

Pillar 3 - Performance & Risk Management

1. Alpha sources: What were the significant sources of alpha over the last 3 years?

- * Securities mispriced by the market
- * Securities misunderstood by the market
- * Securities that benefited from cyclical factors
- * Securities in special situations
- * Picking up securities with solid fundamentals during times of market panic
- * Risk budgeting and allocation
- * Asset allocation to specific sectors, geographies, asset classes

2. Stress test: Have stress tests been performed on this fund or strategy in the last 3 years?

Yes

Selected: Yes - Stress test scenarios were applied in the stress test that has already been performed?

- * Market volatility rising materially
- * Asset prices falling materially (or, in the case of short positions, rising materially)
- * The fund's risk/return exceeding target investors' profile
- * Correlations rising rapidly among diverse asset classes/sectors/geographies/etc
- * Interest rates rising substantially
- * Bond yield spreads widening significantly
- * Liquidity shrinking rapidly and materially
- * Net outflows for your fund or strategy rising materially
- * Our fund passed the stress test

3. Investment cap per investor[ii]: Do you limit each investor's investment to a certain percentage of the fund's total AUM to restrict overexposure to any single investor?

Yes, we currently have a cap and the maximum[iii] each investor can invest into the fund:

Selected: Yes, we currently have a cap and the maximum[iii] each investor can invest into the fund:

Each investor is allowed to invest a maximum of up to 10% of the Fund's AUM

4. Drawdown recovery: How long did it take for the fund to recover[iv] from its maximum drawdown since inception?

6 weeks or fewer

5. Actual Example - Please provide an ACTUAL example of how you executed ONE of the following, in a maximum of 500 words.

How did you respond to the maximum drawdown period, and what was the rationale behind the decisions taken?

Please briefly describe the critical challenge/s, actions taken, results and lessons learned:.2

The fund experienced a maximum drawdown of 3.28% in Mar 2020 and during July 2020-June 2021, the max drawdown occurs in Jan 2021, by 0.72%.

When the market hit the bottom and investors were fleeing in droves, by conducting fund raising activities, our investors actually made contributions to our fund resulting in a net inflow, which allowed us to capture the subsequent buying opportunity and substantially outperformed peers. What we experienced during this period demonstrated the strong support and commitment from our investors of our strategy and mission. Our investment strategy has proven to be effective and resilient during the pandemic.

On the other hand, we also enhanced the risk management mechanism in order to avoid volatility and drawdown of the portfolio. We maintained a short duration strategy and kept the average duration of the portfolio to around 1 year over the past 12 months (1.07 years at June 30,2020) and managed a well-diversified portfolio composed of over 100 bonds, ensuring no single issuer weights over 10% of NAV of the portfolio.