

PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

FEBRUARY 2024
2 PAGES

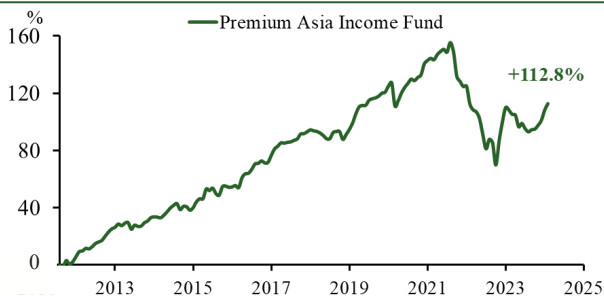
Investment objective

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 84.8 million ² |
| Dividend distribution: | Quarterly ¹ |

Performance since inception*²



Performance update*²

Premium Asia Income Fund

| | |
|--|---------|
| One month | +2.2% |
| One year | +2.2% |
| Since inception (including distribution) | +112.8% |
| Annualised return | +6.2% |
| Annualised volatility | +8.0% |
| Distribution (since inception) | 128.8% |

* Past performance is not indicative of future results.

Portfolio characteristics

As at 29 February 2024

| | |
|--------------------------------------|--------|
| Cash yield | 6.73% |
| Yield to maturity / put ³ | 11.94% |
| Time to maturity, years | 2.98 |
| Modified duration, years | 2.30 |
| Number of bond positions | 99 |

¹ 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. ² 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 February 2024. ³ 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 0.8086 Entry Price: AUD 0.8127 Exit Price: AUD 0.8046
Distribution: AUD 0.0116 (for the quarter ended 29 Dec 2023)

Manager's commentary

Portfolio Review:

The Asian high yield market was higher again in February even through the expectation of a Fed rate cut later in 2024 was dial backed a bit. The lack of supply of high yield bonds continued to provide strong support for the market. The absence of further bad news also contributed to the strong performance. The fund 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 February, the portfolio's AUD currency hedge was 92%. 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 composition

| | % |
|------------------|------|
| Straight bond | 95.0 |
| Cash | 5.5 |
| Convertible bond | 1.6 |
| FX hedges | -2.1 |

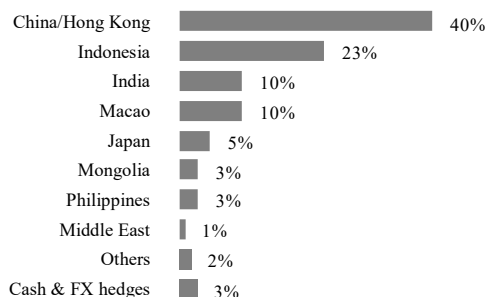
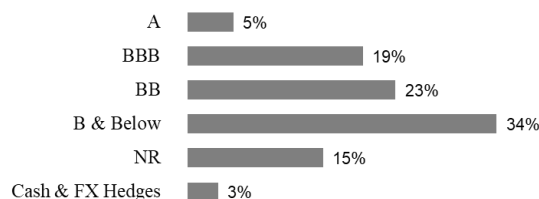
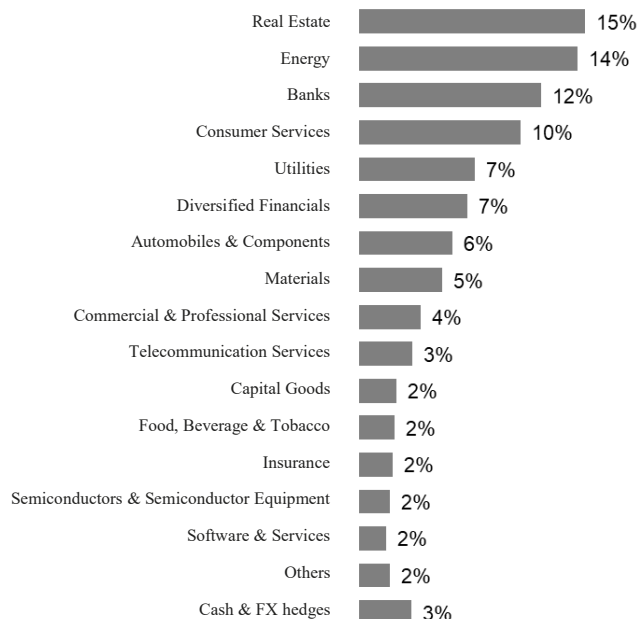
Annual performance since inception* 2

| Year | 2011 (August) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 (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% | 5.8% |

Top 10 holdings

* Past performance is not indicative of future results.

| Name | Sector | Country | % |
|------------------|------------------------------------|-----------------|-----|
| Gajah Tunggal | Automobiles & Components | Indonesia | 3.9 |
| ABM Investama | Energy | Indonesia | 3.2 |
| CAS Capital No.1 | Telecommunication Services | China/Hong Kong | 3.1 |
| Alam Sutera | Real Estate | Indonesia | 2.8 |
| Wynn Macau | Consumer Services | Macao | 2.7 |
| Adaro Energy | Energy | Indonesia | 2.7 |
| Japfa Comfeed | Food, Beverage & Tobacco | Indonesia | 2.4 |
| Geely Automobile | Automobiles & Components | China/Hong Kong | 2.2 |
| Chong Hing Bank | Banks | China/Hong Kong | 2.1 |
| eHi Car | Commercial & Professional Services | China/Hong Kong | 2.1 |

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**Senior Fund Manager:** Danielle Li**Currency breakdown**

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

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