

IMPORTANT INFORMATION

- I. Income Partners RMB Bond Fund (the "Fund") invests primarily in RMB-denominated fixed income securities issued within the People's Republic of China ("PRC") directly through the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of Income Partners Asset Management (HK) Limited (the "Manager").
- II. The Fund is denominated in RMB and is subject to RMB currency risk. RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- III. The Fund invests substantially in PRC bonds issued in mainland China and is subject to the risks relating to PRC bonds such as credit risk, credit rating related risks, risk relating to higher default bonds, interest rates risk, liquidity and valuation risks. The PRC bonds market may be subject to higher volatility compared to more developed markets.
- IV. The Fund may be subject to the risks associated with changes in the PRC laws and regulations, including PRC tax laws, and such changes may have retrospective effect. Investment in the China market is subject to emerging market risk including political, economic, legal, regulatory and liquidity risks.
- V. The Fund invests in PRC securities through the RQFII quota of the Manager. It may not have exclusive use of the entire RQFII quota granted to the Manager. There is no assurance that the Manager will make available RQFII quota that is sufficient for the Fund's investment at all times.
- VI. The Fund may invest in financial derivative instruments for hedging purposes. There is no guarantee that the hedging techniques will be effective.
- VII. The Manager may at its discretion pay distributions out of the capital of the Fund. Payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Any such distributions may result in an immediate reduction of the net asset value per unit of the Fund.
- VIII. Investment involves risk. Past performance is not a guarantee or a reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.
- IX. In making investment decisions, investors should not rely solely on the information in this document and should read the offering document of the Fund for further details including the risk factors. This document does not constitute an offering document.

Share Class	NAV per share ¹	Dividend per share	Annualized Dividend Yield ³
2A Acc (USD)	\$106.55		
2A Dis (USD)	\$92.81	\$0.08	1.1%
2B Acc (RMB)	¥111.71		
2B Dis (RMB)	¥93.59	¥0.08	1.0%

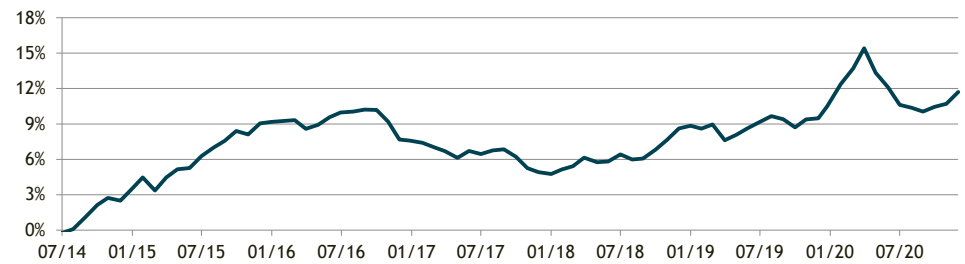
Record Date: 31 December 2020
Ex-Dividend Date: 4 January 2021
Payment/Reinvestment Date: 6 January 2021
Please see www.incomepartners.com for details of historical dividend information for all applicable share classes.

Risk Measures	3 Years	Since Inception
Annualized Volatility	2.65%	2.38%

Fund Characteristics	
Yield in RMB	3.3%
Modified Duration (years)	6.1
Average Credit Rating	A+
Top 5 Holdings ⁶ : 95.4% of NAV	
China Development Bank	32.2%
Agricultural Development Bank of China	26.9%
The Export-Import Bank of China	22.0%
China Government Bond	11.9%
China Southern Power Grid Company Limited	2.4%

INVESTMENT OBJECTIVE

The Fund seeks long-term interest income and capital appreciation through investing all or substantially all of its assets in Renminbi ("RMB") -denominated fixed income securities issued within mainland China directly through the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of Income Partners Asset Management (HK) Limited or through the Bond Connect scheme.

