

# PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

DECEMBER 2023  
2 PAGES

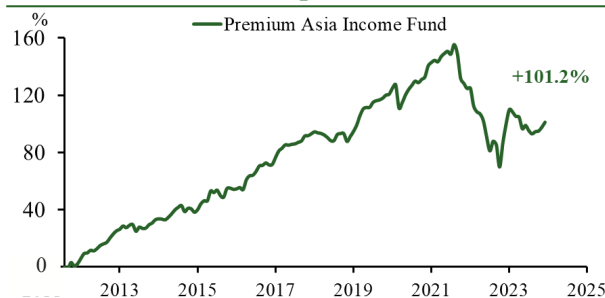
## Investment objective

The Premium Asia Income Fund is a managed investment scheme seeking current income and some capital appreciation by investing mostly in a diversified portfolio of high yielding, sub investment grade securities and non-rated securities across a range of markets in Asia and the Middle East (the "Region"). The Fund may invest in sovereign debt and corporate debt issued by companies with main operations in or majority of their income derived from the Region. The Fund is expected to be hedged in Australian dollars within a range of 0% to 100% of the Fund's net asset value.

## Fund facts

Investment type:	Registered managed investment scheme
Jurisdiction:	Australia
Fund manager:	Premium China Funds Management Pty Ltd
Investment manager:	Value Partners Hong Kong Limited
Responsible entity:	Equity Trustees Limited
Custodian:	Link Fund Solutions Pty Ltd
Auditor:	Ernst & Young
APIR code:	MAQ0782AU
Inception date:	31 August 2011
Fund size:	AUD 78.3 million <sup>2</sup>
Dividend distribution:	Quarterly <sup>1</sup>

## Performance since inception\* <sup>2</sup>



## Performance update\* <sup>2</sup>

Premium Asia Income Fund	
One month	+1.8%
One year	0.7%
Since inception (including distribution)	+101.21%
Annualised return	+5.8%
Annualised volatility	+8.0%
Distribution (since inception)	121.8%

\* Past performance is not indicative of future results.

## Portfolio characteristics

### As at 29 December 2023

Cash yield	6.86%
Yield to maturity / put <sup>3</sup>	15.78%
Time to maturity, years	3.09
Modified duration, years	2.09
Number of bond positions	93

<sup>1</sup> Normally, the Fund expects to make distributions out of its income on a quarterly basis, and out of its net capital gains annually after the end of June; the actual distribution an investor may receive is not guaranteed and dividend history is presented for reference only. <sup>2</sup> Source: Link Fund Solutions Pty Ltd, Macquarie Investment Management Limited and Bloomberg, in AUD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. Unless specified, all information contained on this report is quoted as at 29 December 2023. <sup>3</sup> Including FX hedge. Investment involves risks. Investors should read the Product Disclosure Statement for details and risk factors in particular those associated with investment in sub-investment grade securities and emerging markets.

Unit Price: AUD 0.7645 Entry Price: AUD 0.7683 Exit Price: AUD 0.7606  
Distribution: AUD 0.0116 (for the quarter ended 29 Dec 2023)

## Manager's commentary

### Portfolio Review:

Fuelled by continuous decline in UST yield due to softening of US inflation data, the Asian credit market marched higher in December. UST rally during the month contributed to the bulk of the December return. The portfolio was little changed, and is well positioned to take advantage of further credit spread normalization as risk appetite returns in response to lower global rates going forward.

### Strategy:

In December, the portfolio's AUD currency hedge was 88%. We will continue to monitor the AUD exposure and adjust our currency hedge as we see fit.

### Outlook:

We will continue to pay close attention to the global inflation outlook as well as the Chinese economy and will position our portfolio accordingly.

## Link to TMD

Premium Asia Income Fund's Target Market Determination is available here: <https://www.premiumasiafunds.com.au/wp-content/uploads/2022/10/Premium-Asia-Income-Fund-EN-AU-1666845666.pdf>

