

# PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

JUNE 2022  
2 PAGES

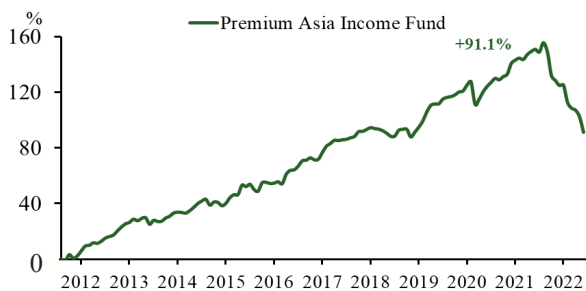
## Investment objective

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 76.0 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	-5.5%
One year	-23.8%
Since inception (including distribution)	+91.1%
Annualised return	+6.2%
Annualised volatility	6.6%
Distribution (since inception)	111.6%

\* Past performance is not indicative of future results.

## Portfolio characteristics

As at 30 Jun 2022	
Cash yield	8.07%
Yield to maturity / put <sup>3</sup>	24.70%
Time to maturity, years	3.26
Modified duration, years	2.41
Number of bond positions	100

<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 30 June 2022. <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 0.7950 Entry Price: AUD 0.7989 Exit Price: AUD 0.7910  
Distribution: AUD 0.0121 (for the quarter ended 30 Jun 2022)

## Manager's commentary

### Portfolio Review:

June was a volatile month for both the rates and credit markets. Although the benchmark 10-year US Treasury yield finished the month at about the same level at the beginning of the month, it was highly volatile, with the yield level reaching almost 3.5% in the month. Investment grade and high yield credits both underperformed. Due to idiosyncratic events and poor macro factors, China high yield bonds saw one of their worst monthly performances. For the month, we continued to manage the risk of our exposure to China property and selectively added to India and Indonesia names. Our priority remains to manage the quality and liquidity of our holdings.

### Strategy:

In June, the portfolio's AUD currency hedge was 55%. We will continue to monitor the AUD exposure and adjust our currency hedge as we see fit.

### Outlook:

We remain cautious about China's real estate market. We continue to search for any signs or evidence of concrete government measures to support the sector and monitor how they would impact issuers. We expect volatility to remain and continue to monitor the market and act accordingly based on market conditions.

## Link to TMD

[https://www.premiumasiafunds.com.au/wp-content/uploads/2021/10/Premium\\_Asia\\_Income\\_Fund\\_EN\\_AU\\_1630392412.pdf](https://www.premiumasiafunds.com.au/wp-content/uploads/2021/10/Premium_Asia_Income_Fund_EN_AU_1630392412.pdf)

## Product composition

	%
Straight bond	78.3
Cash	14.9
Convertible bond	8.5
FX hedges	-1.7

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

Think Asia  
Think Premium

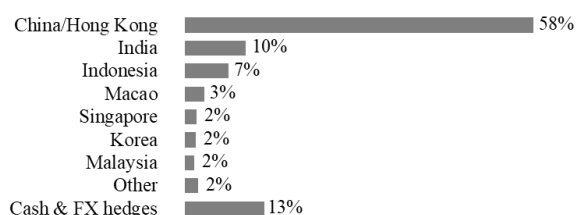
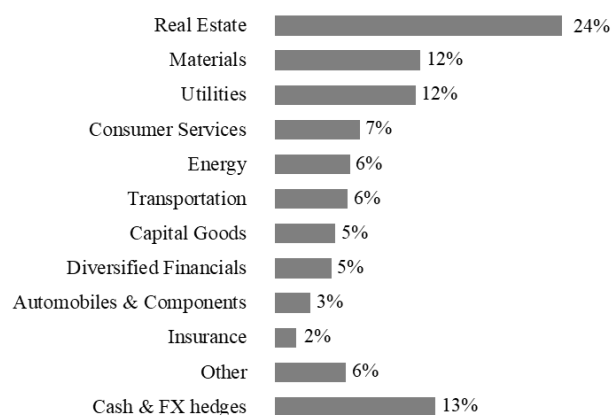
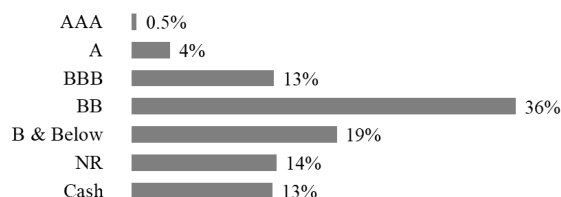
**Annual performance since inception\* 2**

Year	2011 (August)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (YTD)
Performance	+2.4%	+22.5%	+6.2%	+3.9%	+11.6%	+11.3%	+12.4%	-1.0%	+15.4%	+8.9%	-6.6%	-14.9%

\* Past performance is not indicative of future results.

**Top 10 holdings**

Name	Sector	Country	%
GCL New Energy	Utilities	China/Hong Kong	3.9
China Hongqiao	Materials	China/Hong Kong	3.0
Indika Energy	Energy	Indonesia	2.8
Gajah Tunggal	Automobiles & components	Indonesia	2.1
eHi Car Services	Transportation	China/Hong Kong	2.0
Vedanta Resources	Materials	India	1.9
CNAC HK Finbridge	Materials	China/Hong Kong	1.9
Fosun	Capital goods	China/Hong Kong	1.9
Franshion	Real Estate	China/Hong Kong	1.9
POSCO	Materials	Korea	1.8

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

Ex-dividend date	Ex-dividend date NAV (AUD)	Dividend amount / unit (AUD)
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
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

**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 Manager:** Danielle Li

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

**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 Income 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 views expressed are the views of Value Partners Hong Kong Limited ("Value Partners") 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.

**Think Asia**  
**Think Premium**