TOTAL RETURN^{1,2}: CLASS 2B ACCUMULATION (RMB)

CUMULATIVE PERFORMANCE AND CALENDAR YEAR PERFORMANCE¹

Share Class	Year-to-date (YTD)	1 Year	3 Years (Annualized)	5 Years (Annualized)	Since Inception (Annualized)	2015	2016	2017	2018 ⁴	2019	Inception Date (dd/mm/yy)
2A Acc (USD)	9.16%	9.16%	2.15%	0.68%	0.98%	0.78%	-6.92%	4.22%	-1.91%	-0.43%	04/07/14
2A Dis (USD)	9.16%	9.16%	2.15%	0.68%	1.01%	0.78%	-6.91%	4.22%	-1.90%	-0.44%	08/07/14
2B Acc (RMB)	2.04%	2.04%	2.11%	0.48%	1.72%	6.39%	-1.26%	-2.57%	3.53%	0.80%	04/07/14
2B Dis (RMB)	2.03%	2.03%	2.11%	0.48%	1.76%	6.37%	-1.25%	-2.58%	3.53%	0.80%	11/07/14

MONTHLY PERFORMANCE¹: CLASS 2B ACCUMULATION (RMB)⁵

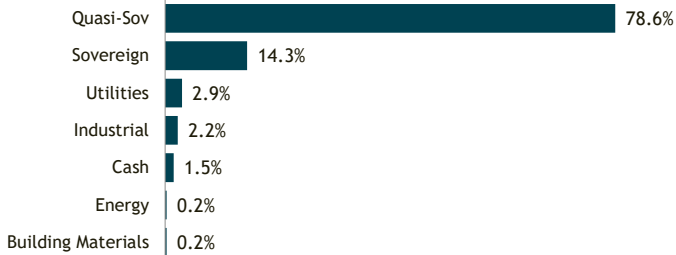
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.91%	1.74%	1.16%	1.51%	-1.80%	-1.08%	-1.34%	-0.23%	-0.30%	0.36%	0.24%	0.90%	2.04%
2019	0.21%	-0.22%	0.33%	-1.24%	0.45%	0.48%	0.52%	0.45%	-0.24%	-0.63%	0.63%	0.08%	0.80%
2018	-0.15%	0.37%	0.26%	0.69%	-0.37%	0.06%	0.58%	-0.40%	0.07%	0.71%	0.79%	0.89% ⁴	3.53% ⁴
2017	-0.08%	-0.18%	-0.35%	-0.30%	-0.53%	0.55%	-0.25%	0.30%	0.07%	-0.58%	-0.92%	-0.31%	-2.57%
2016	0.11%	0.06%	0.08%	-0.69%	0.31%	0.60%	0.37%	0.06%	0.15%	-0.03%	-0.89%	-1.39%	-1.26%
2015	0.98%	0.93%	-1.06%	1.07%	0.66%	0.10%	0.97%	0.67%	0.54%	0.77%	-0.27%	0.87%	6.39%
2014							-0.26%	0.34%	1.01%	1.02%	0.59%	-0.21%	2.50%

Effective October 2019, the fund exposure numbers are taken from a new risk system. The method for retrieval, calculation and interpretation of fund exposure may differ from previous risk system. Unless stated otherwise, all data as of 31 December 2020. Source: Income Partners, fund performance is calculated on NAV to NAV basis in denominated currency with dividends re-invested. Performance is presented on a net-of-fees basis. Past performance is not indicative of future results.

1. This document contains fund performance or NAV numbers which are estimates only and the final NAV may be subject to amendments and further verification by the fund administrator. The fund administrator, rather than the manager, publishes the official fund NAV. Any performance numbers contained herein should not be relied on as official or final NAV of the fund.
2. The total return chart above shows the Fund's total return performance since inception.
3. Annualized Dividend Yield: $[(1 + \text{distribution per unit} / \text{ex-dividend NAV})^{\text{distribution frequency}}] - 1$. Yield figures are estimates and are based on the latest dividend distribution and the ex-dividend NAV of the previous month.
4. Year-to-date performance for 2018 and December 2018 monthly return reflects the fund performance as of 31 December 2018 and is based on unofficial NAV data on 31 December 2018 (which was a public holiday in the PRC).
5. From April 2020 onwards, the Manager views Class 2B (Accumulation) Units as the most appropriate representative unit class, as it is the largest unit class currently offered to the public in Hong Kong, is broadly representative of the Fund's performance and is denominated in the base currency of the Fund.
6. Top 10 Holdings is grouped by issuer, the fund may hold multiple issues from the same issuer.

