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

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

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REPORTS AND FINANCIAL STATEMENTS

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GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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MANAGEMENT AND ADMINISTRATION

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CHENG Chuange
LI Ying (Ceased on 6 Nov 2019)
SU Fen (Appointed on 2 Jan 2019)

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

2019 was a spectacular year for emerging markets bonds, supported by cheap valuation at the beginning of the year and pivoting towards coordinated easing policy from global central banks. The Federal Reserve quickly changed from expected 3 rate hikes to the complete opposite of 3 rate cuts in 2019, leading to the tumbling down of treasury yields. The 10-year yield fell from 2.68% to 1.47%, a multi-year low, along with the compression of credit spreads. As trade uncertainty faded in Q4 with the US and China announcing Phase one trade deal, yields bottomed up and 10-year finished the year at 1.92%. Following a lackluster 2018, emerging markets bonds enjoyed a double-digit gain in 2019. JP Morgan EMBI Global Index delivered remarkable whole year return of 14.42%, with investment grade and high yield contributing 16.92% and 10.83%, respectively. However, not all emerging markets enjoyed the rally this year, Argentina, Lebanon, Ecuador and Chile were among the idiosyncratic countries who suffered political and financial crises this year and are possibly heading into restructuring. We expect the positive momentum in emerging markets bonds to continue in 2020 and return prospects remain attractive, although another double-digit performance is unlikely to be repeated. Key themes that dominated the 2019 markets such as sluggish growth, trade tensions and global accommodative monetary policy are likely to persist in 2020, which will continue to be supportive for the global fixed income markets, and demand for yields will provide technical supports for emerging markets bonds. Although valuations are not as attractive as beginning of the year, on a relative basis, they still offer a source of yield in an environment of low yielding assets elsewhere.

Portfolio Review

In 2019, Global Strategic Emerging Markets Bond Fund (USD Class A) recorded a total return of 13.52%, which underperformed the reference benchmark JP Morgan EMBI Global Index by 0.90%, but outperformed Markit iBoxx Asia ex-Japan Total Return Index, which recorded 10.50% return during the same period. We are using USD Class A return as an indication since it has the largest NAV in USD terms among all classes. During the second half of 2019, portfolio strategies remained aggressive and tried to catch the continued rally in the bond market. As of 31 December 2019, cash level was very low at 0.18% only compared to the end of June level at 3.63%. Weighted average duration was significantly longer in December 2019 at 4.72 than in June at 3.19. In terms of region, exposure to Gulf Cooperation Countries (GCC) was increased significantly from 16.74% in June 2019 to 27.88% in December, and become the second largest region exposure. China remains the top exposure with 35.29% allocation, although fell slightly from June's 40.83% level. The rest of Asia is largely stable at around 25.40%, with more concentration in Indonesia. The portfolio also cleared positions in the Latin America region due to increased idiosyncratic risks and decreased exposure in Africa to 1.68% as of 31 December 2019 from 3.65% in June. Developed market had a higher exposure in the second half, with 9.57% allocation in the European Contingent Convertibles bonds, compared with 7.16% in June 2019. In terms of sectors invested, the portfolio reduced exposures in relatively low risk sectors such as LGFVs and financials from 23.26% and 29.79%, down to 13.04% and 25.41% respectively in December 2019. In the meantime, sectors associated with high volatility and risks such as energy and industrials were increased to 9.45% and 4.76% respectively in December 2019. Properties allocation was stable at 11.76%. High yield exposure remained close to the limit at 38.34% as of 31 December 2019, and allocations to corporates continued to increase to 47.14%, closer to the limit than June's level at 44.16%.

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

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

TO THE UNITHOLDERS OF GLOBAL STRATEGIC EMERGING MARKETS BOND FUND (THE "SUB-FUND")

We hereby confirm that, in our opinion, the Manager of the Sub-Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 27 October 2010 and all its supplemental deeds for the year ended 31 December 2019.

For and on behalf of
Bank of Communications Trustee Limited
24 April 2020

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
(A Sub-fund of BOCOM International Fund)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Global Strategic Emerging Markets Bond Fund (the "Sub-Fund"), a sub-fund of BOCOM International Fund, set out on pages 7 to 29, which comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2019, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 27 October 2010, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 April 2020

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 USD	2018 USD
Assets			
Financial assets at fair value through profit or loss	3(a)	65,531,544	51,379,424
Interest receivable		875,185	737,310
Margin deposit	7(c)	-	1,047,024
Cash and cash equivalents	3(d)	184,311	5,621,669
Total assets		66,591,040	58,785,427
Liabilities			
Financial liabilities at fair value through profit or loss	3(a)	-	83,438
Management fee payable	7(a)	34,876	29,931
Trustee fee payable	7(b)	7,820	6,766
Accrued expense and other payables		20,174	21,736
Total liabilities (excluding net assets attributable to unitholders)		62,870	141,871
Net assets attributable to unitholders	6	66,528,170	58,643,556

Approved by the Trustee and the Manager on 24 April 2020.

