

PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

SEPTEMBER 2022
2 PAGES

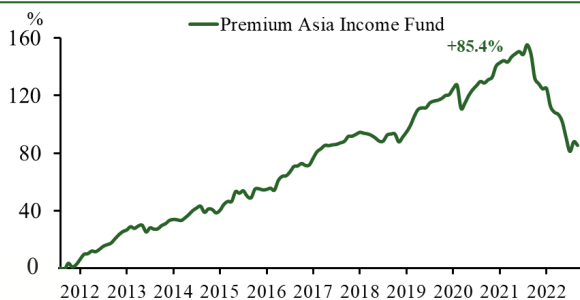
Investment objective

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 ²
Dividend distribution:	Quarterly ¹

Performance since inception* ²



Performance update* ²

Premium Asia Income Fund	
One month	-1.3%
One year	-25.5%
Since inception (including distribution)	+85.5%
Annualised return	+5.7%
Annualised volatility	6.9%
Distribution (since inception)	109.5%

* Past performance is not indicative of future results.

Portfolio characteristics

As at 30 Sep 2022	
Cash yield	8.76%
Yield to maturity / put ³	27.66%
Time to maturity, years	3.71
Modified duration, years	2.21
Number of bond positions	105

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 September 2022. 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 0.7598 Entry Price: AUD 0.7636 Exit Price: AUD 0.7560
Distribution: AUD 0.0116 (for the quarter ended 30 Sep 2022)

Manager's commentary

Portfolio Review:

In September, the surging bond yields, the US dollar's strength, and geopolitical events sent risk assets tumbling globally. During the month, the S&P and the HSI were down by around 8% and 14%, respectively. The US Treasury ceded by more than 3%, while Asian credits were generally down about 4%, and Asian high yield dove over 7%. For our fund, we continued to actively manage our China property exposure. We maintained our Greater China exposure by adding to the Macao gaming sector and continued to add defensive names coming from the energy and material sectors in Indonesia and India. As always, managing the quality and liquidity of our portfolio remains the priority in the current market.

Strategy:

In September, the portfolio's AUD currency hedge was 17%. We will continue to monitor the AUD exposure and adjust our currency hedge as we see fit.

Outlook:

The market will turn its attention to the 20th Party Congress, scheduled to take place in mid-October, to look for clues and evidence of concrete government measures to support the Chinese economy. Sporadic volatility is expected. We will continue to monitor the market and act accordingly.

Link to TMD

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

Product composition

	%
Straight bond	86.6
Cash	10.8
Convertible bond	5.2
FX hedges	-2.7

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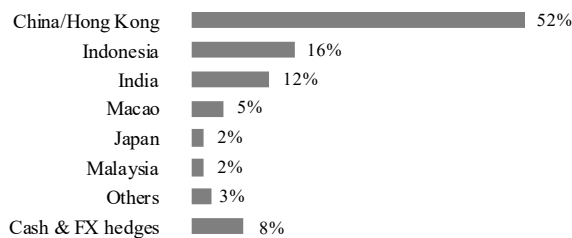
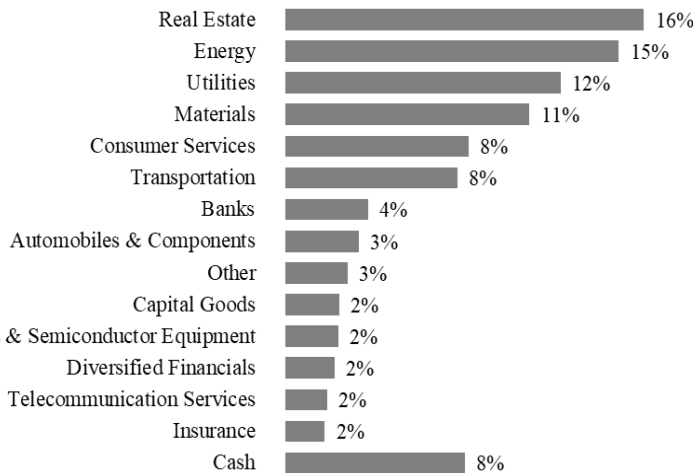
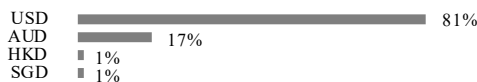
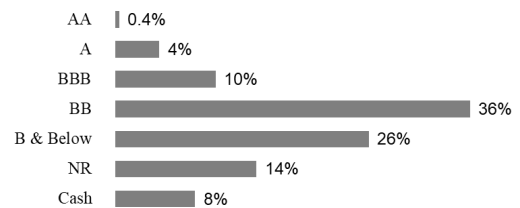
Annual performance since inception* 2

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%	-17.5%

* Past performance is not indicative of future results.

Top 10 holdings

Name	Sector	Country	%
Indika Energy	Energy	Indonesia	4.9
GCL NEW ENERGY HOLDINGS	Utilities	China/Hong Kong	3.5
China Hongqiao	Materials	China/Hong Kong	3.3
Gajah Tunggal	Automobiles & Components	Indonesia	2.5
Vedanta Resources	Materials	India	2.3
CNAC HK Finbridge	Materials	China/Hong Kong	2.0
eHi Car Services	Transportation	China/Hong Kong	2.0
Concord New Energy	Utilities	China/Hong Kong	1.9
GLP China	Transportation	China/Hong Kong	1.9
Softbank	Telecommunication Services	Japan	1.9

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 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
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

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%.

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