

PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

NOVEMBER 2021
2 PAGES

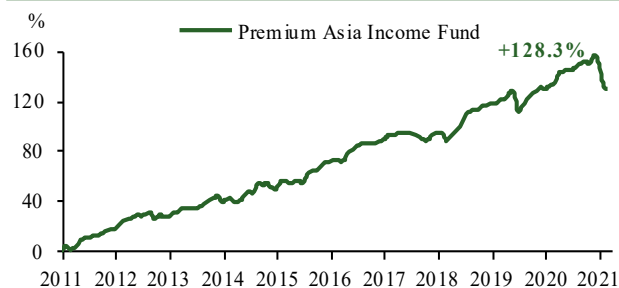
Investment objective

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 75.1 million ²
Dividend distribution:	Quarterly ¹

Performance since inception* ²



Performance update* ²

Premium Asia Income Fund	
One month	-1.5%
One year	-1.9%
Since inception (including distribution)	+128.3%
Annualised return	+8.4%
Annualised volatility	6.1%
Distribution (since inception)	128.9%

* Past performance is not indicative of future results.

Portfolio characteristics

As at 30 November 2021	
Cash yield	5.82%
Yield to maturity / put ³	11.83%
Time to maturity, years	2.43
Modified duration, years	2.03
Number of bond positions	70

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 30 November 2021. 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 0.9937 Entry Price: AUD 0.9987 Exit Price: AUD 0.9888
Distribution: AUD 0.0165 (for the quarter ended 30 Sep 2021)

Manager's commentary

Portfolio Review:

Challenges remained for China property high yield credits in November. Negative headlines continued to hurt confidence among investors towards the asset class. In addition, news of a new coronavirus variant, Omicron, exacerbated pessimism, sending shockwaves to both equity and bond markets globally. During the month, we continued to add quality benchmark property names at cheap valuations, while reducing names with high exposure to idiosyncratic risks.

Strategy:

In November, the portfolio's AUD currency hedge was 20%. We will continue to monitor the AUD exposure and adjust our currency hedge as we see fit.

Outlook:

We expect short-term volatility to continue as the market remains sensitive about idiosyncratic events. We expect investors to stay cautious in December, with much attention to managing year-end liquidity. Looking ahead, it's important to continue to monitor developers' liquidity situation and take advantage of adding good names on market weakness.

Link to TMD

https://www.premiumchinafunds.com.au/wp-content/uploads/2021/10/Premium_Asia_Income_Fund_EN_AU_1630392412.pdf

Product composition

	%
Straight bond	76.0
Cash	13.4
Convertible bond	11.7
FX hedges	-1.1

www.premiumchinafunds.com.au
Tel: (02) 9211 3888 Email: info@premiumchinafunds.com.au

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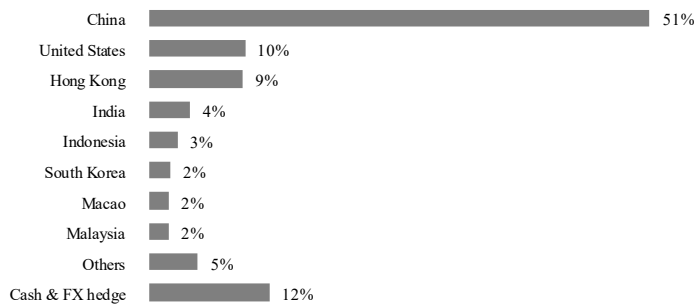
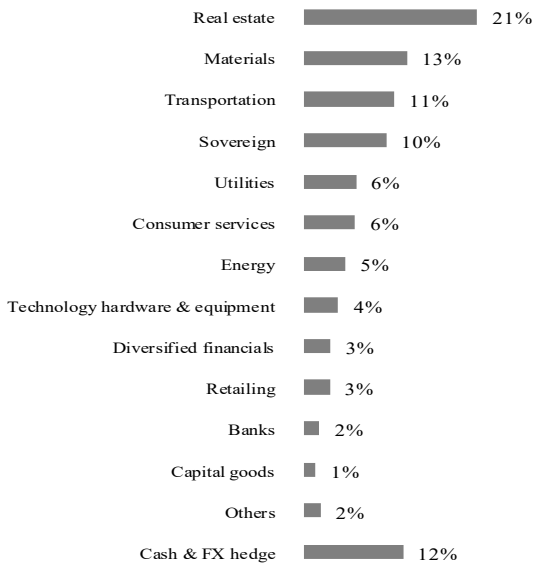
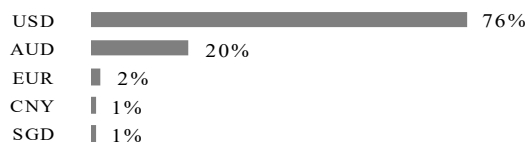
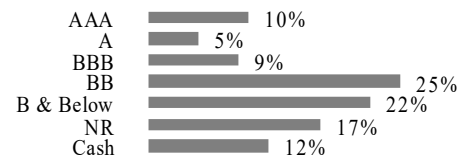
Annual performance since inception* 2

Year	2011 (August)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (YTD)
Performance	+2.4%	+22.5%	+6.2%	+3.9%	+11.6%	+11.3%	+12.4%	-1.0%	+15.4%	+8.9%	-5.1%

* Past performance is not indicative of future results.

Top 10 holdings

Name	Sector	Country	%
GCL New Energy	Utilities	China/Hong Kong	4.5
Tongfang Aqua	Technology hardware & equipment	China/Hong Kong	3.8
China Hongqiao	Materials	China/Hong Kong	3.0
Pacific Basin Shipping	Transportation	China/Hong Kong	2.9
Vedanta Resources	Materials	India	2.7
CNAC HK Finbridge	Materials	China/Hong Kong	2.2
POSCO	Materials	South Korea	2.1
Concord New Energy	Utilities	China/Hong Kong	1.8
Franshion Brilliant	Real estate	China/Hong Kong	1.8
Hilong	Energy	China/Hong Kong	1.6

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

Ex-dividend date	Ex-dividend date NAV (AUD)	Dividend amount / unit (AUD)
30 Sep 2021	1.0833	0.016496
30 Jun 2021	1.1077	0.047774
31 Mar 2021	1.1217	0.017081
31 Dec 2020	1.1253	0.017137
30 Sep 2020	1.0869	0.016552
30 Jun 2020	1.0810	0.068941
31 Mar 2020	1.0836	0.016502
31 Dec 2019	1.1499	0.017511
30 Sep 2019	1.1463	0.017455
30 Jun 2019	1.1361	0.018285
29 Mar 2019	1.1228	0.017099
31 Dec 2018	1.0590	0.016127

Fee structure

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:****Chief Investment Officer, Fixed Income:** Gordon Ip, CFA**Head of Credit Research & Strategy:** Anna Ho**Fund Managers:** Danielle Li; Adeline Tan, CFA

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

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