....
For and on behalf of the Trustee
Bank of Communications Trustee Limited

....
For and on behalf of the Manager
BOCOM International Asset Management Limited

The notes on pages 11 to 29 are an integral part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 USD	2018 USD
Income			
Interest from financial assets at fair value through profit or loss		3,766,668	3,332,568
Interest income		6,375	14,230
Net gains/(losses) on financial assets at fair value through profit or loss	5	4,685,678	(4,475,536)
Net foreign currency gains/(losses)		17	(8,897)
Other income		-	500
Total income		8,458,738	(1,137,135)
Expenses			
Management fee	7(a)	380,576	355,322
Trustee fee	7(b)	85,564	80,174
Sub-custodian fee		10,023	9,015
Audit fee		25,573	20,095
Transaction costs		910	3,280
Bank charges		217	542
Legal and professional fees		1,259	6,702
Other expenses		5,180	8,506
Total operating expenses		509,302	483,636
Operating profit/(loss)		7,949,436	(1,620,771)
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	6	-	(930)
Increase/(decrease) in net assets attributable to unitholders from operations		7,949,436	(1,621,701)

The notes on pages 11 to 29 are an integral part of these financial statements.

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 USD	2018 USD
Net assets attributable to unitholders at the beginning of the year		58,643,556	60,435,127
Proceeds from units issued		2,431	-
Redemption of units		(67,253)	(169,870)
Net decrease from unit transactions		(64,822)	(169,870)
Increase/(decrease) in net assets attributable to unitholders from operations		7,949,436	(1,621,701)
Net assets attributable to unitholders at the end of the year	6	66,528,170	58,643,556

The notes on pages 11 to 29 are an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 USD	2018 USD
Cash flows from operating activities		
Operating profit/(loss)	7,949,436	(1,620,771)
Adjustment for:		
Interest from financial assets at fair value through profit or loss	(3,766,668)	(3,332,568)
Interest income	(6,375)	(14,230)
Operating cash flows before working capital changes	4,176,393	(4,967,569)
Change in operating assets and liabilities		
(Increase)/decrease in financial assets at fair value through profit or loss	(14,152,120)	6,458,972
Decrease/(increase) in margin deposit	1,047,024	(421,876)
(Decrease)/increase in financial liabilities at fair value through profit or loss	(83,438)	83,438
Increase/(decrease) in management fee payable	4,945	(958)
Increase/(decrease) in trustee fee payable	1,054	(179)
Decrease in accrued expense and other payables	(1,562)	(11,078)
Cash (used in)/from operating activities	(9,007,704)	1,140,750
Interest received	3,635,168	3,392,563
Net cash (used in)/from operating activities	(5,372,536)	4,533,313
Cash flows from financing activities		
Proceeds from units issued	2,431	-
Redemption of units	(67,253)	(169,870)
Net cash used in financing activities	(64,822)	(169,870)
Net (decrease)/increase in cash and cash equivalents	(5,437,358)	4,363,443
Cash and cash equivalents at beginning of the year	5,621,669	1,258,226
Cash and cash equivalents at end of the year	184,311	5,621,669

The notes on pages 11 to 29 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

BOCOM International Fund (the "Trust") is an umbrella unit trust governed by its Trust Deed dated 27 October 2010, as amended (the "Trust Deed") made between BOCOM International Asset Management Limited as the Manager (the "Manager") and Bank of Communications Trustee Limited as the Trustee (the "Trustee"). The terms of the Trust Deed are governed by the law of Hong Kong. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under 104(1) of the Hong Kong Securities and Futures Ordinance.

Global Strategic Emerging Markets Bond Fund (the "Sub-Fund") is one of the three sub-funds under the Trust available for investment as at 31 December 2019. The date of inception of the Sub-Fund launch was 4 February 2013.

