

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
(A Sub-fund of BOCOM International Fund)

SEMI-ANNUAL REPORT (UNAUDITED)

FOR THE SIX MONTHS ENDED

30 JUNE 2017

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

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MANAGEMENT AND ADMINISTRATION

Manager

BOCOM International Asset Management Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Central
Hong Kong

Directors of the Manager

TAN Yueheng
CHENG Chuange

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

Sub-custodian

Citibank, N.A.
10/F, Two Harbour Front,
22 Tak Fung Street,
Hungghom, Kowloon,
Hong Kong

Legal Counsel to the Manager

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

PricewaterhouseCoopers
21/F, Edinburgh Tower
15 Queen's Road
Central
Hong Kong

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REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review:

The Fed raised interest rates twice during the first half of 2017, which drove up the 10yr treasury yield to above 2.60% in March, highest since late 2014. Since then, yields have been rolling down the hill, touching as low as 2.13%. Emerging market bonds did well in first half of 2017, with record inflows and solid returns. Brazil, Columbia, Indonesia and Argentina are among the attractive emerging markets. JP Morgan EMBI Global Index advanced 6.20% in 1H 2017, with investment grade and high yield rising 5.99% and 6.52%, respectively. Emerging market corporate fundamentals have begun to show signs of stabilization. Despite a rise in idiosyncratic situations, the technical backdrop remains supportive with robust demand. The Fed is widely expected to take action on the balance sheet at its September meeting and to raise rates one more time this year. Rising global interest rates and better global economic activities should be beneficial for emerging markets.

Portfolio Review:

1H 2017, Global Strategic Emerging Markets Bond Fund (USD Class A) recorded a total return of 3.11%, which is 3.09% lower than reference benchmark JP Morgan EMBI Global Index. We are using USD Class A return as an indication since it has the largest NAV in USD terms among all classes. During the first half, cash allocation increased by 4% and treasury futures contracts were positioned to provide a cushion for interest rate hike risks. China and India remain as the top exposure in terms of country allocation. In the meantime, we reduced exposure in countries with geopolitical tensions. In terms of sectors invested, we increased properties allocation by 5% and reduced exposure in financials significantly from 40% to 29%. We have also reduced exposure in china retail industry amid the continued weakness in consumer sector. We have also increased our holdings in high yield bonds which are less affected by the rising interest rate environment due to their shorter maturities and higher coupons.

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2017

	30 Jun 2017 USD	31 Dec 2016 USD
Assets		
Financial assets at fair value through profit or loss	54,221,423	50,413,895
Interest receivable	642,254	608,133
Margin deposit	822,895	1,018,576
Cash and cash equivalents	2,968,512	1,271,669
	58,655,084	53,312,273
Liabilities		
Trustee fee payable	6,568	6,175
Management fee payable	29,141	27,175
Redemption payable	-	2,660
Accrued expense and other payables	20,336	29,996
	56,045	66,006
Net assets attributable to unitholder (after amortisation of establishment costs)	58,599,039	53,246,267
Represented by:		
Net assets attributable to unitholder (before amortisation of establishment costs)	58,605,029	53,257,234
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	(5,990)	(10,967)
	58,599,039	53,246,267

Net asset value per unit of each class of units (before amortisation of establishment costs)

	Net assets per class	Number of Units outstanding	Net asset value per unit
At 30 June 2017			
Class A USD (Acc)	USD34,835,493	15,695,928.849	USD2.219
Class A HKD (Acc)	HKD183,562,315	16,434,184.820	HKD11.169
Class R USD (Dis)	USD164,127	77,243.608	USD2.124
Class R HKD (Acc)	HKD170,319	15,691.400	HKD10.854
Class R HKD (Dis)	HKD542,991	50,025.231	HKD10.854
	USD34,835,493	15,695,928.849	USD2.219

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

(A Sub-fund of BOCOM International Fund)

STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

Net asset value per unit of each class of units (before amortisation of establishment costs)

	Net assets per class	Number of Units outstanding	Net asset value per unit
At 31 December 2016			
Class A USD (Acc)	USD33,795,618	15,695,928.849	USD2.153
Class A HKD (Acc)	HKD148,937,963	13,834,611.893	HKD10.765
Class R USD (Dis)	USD166,348	80,437.711	USD2.068
Class R HKD (Acc)	HKD164,690	15,691.400	HKD10.495
Class R HKD (Dis)	HKD545,675	51,990.832	HKD10.495
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GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2017

