

PREMIUM ASIA INCOME FUND (ARSN 151 270 423)

SEPTEMBER 2023

2 PAGES

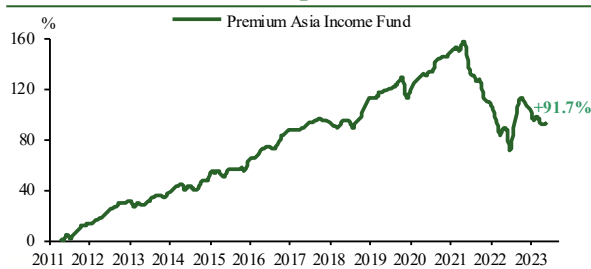
Investment objective

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 79.9 million ²
Dividend distribution:	Quarterly ¹

Performance since inception* ²



Performance update* ²

	Premium Asia Income Fund
One month	+0.8%
One year	+4.9%
Since inception (including distribution)	+94.6%
Annualised return	+5.7%
Annualised volatility	8.1%
Distribution (since inception)	116.6%

* Past performance is not indicative of future results.

Portfolio characteristics

As at 29 September 2023	
Cash yield	7.44%
Yield to maturity / put ³	17.61%
Time to maturity, years	3.51
Modified duration, years	2.34
Number of bond positions	107

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 29 September 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 0.7506 Entry Price: AUD 0.7544 Exit Price: AUD 0.7469
Distribution: AUD 0.0114 (for the quarter ended 29 Sep 2023)

Manager's commentary

Portfolio Review:

The Asian credit market was softer in September, led by investment grade credits as UST curve steepened with the benchmark 10y UST yield rose more than 40bps for the month. Asian High Yield credits fared better due to their shorter durations and hefty credit spreads. During the month, we were active trading the investment grade new issue market, and took some profits on our Macao gaming exposure. We also trimmed select China property names.

Strategy:

In September, 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 China's economic and market performance post Golden Week and also the global inflation outlook and will 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	93.6
Cash	3.6
Convertible bond	3.5
FX hedges	-0.7

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

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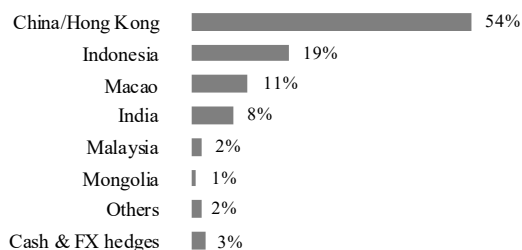
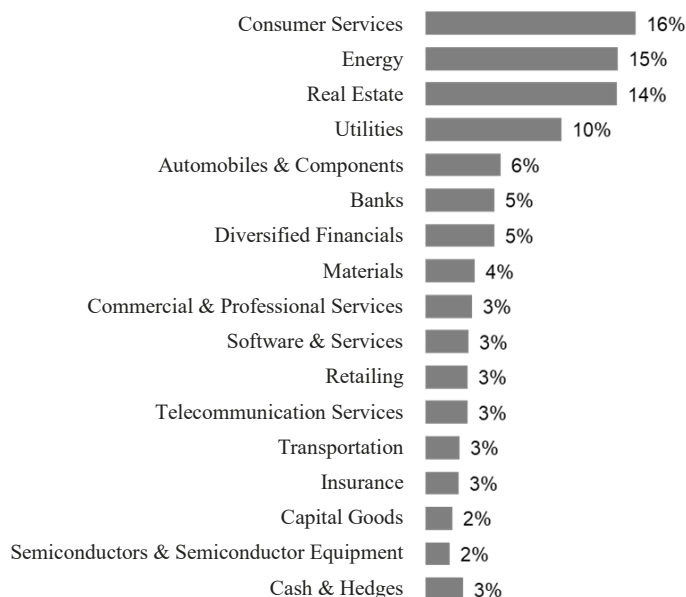
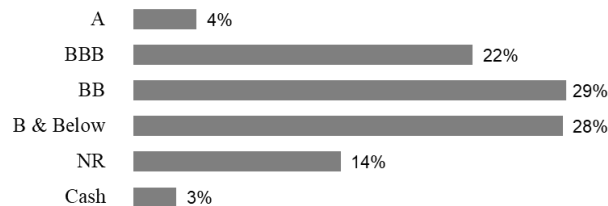
Annual performance since inception* 2

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%	-4.1%

* 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	3.9
Wynn Macau	Consumer Services	Macao	3.4
Gajah Tunggal	Automobiles & Components	Indonesia	3.3
CAS Capital No.1	Telecommunication Services	China/Hong Kong	2.6
eHi Car	Commercial & Professional Services	China/Hong Kong	2.4
Chong Hing Bank	Banks	China/Hong Kong	2.2
ABM Investama	Energy	Indonesia	2.1
MGM China	Consumer Services	Macao	1.9
LS Finance 2018	Retailing	China/Hong Kong	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)
29 Sep 2023	0.7506	0.011431
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

Fee structure & Subscription Information

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:** Sean Chang; 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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