The Sub-Fund seeks to achieve its investment objective by investing a minimum of 75% of its net assets in a diversified portfolio of fixed income securities (such as government and corporate bonds, commercial papers and certificates of deposit) issued by governments and corporations in emerging markets countries (such as Brazil, China, Mexico, Turkey, Russia, South Africa and Indonesia) which are denominated in United States dollars ("USD"), Euro or in the local currencies of the relevant emerging markets. The Sub-Fund may also invest up to 25% of its assets in fixed income securities issued by governments, quasi-sovereign organisations and/or supranational institutions in the United States or Western Europe. Not more than 40% of the Sub-Fund's assets may be invested in fixed income securities which are below investment grade or which are unrated.

The Manager is owned by BOCOM International Holdings Company Limited, which itself is a subsidiary of Bank of Communications Co., Ltd. ("BOCOM", and together with BOCOM International Holdings Company Limited and its affiliates, the "BOCOM Group").

The financial statements are presented in United States dollars ("USD"), which is same as the functional currency of the Sub-Fund.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Global Strategic Emerging Markets Bond Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager to exercise their judgment in the process of applying the Sub-Fund's accounting policies.

Standards and amendments to existing standards effective 1 January 2019

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Sub-Fund.

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

(b) Financial assets and financial liabilities at fair value through profit or loss

Classification

(i) Assets

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective.

(ii) Liabilities

The Sub-Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss. The Sub-Fund's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

2 Summary of significant accounting policies (Continued)

(b) Financial assets and financial liabilities at fair value through profit or loss (Continued)

Recognition, derecognition and measurement (Continued)

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the statement of comprehensive income within "net gains/(losses) on financial assets and liabilities at fair value through profit or loss" in the period in which they arise.

Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last mid price for both financial assets and financial liabilities where the last mid price falls within the bid-ask spread. In circumstances where the last mid price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(c) Income and expenses

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

Expenses are accounted for on an accrual basis.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the "functional currency"). The Sub-Fund is offered to investors through multiple classes of units in different currency denomination, with the majority of subscriptions and redemptions of the Sub-Fund's unit in the United States dollar ("USD") and Hong Kong dollar. The primary activity of the Sub-Fund is to invest in debt securities and derivatives in USD, Euro and Renminbi. The performance of the Sub-Fund is measured and reported to the investors in USD. The Manager considers USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund's functional and presentation currency.

2 Summary of significant accounting policies (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "net foreign currency gains/(losses)".

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss".

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

(f) Due from and due to brokers

Due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

(g) Redeemable units

The Sub-Fund's redeemable units, which are redeemable at the holder's option, represent puttable financial instruments of the Sub-Fund. The Sub-Fund classifies its puttable financial instruments as liabilities as the Sub-Fund issues more than one class of redeemable shares, which are redeemable at the holder's option and do not have identical rights.

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(g) Redeemable units (Continued)

Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units. In accordance with the provisions of the Sub-Fund's explanatory memorandum, investment positions are valued based on the last mid-market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

(h) Distribution to unitholders

Distribution to unitholders is recognised in the statement of comprehensive income when they are approved by the Manager.

(i) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(j) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

(k) Taxation

No provision for Hong Kong profits tax has been made as the Sub-Fund was authorised as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

3 Financial risk management

The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

3 Financial risk management (Continued)

(a) Market price risk (Continued)

The following table discloses the financial assets and liabilities at fair value through profit or loss of the Sub-Fund by product types:

	2019 USD	2018 USD
Financial assets at fair value through profit or loss		
Debt securities	65,531,544	51,379,424
	65,531,544	51,379,424
Financial liabilities at fair value through profit or loss		
Listed futures	-	83,438
	-	83,438

The following table discloses the non-derivative financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors:

	2019		2018	
	USD	% of net asset value	USD	% of net asset value
Basic materials	4,298,805	6.46	4,628,383	7.89
Communications	-	-	925,210	1.58
Consumer, Cyclical	1,089,198	1.64	2,934,210	5.00
Consumer, Non-cyclical	3,442,066	5.17	-	-
Energy	6,232,536	9.37	2,961,956	5.05
Financial	30,436,542	45.75	23,498,137	40.07
Government	9,619,203	14.46	6,891,001	11.75
Industrial	5,621,412	8.45	5,041,477	8.60
Utilities	4,791,782	7.20	4,499,050	7.67
Grand Total	65,531,544	98.50	51,379,424	87.61

The Sub-Fund's listed futures at the reporting date are detailed below:

	Notional amount long/(short) USD	Fair value assets USD	Fair value liabilities USD
As at 31 December 2019			
Listed bond futures	-	-	-
As at 31 December 2018			
Listed bond futures	(7,237,500)	-	83,438

3 Financial risk management (Continued)

(a) Market price risk (Continued)

The Sub-Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures to different industries.