Investments (92.52%)	Holdings/ principal	Fair Value USD	% of Net assets
Debt securities (92.50%)			
Bermuda			
CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LTD 7.875% 11/21/2017	6,000,000	884,370	1.51%
Britain			
GENEL ENERGY FINANCE PLC 7.5% 5/14/2019	200,000	180,000	0.31%
British Virgin			
CALC BOND 2 LTD 4.9% 22/8/2021	500,000	497,405	0.85%
CENTRAL PLAZA DEV LTD 3.875% 25/1/2020	1,000,000	1,008,560	1.72%
EASY TACTIC LTD 5.75 % 13/1/2022	2,000,000	1,999,780	3.41%
HANRUI OVERSEAS INVESTMENT CO LTD 4.9% 6/28/2019	2,000,000	1,959,400	3.34%
MINMETALS BOUNTEOUS FINANCE BVI LTD 3.5% 7/30/2020	1,000,000	1,015,100	1.73%
SILVER SPARKLE LTD 7.875% 10/8/2019	1,000,000	955,500	1.63%
ZHAOHAI INVESTMENT BVI LTD 4% 7/23/2020	2,500,000	2,531,125	4.32%
Cayman Islands			
CHN AOYUAN PROPERTY GRP 6.35% 01/11/2020	1,000,000	1,003,750	1.71%
CHINA EVERGRANDE GROUP 8.25% 03/23/2022	1,000,000	1,023,470	1.75%
EVERGRANDE REAL ESTATE G 8.75% 10/30/2018	1,500,000	1,547,955	2.64%
JIAYUAN INTL GROUP LTD 9.75% 15/9/2018	2,000,000	2,005,100	3.42%
KWG PROPERTY HOLDING LTD 6% 15/9/2022	2,000,000	1,991,040	3.40%
China			
CHANGSHA PILOT INV HLD 3.10% 12/02/2019	1,500,000	1,481,565	2.53%
CHANGDE CITY CONS INV 3.70% 12/15/2019	1,000,000	996,000	1.70%
CHENGDU XINGCHENG INV 3.25% 11/29/2021	1,000,000	978,610	1.67%
UNION LIFE INSURANCE 3% 09/19/2021	2,000,000	1,912,740	3.26%
ZHUZHOU CITY CONSTRUCTIO 2.98% 10/19/2019	2,000,000	1,969,900	3.36%
Hong Kong			
HONGKONG BAORONG DEVELOPMENT LTD 3.625% 12/9/2018	1,500,000	1,509,240	2.58%
BCEG HONGKONG CO LTD 3.85% 6/10/2018	2,000,000	2,007,740	3.43%
BESTGAIN REAL ESTATE LYR 3.95% 12/23/2019	1,000,000	1,024,700	1.75%
CITIC LTD 3.875% 02/28/2027	2,000,000	2,001,380	3.42%
CHINA SOUTH CITY HOLDING 5.75% 03/09/2020	1,000,000	966,610	1.65%
CHINA SOUTH CITY HOLDING 6.75% 9/13/2021	2,000,000	1,959,460	3.34%
CHINA TAIPING INSURANCE HOLDINGS CO LTD 5.45% 9/29/2049	500,000	520,925	0.89%
DR PENG HOLDING HONGKONG 5.05% 06/01/2020	2,000,000	2,003,320	3.42%
SHAOXING CITY INVESTMENT HK LTD 4.75% 4/12/2019	2,500,000	2,544,325	4.34%
WEICHAI INTERNATIONAL HONG KONG ENERGY GROUP CO LTD 4.125% 9/30/2020	1,000,000	1,027,400	1.75%

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

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INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

