunities in Hong Kong and plan to take advantage of market volatility. Macau, accounting for around 10% of the market, is dominated by the gaming sector. We are comfortable with the improving credit fundamentals of gaming operators, supported by strong cash flows, and will maintain our exposure for decent carry. Market share for other Asian regions remains relatively small, apart from Pakistan and Sri Lanka, which have experienced rapid recovery from the pandemic's effects. Sri Lanka successfully restructured its sovereign debt, and its plan has been well-received by investors. We are constructive on both issuers and have included their bonds in the fund for attractive carry opportunities.

Looking ahead to 2025, we are optimistic about the opportunities that lie ahead in Asian high-yield bond market:

- A strong U.S. dollar will continue to attract capital into U.S. dollar-denominated assets. With interest rates likely to remain high for an extended period, Asian high-yield bonds offer attractive carry opportunities, with the average YTM currently around 10%.
- Yield compression potential: The high YTM in the current market is at the higher end of historical ranges, presenting capital potential as yields compress.
- Challenging primary market: The primary market will remain challenging for many issuers, with limited supply providing support for existing valuations.
- Visible cash flows: An average coupon rate of around 6% offers investors visible cash flows, acting as a buffer to absorb price volatility.

In terms of overall portfolio allocation, we will continue to pursue a strategy of diversification, gradually shifting from a more concentrated allocation to a more balanced one. Our focus will be on reducing volatility and emphasizing decent carry opportunities, while continually seeking capital gain potential to enhance overall performance.

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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