There is no exposure to individual investments/issuers representing over 10% of the Sub-Fund's net asset value at the reporting date.

As the Sub-Fund mainly invests in debt securities, the sensitivity analysis of market price risk is disclosed in the interest rate sensitivity analysis in note 3(b) below.

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

Certain financial assets and liabilities held by the Sub-Fund are interest bearing. As a result, the Manager considers that the Sub-Fund is subject to risks due to fluctuations in the prevailing levels of market interest rates. Change in the fair value of the interest bearing portfolio is monitored via risk measures such as interest rate duration and credit spread duration.

The tables below summarise the Sub-Fund's exposure to interest rate risks at the reporting date. Included in the table are the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

As at 31 December 2019

	Maturity up to 1 year USD	Maturity 1-5 years USD	Maturity over 5 years USD	Non-interest Bearing USD	Total USD
Assets					
Investments					
- Debt securities	2,060,000	22,320,922	41,150,622	-	65,531,544
Interest receivable	-	-	-	875,185	875,185
Cash and cash equivalents	184,311	-	-	-	184,311
Total assets	2,244,311	22,320,922	41,150,622	875,185	66,591,040
Liabilities					
Management fee payable	-	-	-	34,876	34,876
Trustee fee payable	-	-	-	7,820	7,820
Accrued expenses and other payables	-	-	-	20,174	20,174
Net assets attributable to unitholders	-	-	-	66,528,170	66,528,170
Total liabilities	-	-	-	66,591,040	66,591,040
Total interest sensitivity gap	2,244,311	22,320,922	41,150,622		

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(b) Interest rate risk (Continued)

As at 31 December 2018

	Maturity up to 1 year USD	Maturity 1-5 years USD	Maturity over 5 years USD	Non-interest Bearing USD	Total USD
Assets					
Investments					
- Debt securities	3,122,194	26,191,286	22,065,944	-	51,379,424
Interest receivable	-	-	-	737,310	737,310
Margin deposit	1,047,024	-	-	-	1,047,024
Cash and cash equivalents	5,621,669	-	-	-	5,621,669
Total assets	9,790,887	26,191,286	22,065,944	737,310	58,785,427
Liabilities					
Investments					
- Listed futures	-	-	-	83,438	83,438
Management fee payable	-	-	-	29,931	29,931
Trustee fee payable	-	-	-	6,766	6,766
Accrued expenses and other payables	-	-	-	21,736	21,736
Net assets attributable to unitholders	-	-	-	58,643,556	58,643,556
Total liabilities	-	-	-	58,785,427	58,785,427
Total interest sensitivity gap	9,790,887	26,191,286	22,065,944		

At 31 December 2019, the Sub-Fund has cash and cash equivalents of USD184,311 (2018: USD 5,621,669). If interest rates had been 10 basis points higher or lower with all other variables held constant, net assets attributable to unitholders of the Sub-Fund would have been USD184 (2018: USD5,622) higher or lower respectively as a result of higher or lower interest income.

The majority of the Sub-Fund's interest rate exposure on debt instruments denominated in USD, Euro and Renminbi, and listed bond futures. Interest rate exposures are expressed in terms of rate of weighted modified duration. The Manager monitors the interest rate risks by quantifying market exposure in duration terms. Beta adjusted weighted modified duration is the modified duration multiplied by the allocation of net asset value and a sensitivity factor (beta). As at 31 December 2019, the Sub-Fund invested in debt securities of USD65,531,544 (2018: USD51,379,424) and listed bond futures with an notional amount of USDNil (2018: USD7,237,500) and the portfolio weighted average modified duration of the Sub-Fund is 5.05 (2018: 3.71).

At 31 December 2019, should interest rates have lowered/risen by 25 basis points (2018: 25 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately USD827,336 (2018: USD409,699) arising substantially from the increase/decrease in market values of debt securities.

3 Financial risk management (Continued)

(c) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As at 31 December 2019 and 2018, the Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as a majority of their assets and liabilities are denominated in USD, the Sub-Fund's functional and presentation currency. Accordingly, the Management considers that it is not necessary to present a sensitivity analysis of currency risk.

(d) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the custodian has received payment. Payment is made on a purchase when the securities have been received by the custodian. The trade will fail if either party fails to meet its obligation.

