

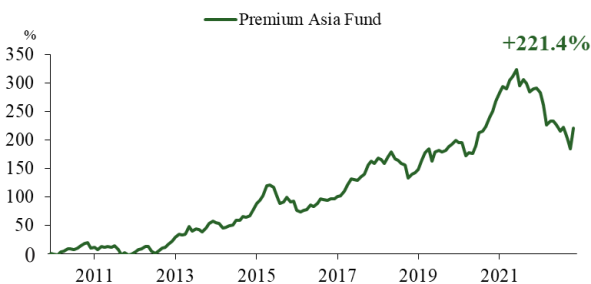
Investment objective

The Premium Asia Fund aims to generate positive returns, consisting of both capital growth and income, over a three to five year period prior to accounting for movements in currency exchange rates. It will seek to achieve this objective by constructing a portfolio of securities which provides exposure to the Asia ex-Japan region. The Fund is denominated in Australian dollars and typically will not hedge its currency exposure.

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:	MAQ0635AU
Inception date:	1 December 2009
Fund size:	AUD 34.3 million ²

Performance since inception ^{1, 2}



Performance update ^{1, 2}

	Premium Asia Fund
One month	+13.3%
Three months	-0.4%
Six months	-3.4%
One year	-17.6%
Since inception	+221.4%
Annualised return	+9.4%
Annualised volatility	13.7%

Volatility is a measure of theoretical risk. In general, the lower the number, the less risky the investment.

Annual return since inception ^{1, 2}

2009 (Since inception)	+1.2%	2016	+2.0%
2010	+9.2%	2017	+31.8%
2011	-9.9%	2018	-6.1%
2012	+22.1%	2019	+23.3%
2013	+29.3%	2020	+23.0%
2014	+12.1%	2021	+6.0%
2015	+9.2%	2022 (YTD)	-17.8%

Unit price: AUD 1.0926 Entry price: AUD 1.0954 Exit price: AUD 1.0899
Distribution: AUD 0.0154 (for the year ended 30 June 2022)

Manager's commentary

Market review

Investor sentiment turned favorable for Asia equities in November, propelled mainly by renewed confidence toward the China markets.

The Greater China equities market registered a strong rebound in November, with the MSCI China Index up 29.7% (in USD),¹ driven by policy announcements to ease excessive anti-Covid measures and support the ailing property market. During the month, the National Health Council released measures to address issues arising from the country's zero-Covid policy. On the property front, financial authorities announced a policy mix dubbed the "three arrows", which include PBoC and CBIRC's 16 measures focusing on bond financing and bank lending and CSRC's five-point measure on equity financing.

Taiwan's equities market was also up in the month, with the MSCI Taiwan Index surging 22.2% (in USD).¹ Net buying from foreign funds amounted to US\$6.1 billion in the month, following months of consecutive outflows.² However, although market sentiment was positive, the global demand slowdown continued to weigh on Taiwan's economy. In November, total exports contracted 13.1% YoY.³ The administration remains cautious about its export outlook and continues to monitor downside risks, including the US-China technology-related tensions.

Korea's equities market remained strong in November, with the MSCI Korea Index up 15.0% (in USD).¹ Foreign fund flows continued on the back of a strengthened Korean won. We are also seeing the central bank taking milder steps toward controlling inflation and interest rate normalization. However, the weakening external demand continues to be a headwind for the market, hitting exports, which were down 14.0% YoY.⁴

Along with global markets, the ASEAN equities market saw a strong performance on the back of an easing rate hike narrative, with the regional index up 8.5% (in USD).¹ Within the region, we continue to favor Singapore banks, which benefit from higher interest rates. We also like commodity companies in Indonesia, which are part of a wider structural growth story.

Portfolio strategy and outlook

In November, the Fund and the MSCI AC Asia ex-Japan Index were up 13.3% (in AUD) and 13.4% (in AUD),¹ respectively.

The key contributors to our portfolio were relatively widespread across different sectors, especially in China, which include internet, consumer, and financial names. These primarily reflected the renewed investor enthusiasm amid the fine-tuning of anti-Covid policies in China, as well as the strong funding support for property developers. A leading regional semiconductor foundry was also among the top contributors to the Fund's performance.

On the other hand, our Fund's exposures in India and Indonesia have slightly dragged the Fund's performance, given the modest performance in these markets.

Following a sharp rally in November 2022, we expect market volatility to persist in the near term, as investor sentiment remains jumpy on different macro data points and economic events. For China, one key event to watch in the near term is the central economic working conference that will likely take place in the next few weeks, as it could outline top policy directions. Overall, we remain optimistic about China's long-term market outlook and believe it offers good long-term risk-reward opportunities, even after the recent rebound.

In the other parts of Asia, we continue to adopt a selective approach toward different trends and characteristics. Although other regional markets have significantly underperformed China in the recent month, we believe that selective allocation in some markets could help shape a more balanced portfolio with reduced volatility over the longer term.