PORTFOLIO OVERVIEW⁷

Industry Exposure



Credit Rating Exposure



MANAGER'S COMMENTARY

In December, the yield of China's onshore 10-year government bond rallied 12bps to 3.15% from 3.27% in November, not only because the PBOC has injected more liquidity into the interbank market as it regularly did toward year end, but also because the CGB yield has already priced in a lot of positive as we highlighted before.

In November and December, China's economy showed further recovery. The YoY growth rate of China's YTD Fixed Assets Investments rebounded to 2.6% in November from 1.8% in October, while the YoY growth rate of YTD Retail Sales recovered to -4.8% in November from -5.9% in October. The leading indicator, China's official Manufacturing PMI weakened slightly to 51.9 in December from 52.1 in November, but still in the expansionary zone.

Into the second half of December, the onshore 10y CGB yield has turned from its recent range trading and rallied quickly. From our observation, two major factors have contributed to the rally: (1) The Chinese central bank PBOC has net injected CNY 670 billion liquidity into the interbank market through open market operation in December, from CNY 130 billion in November. As a result, the interbank 7-day repo rate dropped to as low as 1% in late December from 2.31% on 30 November. Although it's a seasonal operation as the PBOC will typically inject more liquidity toward year end to smooth out market liquidity, it still comforted bond investors through a more favorable funding environment in December, and caused the rally of the whole curve extending from the shorter end to the longer end. (2) As we highlighted before, after 7 months' selloff since May, the 10y CGB yield has fully recovered to pre-pandemic levels, and has priced in a lot of positive fundamentals already. As more and more investors started to share a similar view, some extend-duration flows to position for the next year could have easily caused the rally in December.

Considering above factors, and the bearish trend in 10y CGB yield since May has been technically broken, the manager has started to extend duration since early December to capture the rally. By the end of December, the fund has been overweight duration at 6.1 years, compared to the index duration of 5.6 years.

Fund Details		
Base Currency	RMB	
Minimum Initial Investment	2A (USD): USD1,000	
	2B (RMB): RMB10,000	
	2C (HKD): HKD10,000	
	2D (EUR): EUR1,000	
Fees & Charges ⁸	Management Fee: 0.80% p.a. Subscription Charge: Up to 5.00%	
Dealing Frequency	Daily	
Dividend Frequency	Monthly (Please refer to important information VII)	
Portfolio Manager	James Hu, PhD Raymond Gui, CFA	
RQFII Custodian	Industrial and Commercial Bank of China Limited (ICBC)	
Trustee	Cititrust Limited	
Transfer Agent	Citicorp Financial Services Limited	
Share Class	Bloomberg Ticker	ISIN
2A Acc (USD)	IPRB2AA HK	HK0000204534
2A Dis (USD)	IPRB2AD HK	HK0000204526
2B Acc (RMB)	IPRB2BA HK	HK0000204559
2B Dis (RMB)	IPRB2BD HK	HK0000204542
2C Acc (HKD)	IPRB2CA HK	HK0000204575
2C Dis (HKD)	IPRB2CD HK	HK0000204567
2D Acc (EUR)	IPRB2DA HK	HK0000204591
2D Dis (EUR)	IPRB2DD HK	HK0000204583
Fund AUM	RMB422 million / USD59 million	

7. Total exposures may differ due to rounding. Please note the credit ratings exposures shown here use the best rating out of S&P/Moody's/Fitch ratings. Where S&P/Moody's/Fitch ratings for bond holdings are not available, Income Partners' internal credit ratings apply.

8. For other fees and charges, please refer to the offering documents.

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