The Trustee entered into a Global Custodial Services agreement with Citibank N.A., Hong Kong Branch on 25 January 2008. According to the Global Custodial Services agreement, the investment of the Sub-Fund is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will indicate that the investments do not belong to the sub-custodian and are segregated from the sub-custodian's assets. The Sub-Fund's money is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will be held by the sub-custodian.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

3 Financial risk management (Continued)

(d) Credit and counterparty risk (Continued)

The table below summarises the credit quality of the Sub-Fund's debt portfolio, which represents 98.50% and 87.61% of the net asset value as at 31 December 2019 and 2018 respectively:

Debt securities by rating category:

Rating	2019 % of net asset value	2018 % of net asset value
Standard & Poor's		
AA	1.32	-
AA-	-	3.34
A-	2.52	2.55
BBB+	1.58	3.52
BBB	3.20	7.70
BBB-	5.64	1.03
BB+	-	1.60
BB	3.27	3.47
BB-	0.75	1.67
B+	4.45	7.23
B	7.95	3.90
B-	-	4.73
Moody's		
A1	2.03	1.62
A2	-	5.93
A3	4.74	8.52
Baa1	2.88	-
Baa2	5.39	6.66
Baa3	2.31	5.29
Ba1	12.26	-
Ba3	3.08	-
B1	6.49	-
B2	4.57	3.05
Fitch		
A+	-	3.40
BBB+	-	-
BBB	7.42	3.93
BBB-	8.82	3.48
BB+	-	-
BB	1.21	-
BB-	0.92	-
Non-rated	5.70	4.99
	98.50	87.61

3 Financial risk management (Continued)

(d) Credit and counterparty risk (Continued)

The Manager has assessed the credit quality of the bonds based on the nature of the issuers and the historical information about the issuers' default rates. The majority of unrated securities have been assessed by the investment manager to have credit quality consistent with BBB/Baa rated securities. A BBB/Baa rating is the lowest rating a bond can have and still be considered investment-grade. An investment grade bond is a bond considered to have a relatively low risk of default. As at 31 December 2019 and 2018, there are no non-rated debt securities in default.

The Sub-Fund is also exposed to credit and counterparty risk on cash and cash equivalents.

The table below summarises the net exposure to the Sub-Fund's counterparties together with their credit ratings:

As at 31 December 2019

	USD	Credit rating	Source of credit rating
Investments			
Citibank, N.A.	65,531,544	A+	Standard & Poor's
Cash and cash equivalents			
Citibank, N.A.	184,291	A+	Standard & Poor's
Bank of Communications Co. Ltd HK Branch[1]	20	A-	Standard & Poor's

As at 31 December 2018

	USD	Credit rating	Source of credit rating
Investments			
Citibank, N.A.	51,379,424	A+	Standard & Poor's
Cash and cash equivalents			
Citibank, N.A.	5,621,647	A+	Standard & Poor's
Bank of Communications Co. Ltd HK Branch[1]	22	A-	Standard & Poor's
Margin deposit			
BOCOM International Securities Limited[1]	1,047,024	A-	Standard & Poor's

[1] Credit rating of its ultimate holding company Bank of Communications Co., Ltd. is used.

All the Sub-Fund's investments and cash and cash equivalents are held in major financial institutions, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

Cash and cash equivalents and interest receivable are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the brokers on an ongoing basis.

3 Financial risk management (Continued)

(e) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of their assets in securities that are traded in an active market which can be readily disposed of.

Units are redeemed on demand at the unitholder's option. With a view to protect the interest of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units in issue. As at 31 December 2019, there were 3 (2018: 2) unitholder accounts each holding more than 10% of the Sub-Fund's units.

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	Less than 3 months USD
As at 31 December 2019	
Management fee payable	34,876
Trustee fee payable	7,820
Accrued expenses and other payables	20,174
Net assets attributable to unitholders	66,528,170
Contractual cash outflow	66,591,040
As at 31 December 2018	
Management fee payable	29,931
Trustee fee payable	6,766
Accrued expenses and other payables	21,736
Net assets attributable to unitholders	58,643,556
Contractual cash outflow	58,701,989

3 Financial risk management (Continued)

(e) Liquidity risk (Continued)

The table below analyses the Sub-Fund's derivative financial instruments in a loss position for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Sub-Fund's investment strategy:

	1-12 months USD
As at 31 December 2019	
Net settled derivatives	
Listed futures	-
As at 31 December 2018	
Net settled derivatives	
Listed futures	83,438

As at 31 December 2019, the total assets of the Sub-Fund amounted to USD66,591,040 (2018: USD58,785,427). The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