A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

## Product composition

	%
Straight bond	87.6
Cash	7.4
Convertible bond	1.7
FX hedges	3.3

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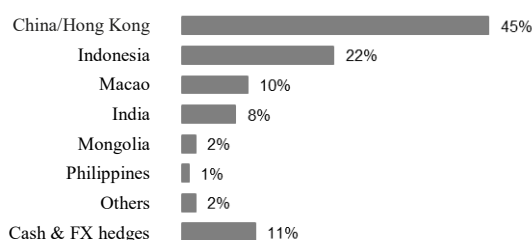
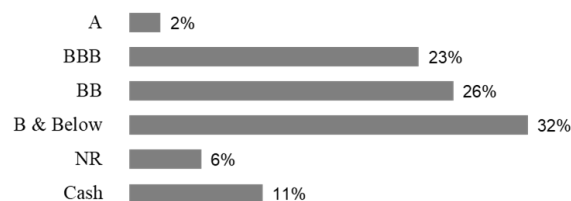
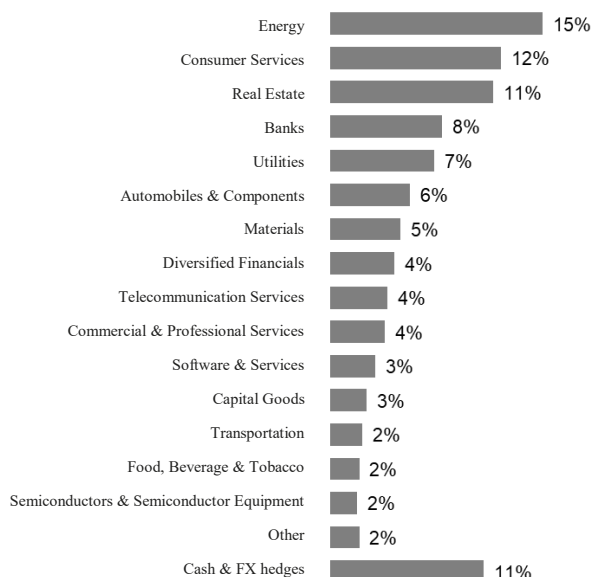
**Annual performance since inception\* 2**

Year	2011 (August)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (YTD)
Performance	+2.4%	+22.5%	+6.2%	+3.9%	+11.6%	+11.3	+12.4%	-1.0%	+15.4%	+8.9%	-6.6%	-11.1%	0.7%

\* Past performance is not indicative of future results.

**Top 10 holdings**

Name	Sector	Country	%
Gajah Tunggal	Automobiles & Components	Indonesia	3.7
Wynn Macau	Consumer Services	Macao	3.6
CAS Capital No.1	Telecommunication Services	China/Hong Kong	3.0
ABM Investama	Energy	Indonesia	2.8
eHi Car	Commercial & Professional Services	China/Hong Kong	2.6
Indika Energy	Energy	Indonesia	2.4
Chong Hing Bank	Banks	China/Hong Kong	2.2
Japfa Comfeed	Food, Beverage & Tobacco	Indonesia	2.0
Mongolian Mining	Materials	Mongolia	2.0
HSBC Holdings	Banks	China/Hong Kong	1.9

**Country allocation****Credit ratings****Industry exposure****Dividend history 1**

Ex-dividend date	Ex-dividend date NAV (AUD)	Dividend amount / unit (AUD)
29 Dec 2023	0.7645	0.011641
29 Sep 2023	0.7506	0.011431
30 Jun 2023	0.7791	0.011865
31 Mar 2023	0.8160	0.012430
30 Dec 2022	0.8065	0.012265
30 Sep 2022	0.7598	0.011570
30 Jun 2022	0.7950	0.012106
31 Mar 2022	0.8804	0.013397
31 Dec 2021	0.9632	0.014667
30 Sep 2021	1.0833	0.016496
30 Jun 2021	1.1077	0.047774
31 Mar 2021	1.1217	0.017081

**Fee structure & Subscription Information**

Management fee	1.13% p.a. of Net Asset Value
Performance fee	No performance fee
Transaction costs	Buy: +0.50% of unit price for applications Sell: -0.50% of unit price for redemptions
Minimum subscription	Dependent on IDPS provider / AUD 25,000 direct
Dealing frequency	Daily

**Value Partners - Senior investment staffs****Co-Chairmen & Co-Chief Investment Officers:**

Cheah Cheng Hye; Louis So

**Senior Investment Directors:** Norman Ho, CFA; Renee Hung*Fixed income investment team:***Co-Chief Investment Officers, Fixed Income:** Sean Chang; Gordon Ip, CFA**Head of Credit Research & Strategy:** Anna Ho**Fund Manager:** Danielle Li**Currency breakdown**

Due to rounding, percentages shown may not add up to 100%.

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