

PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

AUGUST 2023
2 PAGES

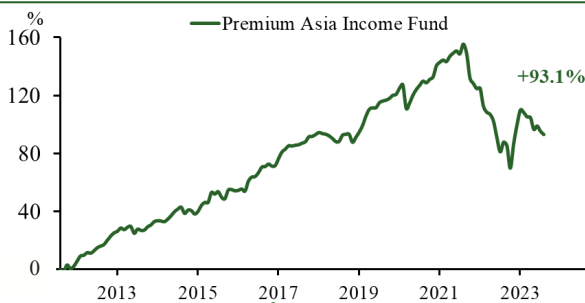
Investment objective

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 81.3 million ²
Dividend distribution:	Quarterly ¹

Performance since inception* ²



Performance update* ²

Premium Asia Income Fund	
One month	-1.1%
One year	+2.8%
Since inception (including distribution)	+93.1%
Annualised return	+5.6%
Annualised volatility	8.1%
Distribution (since inception)	114.6%

* Past performance is not indicative of future results.

Portfolio characteristics

As at 31 August 2023	
Cash yield	7.33%
Yield to maturity / put ³	16.86%
Time to maturity, years	3.58
Modified duration, years	2.36
Number of bond positions	109

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 31 August 2023. 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 0.7561 Entry Price: AUD 0.7599 Exit Price: AUD 0.7523
Distribution: AUD 0.0119 (for the quarter ended 30 Jun 2023)

Manager's commentary

Portfolio Review:

The Asian credit market was marginally soft for most of August, with high yield issues lagging the broader market. However, a strong rally followed, which narrowed the losses, towards the end of the month after easing measures were announced by the Chinese government in the last week of the month. During the month, we reduced our China property and convertible bond positions and reinvested some beaten-down names that offer good value. We were also active in the investment grade new issue market.

Strategy:

In August, the portfolio's AUD currency hedge was 36%. We will continue to monitor the AUD exposure and adjust our currency hedge as we see fit.

Outlook:

We will continue to monitor the rollout of easing policy in China as well as the global inflation outlook and act 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 may need to be reviewed.

Product composition

	%
Straight bond	94.3
Cash	3.1
Convertible bond	3.5
FX hedges	-0.9

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

Think Asia
Think Premium

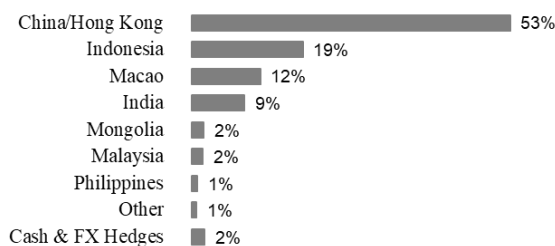
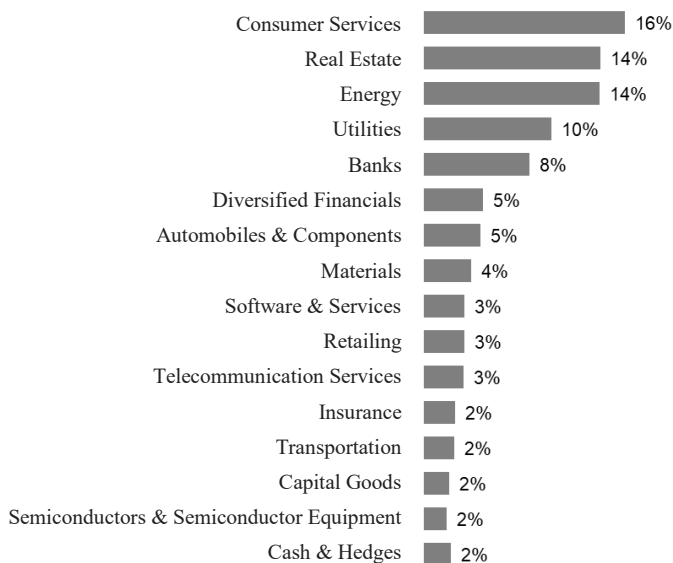
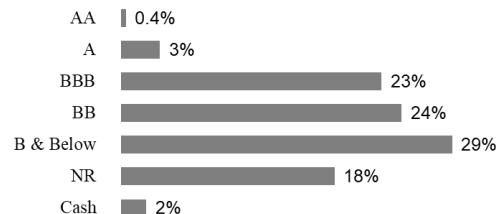
Annual performance since inception* 2

Year	2011 (August)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (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%	-3.4%

* Past performance is not indicative of future results.

Top 10 holdings

Name	Sector	Country	%
Indika Energy	Energy	Indonesia	4.8
GCL New Energy Holdings	Utilities	China/Hong Kong	3.8
Gajah Tunggal	Automobiles & components	Indonesia	3.2
CAS Capital No.1	Telecommunication services	China/Hong Kong	2.6
eHi Car	Commercial & professional services	China/Hong Kong	2.3
Chong Hing Bank	Banks	China/Hong Kong	2.2
ABM Investama	Energy	Indonesia	2.1
Wynn Macau	Consumer services	Macao	2.0
Export-Import Bank of India	Banks	India	2.0
Mongolian Mining	Materials	Mongolia	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 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
31 Dec 2020	1.1253	0.017137
30 Sep 2020	1.0869	0.016552

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:***Co-Chief Investment Officers, Fixed Income:** Gordon Ip, CFA; Sean Chang**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"). In preparing this report, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information.

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