	Less than 3 months USD	Over 3 months USD
As at 31 December 2019		
Total assets	66,126,353	464,687
As at 31 December 2018		
Total assets	58,436,205	349,222

(f) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3 Financial risk management (Continued)

(f) Fair value estimation (Continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets and liabilities measured at fair value at 31 December 2019 and 2018 respectivley:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2019				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	65,531,544	-	65,531,544
Total assets	-	65,531,544	-	65,531,544
As at 31 December 2018				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	51,379,424	-	51,379,424
Total assets	-	51,379,424	-	51,379,424
Liabilities				
Financial liabilities at fair value through profit or loss				
- Listed futures	83,438	-	-	83,438
Total liabilities	83,438	-	-	83,438

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures. The Sub-Fund does not adjust the quoted price for these instruments.

3 Financial risk management (Continued)

(f) Fair value estimation (Continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These included quoted debt securities. The quotes are periodically reviewed by the Manager.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2019 and 31 December 2018, there were no level 3 investment held by the Sub-Fund.

For the year ended 31 December 2019 and 2018, there were no transfers between levels.

(g) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. The Management may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4 Financial instruments by category

Financial assets

Apart from financial assets at fair value through profit or loss as disclosed in the statement of financial position which are classified as at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including interest receivable, margin deposit and cash and cash equivalents, are categorised as "loans and receivables".

Financial liabilities

Apart from financial liabilities at fair value through profit or loss as disclosed in the statement of financial position which are classified as at fair value through profit or loss, all financial liabilities as disclosed in the statement of financial position, including management fee payable, trustee fee payable, accrued expense and other payables and net assets attributable to unitholders, are categorised as "other financial liabilities".

5 Net gains/(losses) on financial assets at fair value through profit or loss

	2019 USD	2018 USD
Net realised gains/(losses) on sale of financial assets at fair value through profit or loss	939,137	(2,768,124)
Change in unrealised gains/losses of financial assets at fair value through profit or loss	3,746,541	(1,707,412)
	4,685,678	(4,475,536)

6 Number of units in issue and net assets attributable to unitholders per unit

As at 31 December 2019, the Sub-Fund issued two classes of units in a total of four series – Class A USD (Acc), Class A HKD (Acc), Class R HKD (Acc) and Class R HKD (Dis). Class R units are available for sale to the retail public in Hong Kong. Class A and Class I units are offered to institutional investors.

The movements of the redeemable units are as follows:

	Number of redeemable units	
	2019	**2018**
Class A USD (Acc)		
Units in issue at beginning of the year	15,695,928.849	15,695,928.849
Issue of units during the year	-	-
Units in issue at end of the year	15,695,928.849	15,695,928.849
Class A HKD (Acc)		
Units in issue at beginning of the year	16,434,184.820	16,434,184.820
Issue of units during the year	-	-
Units in issue at end of the year	16,434,184.820	16,434,184.820
Class R USD (Dis)		
Units in issue at beginning of the year	-	74,074.075
Redemption of units during the year	-	(74,074.075)
Units in issue at end of the year	-	-
Class R USD (Acc)		
Units in issue at beginning of the year	22,731.397	22,731.397
Redemption of units during the year	(22,731.397)	-
Units in issue at end of the year	-	22,731.397
Class R HKD (Acc)		
Units in issue at beginning of the year	15,691.400	15,691.400
Issue of units during the year	-	-
Units in issue at end of the year	15,691.400	15,691.400
Class R HKD (Dis)		
Units in issue at beginning of the year	35,246.728	45,111.227
Issue of units during the year	1,663.547	-
Redemption of units during the year	(9,828.009)	(9,864.499)
Units in issue at end of the year	27,082.266	35,246.728

NOTES TO THE FINANCIAL STATEMENTS

6 Number of units in issue and net assets attributable to unitholders per unit (Continued)

In accordance with the Sub-Fund's explanatory memorandum, the establishment costs of the Sub-Fund will be amortised over the first five years. However, as stated in Note 2(j), the accounting policy of the Sub-Fund for the purpose of compliance with HKAS 38, "Intangible Assets" and for reporting purpose is to expense the expenses incurred in the formation of the Sub-Fund in the period in which they arose. At 31 December 2019 and 2018, the unamortised establishment costs were USDNil for the Sub-Fund.

Net assets attributable to unitholders represent a liability in the statement of financial position, carried at the redemption amount that would be payable at the statement of financial position date if the unitholders exercised the right to redeem the units.

Consequently, for the year ended 31 December 2019 and 2018, USDNil is recognised as "Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders" in the statement of financial position. The movement in difference of USDNil (2018: USD930) is recognised in the statement of comprehensive income.