Sources:

1. MSCI, 30 November 2022
2. TWSE, 30 November 2022
3. Ministry of Finance (Taiwan), 7 December 2022
4. Ministry of Trade, Industry and Energy (Korea), 1 December 2022

¹ Past performance is not indicative of future results.

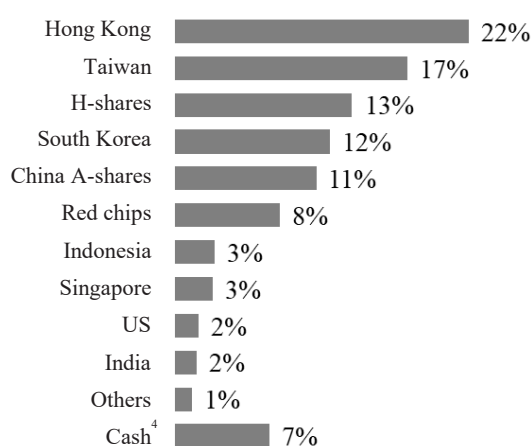
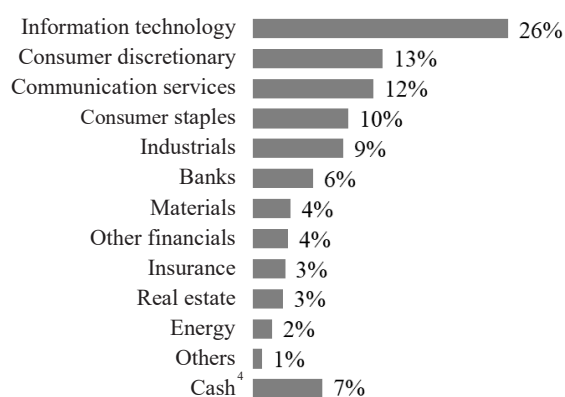
² Source: Link Fund Solutions Pty Ltd, Macquarie Investment Management Limited and Bloomberg, in AUD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. Unless specified, all information contained on this report is quoted as at 30 November 2022. Investment involves risks. Investors should read the Product Disclosure Statement for details and risk factors in particular those associated with investment in emerging markets. Index performance is for reference only.

Top 10 holdings

Name	Industry	Listing	%
Taiwan Semiconductor Manufacturing	Semiconductors & semiconductor equipment	Taiwan	7.4
Samsung Electronics	Technology hardware & equipment	South Korea	4.7
China Mobile	Telecommunication services	Red chips	4.3
China Telecom	Telecommunication services	H-shares	3.9
AIA Group	Insurance	Hong Kong	2.5
Kweichow Moutai	Food, beverage & tobacco	China A-shares	2.4
Tencent Holdings	Media & entertainment	Hong Kong	2.3
Zijin Mining Group	Materials	H-shares	2.3
Meituan	Retailing	Hong Kong	2.2
KB Financial Group	Banks	South Korea	2.2

These holdings made up 34% of the Fund.

No. of holdings : 88

Geographical exposure by listing³**Sector exposure³****Fee structure**

Management fee	1.33% p.a. of Net Asset Value
Performance fee	No performance fee
Transaction costs	Buy: +0.25% of unit price for applications Sell: -0.25% of unit price for redemptions
Minimum subscription	Dependent on IDPS provider / AUD 25,000 direct
Dealing frequency	Daily

Senior investment staff**Co-Chairmen & Co-Chief Investment Officers:**

Cheah Cheng Hye; Louis So

Senior Investment Directors:

Norman Ho, CFA; Renee Hung

Investment Directors:

Kelly Chung, CFA; Chung Man Wing; Yu Chen Jun; Michelle Yu, CFA

Senior Fund Managers:

Lillian Cao; Luo Jing, CFA; Frank Tsui

Link to TMD

https://www.premiumasiafunds.com.au/wp-content/uploads/2021/10/Premium_Asia_Fund_EN_AU_1630674977.pdf

³ Exposure refers to net exposure (long exposure minus short exposure). Derivatives e.g. index futures are calculated based on P/L instead of notional exposure.

⁴ Cash includes receivables and payables (except cash for collaterals and margins).

Disclaimer: This report is issued by Premium China Funds Management ("Premium") for general information purposes only and does not take into account the investment objectives, financial situation or needs of any particular investor. Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 AFSL No. 240975, is a subsidiary of EQT Holdings Limited, a publicly listed company on the Australian Securities Exchange (ASX:EQT), is the Responsible Entity of the Premium Asia Fund ("Fund"). The comments contained herein are expressions of belief only and should not be relied upon as authoritative or without the recipient's own independent verification or in substitution for the exercise of judgment by any recipient, and are subject to change without notice. Financial data herein are obtained from sources believed to be reliable. The performance of individual shares may not be representative of the performance of the fund as a whole.

The views expressed are the views of Value Partners Hong Kong Limited and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Neither Premium, Value Partners, Equity Trustees, nor any of its related parties, its directors or employees, provide warranty of accuracy or reliability in relation to information on this report or accepts liability to any person who relies on it.