Investments (92.52%)	Holdings/ principal	Fair Value USD	% of Net assets
Debt securities (92.50%) (Continued)			
India			
ADANI TRANSMISSION LTD 4% 8/3/2026	1,000,000	1,006,130	1.72%
BANK OF INDIA/JERSEY 3.125% 5/6/2020	1,000,000	996,690	1.70%
BHARAT PETROLEUM CORP LTD 4.625% 10/25/2022	500,000	534,310	0.91%
EXPORT-IMPORT BK INDIA 3.375% 8/5/2026	1,000,000	981,480	1.67%
STATE BANK OF INDIA/LONDON 4.875% 4/17/2024	1,000,000	1,085,800	1.85%
Indonesia			
PELABUHAN INDONESIA III PT 4.875% 10/1/2024	1,000,000	1,068,520	1.82%
Maldives			
MOF REP OF MALDIVES BOND 7.00% 06/07/2022	2,000,000	2,016,000	3.44%
Singapore			
DBS GROUP HOLDINGS LTD 3.6% 12/29/2049	2,000,000	2,000,120	3.41%
Snat			
AFRICAN EXPORT-IMPORT BANK 4% 5/24/2021	1,000,000	1,013,560	1.73%
Turkey			
HAZINE MUSTESARLIGI VARLIK KIRALAMA AS 4.489% 11/25/2024	1,000,000	983,670	1.68%
TURKIYE SINAI KALKINMA BANKASI AS 4.875% 5/18/2021	500,000	496,135	0.85%
United Arab Emirates			
NBK TIER 1 FINANCING LTD VAR 5.75% 12/29/2049	500,000	519,960	0.89%
		54,208,845	92.50%
Listed Futures Contracts (0.021%)			
United States			
FUT 10Y US TN SEP 17	(35)	12,578	0.02%
		12,578	0.02%
Total investments		54,221,423	92.52%

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INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 JUNE 2017

Other net assets	4,383,606	7.48%
	<hr/>	<hr/>
Total net assets as at 30 June 2017 (before amortisation of establishment costs)	58,605,029	100.00%
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Total investments at cost	53,974,511	
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GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	31 Dec 2016	Holdings/principal		30 Jun 2017
		Additions	Disposals	
Investments				
Debt securities				
AFRICAN EXPORT-IMPORT BANK 4% 5/24/2021	1,000,000	-	-	1,000,000
ADANI TRANSMISSION LTD 4% 8/3/2026	1,000,000	-	-	1,000,000
HONGKONG BAORONG DEVELOPMENT LTD 3.625% 12/9/2018	1,500,000	-	-	1,500,000
BCEG HONGKONG CO LTD 3.85% 6/10/2018	2,000,000	-	-	2,000,000
BANK OF INDIA/JERSEY 3.125% 5/6/2020	1,000,000	-	-	1,000,000
BHARAT PETROLEUM CORP LTD 4.625% 10/25/2022	500,000	-	-	500,000
BESTGAIN REAL ESTATE LYR 3.95% 12/23/2019	1,000,000	-	-	1,000,000
CHN AOYUAN PROPERTY GRP 6.35% 01/11/2020	-	1,000,000	-	1,000,000
CALC BOND 2 LTD 4.90% 08/22/2021	-	500,000	-	500,000
CHINA EVERGRANDE GROUP 8.25% 03/23/2022	-	1,000,000	-	1,000,000
CHALCO HONG KONG INVESTMENT CO LTD VAR 6.625% 10/29/2049	1,000,000	-	1,000,000	-
CITIC LTD 3.875% 02/28/2027	-	2,000,000	-	2,000,000
CHANGSHA PILOT INV HLD 3.1% 12/2/2019	1,500,000	-	-	1,500,000
CENTRAL PLAZA DEV LTD 3.875% 01/25/2020	-	1,000,000	-	1,000,000
CHINA SOUTH CITY HOLDING 5.75% 03/09/2020	-	1,000,000	-	1,000,000
CHINA SOUTH CITY HOLDING 6.75% 9/13/2021	1,000,000	1,000,000	-	2,000,000
CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LTD 7.875% 11/21/2017	6,000,000	-	-	6,000,000
CHINA SINGYES SOLAR TECH 7.95% 02/05/2019	-	200,000	200,000	-
CHINA SOUTH CITY HOLDINGS LTD 8.25% 1/29/2019	500,000	-	500,000	-
CHINA TAIPING INSURANCE HOLDINGS CO LTD 5.45% 9/29/2049	500,000	-	-	500,000
CHANGDE CITY CONS INVST 3.7% 12/15/2019	1,000,000	-	-	1,000,000
CHENGDU XINGCHENG INV 3.25% 11/29/2021	1,000,000	-	-	1,000,000
DBS GROUP HOLDINGS LTD 3.6% 12/29/2049	1,500,000	500,000	-	2,000,000
DR PENG HOLDING HONGKONG 5.05% 06/01/2020	-	2,000,000	-	2,000,000
EXPORT-IMPORT BK INDIA 3.375% 8/5/2026	1,000,000	-	-	1,000,000
CHINA EVERGRANDE GROUP 8.75% 10/30/2018	2,000,000	-	500,000	1,500,000
EASY TACTIC LTD 5.75% 01/13/2022	-	2,000,000	-	2,000,000
EXPRESS BVI 2015 LTD 3% 6/4/2018	1,000,000	-	1,000,000	-
HONG KONG SUKUK 2017 LTD 3.132% 02/28/2027	-	2,000,000	2,000,000	-
GENEL ENERGY FINANCE PLC 7.5% 5/14/2019	200,000	-	-	200,000
HAZINE MUSTESARLIGI VARL 4.489% 11/25/2024	1,000,000	-	-	1,000,000
HANRUI OVERSEAS INVESTMENT CO LTD 4.9% 6/28/2019	2,000,000	-	-	2,000,000
JIAYUAN INTL GROUP LTD 9.75% 9/15/2018	2,000,000	-	-	2,000,000
KWG PROPERTY HOLDING LTD 6.00% 09/15/2022	-	2,000,000	-	2,000,000
MINMETALS BOUNTEOUS FINANCE BVI LTD 3.5% 7/30/2020	1,000,000	-	-	1,000,000