The following table details the net asset value per unit of each class of units at the reporting date:

	Currency	Net assets per class	Number of units outstanding	Net asset value per unit
At 31 December 2019				
Class A USD (Acc)	USD	39,678,468	15,695,928.849	2.528
Class A HKD (Acc)	HKD	208,548,930	16,434,184.820	12.690
Class R HKD (Acc)	HKD	190,383	15,691.400	12.133
Class R HKD (Dis)	HKD	328,585	27,082.266	12.133

		Net assets per class	Number of Units outstanding	Net asset value per unit
At 31 December 2018				
Class A USD (Acc)	USD	34,939,964	15,695,928.849	2.226
Class A HKD (Acc)	HKD	184,711,863	16,434,184.820	11.239
Class R USD (Acc)	USD	48,695	22,731.397	2.142
Class R HKD (Acc)	HKD	169,723	15,691.400	10.816
Class R HKD (Dis)	HKD	381,232	35,246.728	10.816

NOTES TO THE FINANCIAL STATEMENTS

7 Transactions with the Trustee and its affiliates and the Manager and its connected persons

The following is a summary of significant related party transactions/transactions entered into during the year between the Sub-Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Fund and the Trustee and its affiliates and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with Connected Persons except for those disclosed below and in Note 3(d).

(a) Management fee

Pursuant to the Sub-Fund's explanatory memorandum, the Manager is entitled to receive a management fee calculated in the following basis:

Classes R HKD (Acc) & R HKD (Dis): 1.25% per annum of the net asset value
Classes R USD (Acc) & R USD (Dis): 1.25% per annum of the net asset value
Classes I HKD (Acc): 0.80% per annum of the net asset value
Classes I USD (Acc): 0.80% per annum of the net asset value
Classes A HKD (Acc): 0.60% per annum of the net asset value
Classes A USD (Acc): 0.60% per annum of the net asset value

The management fee shall be accrued daily and payable monthly in USD in arrears as specified in the explanatory memorandum issued in respect of the Sub-Fund.

The management fee charged for the year ended 31 December 2019 was USD380,576 (2018: USD355,322) of which USD34,876 (2018: USD29,931) was outstanding at 31 December 2019.

(b) Trustee fee

The Trustee of the Sub-Fund is entitled to a fee payable monthly in arrears calculated as 0.125% to 0.15% per annum and subject to a minimum monthly fee of HK$40,000, which is accrued daily and is payable monthly in arrears.

The total trustee fee for the year ended 31 December 2019 amounted to USD85,564 (2018: USD80,174). As at 31 December 2019, trustee fee payable to the Bank of Communications Trustee Limited is USD7,820 (2018: USD6,766), which is included in trustee fee payable in the statement of financial position.

(c) Brokerage fee and margin deposit with broker

During the year ended 31 December 2019, the total aggregate value of the transactions of the Sub-Fund effected through BOCOM International Securities Limited, who is a fellow subsidiary of the Manager, amounted to USD20,868,962 (2018: USD17,693,783), representing 4.60% (2018: 9.05%) of the total transactions in value during the year.

During the year ended 31 December 2019, the total brokerage commission paid to BOCOM International Securities Limited in relation to such transactions amounted to USD840 (2018: USD3,280), with an average commission rate of 0.004% (2018: 0.018%), which is included in transaction costs in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

7 Transactions with the Trustee and its affiliates and the Manager and its connected persons (Continued)

(c) Brokerage fee and margin deposit with broker (Continued)

Margin deposit represents the amounts held in respect of open exchange-traded future contracts. As at 31 December 2019, the margin deposit of USDNil (2018: USD1,047,024) with BOCOM International Securities Limited is included in the statement of financial position.

(d) Transactions with the Manager's subsidiary

As at 31 December 2019, BOCOM International Global Investment Limited, a subsidiary of the Manager, held 15,695,928.849 Class A USD (Acc) units (2018: 15,695,928.849 Class A USD (Acc) units) in the Sub-Fund.

(e) Transactions with the Manager's fellow subsidiary

During the year ended 31 December 2019 and 2018, all the Sub-Fund's transactions in futures contracts were executed with BOCOM International Securities Limited, the Manager's fellow subsidiary. Refer to Note 7(c).

As at 31 December 2019, the Sub-Fund held listed futures investment with a fair value (liability) of USDNil (2018: USD83,438) with BOCOM International Securities Limited, the Manager's fellow subsidiary.