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	31 Dec 2016	Holdings/principal		30 Jun 2017
		Additions	Disposals	
Investments				
Debt securities				
MAOYE INTERNATIONAL HOLDINGS LTD 7.75% 5/19/2017	2,000,000	-	2,000,000	-
MOF REP OF MALDIVES BOND 7.00% 06/07/2022	-	2,000,000	-	2,000,000
NBK TIER 1 FINANCING LTD VAR 5.75% 12/29/2049	500,000	-	-	500,000
PELABUHAN INDONESIA III PT 4.875% 10/1/2024	1,000,000	-	-	1,000,000
PARKSON RETAIL GROUP LTD 4.5% 5/3/2018	1,000,000	-	1,000,000	-
QNB FINANCE LTD 2.125% 9/7/2021	1,000,000	-	1,000,000	-
QINGHAI INVEST GROUP 7.25% 02/22/2020	-	1,000,000	1,000,000	-
ROSY CAPITAL GLOBAL LTD 5.25% 7/30/2018	2,500,000	-	2,500,000	-
RKP OVERSEAS FI 7.95% 02/17/2049	-	200,000	200,000	-
STATE BANK OF INDIA/LONDON 3.622% 4/17/2019	1,000,000	-	1,000,000	-
STATE BANK OF INDIA/LONDON 4.875% 4/17/2024	1,000,000	-	-	1,000,000
SUNAC CHINA HOLDINGS LTD 8.75% 12/5/2019	500,000	-	500,000	-
QATAR GOVERNMENT INTERNATIONAL BOND 3.25% 6/2/2026	1,000,000	-	1,000,000	-
SILVER SPARKLE LTD 7.875% 8/10/2019	1,000,000	-	-	1,000,000
SHAOXING CITY INVESTMENT HK LTD 4.75% 4/12/2019	2,500,000	-	-	2,500,000
TRAD & DEV BANK MONGOLIA 10% 1/21/2017	6,000,000	-	6,000,000	-
TRILLION CHANCE LTD 8.5% 1/10/2019	2,000,000	-	2,000,000	-
TURKIYE SINAI KALKINMA BANKASI AS 4.875% 5/18/2021	500,000	-	-	500,000
UNION LIFE INSURANCE 3% 9/19/2021	2,000,000	-	-	2,000,000
WEICHAI INTERNATIONAL HONG KONG ENERGY GROUP CO LTD 4.125% 9/30/2020	1,000,000	-	-	1,000,000
XINYUAN REAL ESTATE 8.125% 8/30/2019	1,000,000	-	1,000,000	-
ZHUZHOU CITY CONSTRUCTION 2.98% 10/19/2019	2,000,000	-	-	2,000,000
ZHAOHAI INVESTMENT BVI LTD 4% 7/23/2020	1,500,000	1,000,000	-	2,500,000

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	31 Dec 2016	Holdings/principal		30 Jun 2017
		Additions	Disposals	
Investments				
Listed Futures Contracts				
FUT 10Y US TN JUN 17	-	(130)	(130)	-
FUT 10Y US TN SEP 17	-	(35)	-	(35)
FUT USD/CNH FUTURES MAR 2017	15	-	15	-