(f) Transactions with the Manager's ultimate holding company

As at 31 December 2019, the Sub-Fund's cash and cash equivalents of USD20 (2018: USD22) were held in Bank of Communications Co. Ltd HK Branch, the Manager's ultimate holding company.

8 Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the year ended 31 December 2019 and 2018 in relation to directing transactions of the Sub-Fund through a broker or dealer.

9 Distribution to unitholders

The Sub-Fund did not make any distribution during the year ended 31 December 2019 and 2018.

10 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 24 April 2020.

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

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2019

Investments (98.50%)	Holdings	Fair Value USD	% of Net assets
Debt securities (98.50%)			
BAHRAIN (4.45%)			
BHRAIN 7.00 10/12/28	2,500,000	2,959,575	4.45%
BRITISH VIRGIN (1.21%)			
FTLNHD 7.5 12/16/21	800,000	805,512	1.21%
CAYMAN ISLANDS (3.17%)			
DPWDU 3.875 07/18/29	400,000	410,536	0.62%
EMAAR 3.875 09/17/29	1,700,000	1,694,526	2.55%
CHINA (29.94%)			
AGILE 7.875 PER07/68	1,000,000	1,027,860	1.54%
ANTOIL 7.5 12/02/22	700,000	678,601	1.02%
ANTOIL 9.75 12/05/20	2,000,000	2,060,000	3.10%
BEDUUS 7.45 07/31/22	1,000,000	1,024,150	1.54%
COGARD 7.25 04/08/26	2,000,000	2,183,360	3.28%
KAISAG 11.25 4/09/22	1,200,000	1,252,692	1.88%
KAISAG 11.75 02/21	1,700,000	1,786,071	2.68%
RONXIN 8.1 06/09/23	600,000	613,290	0.92%
KMCMIN 6.2 06/27/22	1,200,000	1,214,724	1.83%
WHMTR VAR PER 12/68	3,000,000	3,151,500	4.74%
ZYAMCL 4.2 11/29/22	2,500,000	2,464,450	3.70%
ZZCITY 5.7 05/24/22	2,400,000	2,469,912	3.71%
GERMANY (2.54%)			
CMZB VAR PERP 04/69	1,600,000	1,688,464	2.54%
GHANA (0.92%)			
GHANA 8.125 03/26/32	600,000	612,336	0.92%
HONG KONG(3.72%)			
YUNMET 5.50 04/08/22	2,500,000	2,473,150	3.72%
INDIA (1.53%)			
ADTIN 4.25 05/21/36	1,000,000	1,014,820	1.53%
INDONESIA (10.82%)			
IDASAL 5.23 11/15/21	2,500,000	2,625,525	3.95%
ADROIJ 4.25 10/31/24	1,500,000	1,483,215	2.23%
PLNIJ 3.875 07/17/29	1,000,000	1,045,380	1.57%
PLNIJ 4.875 07/17/49	1,000,000	1,085,150	1.63%
PERTIJ 4.7 07/30/49	900,000	962,244	1.44%
MALAYSIA (0.75%)			
SDHMK 6.9965 3/12/25	500,000	500,615	0.75%
MONGOLIA (3.52%)			
MGMTGE 9.75 01/29/22	2,400,000	2,340,432	3.52%

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

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2019

Investments (98.50%)	Holdings	Fair Value USD	% of Net assets
NETHERLANDS (6.39%)			
INTNED VAR PER 4/69	1,400,000	1,522,360	2.29%
INTNED VAR PER 11/69	1,000,000	1,056,070	1.59%
SABIC 4.50 10/10/28	1,500,000	1,673,280	2.51%
OMAN(3.13%)			
OMAN 4.875 02/01/25	600,000	621,720	0.93%
OMAN 6 08/01/29	1,400,000	1,466,234	2.20%
PHILIPPINES(2.47%)			
SMCGL VAR PER 05/69	1,600,000	1,646,432	2.47%
QATAR(1.22%)			
QIIKQD VAR PER 11/69	800,000	808,408	1.22%
SOUTH AFRICA(3.57%)			
KSA 4.375 04/16/2029	1,200,000	1,347,240	2.03%
SOAF 5.75 09/30/2049	500,000	488,335	0.73%
SHINFN VAR 08/13/68	500,000	538,925	0.81%
SRI LANKA(3.51%)			
SRILAN 7.55 03/28/30	900,000	892,854	1.34%
SRAILT 7 06/25/24	1,100,000	1,089,198	1.64%
SRILAN 7.85% 3/14/29	350,000	354,939	0.53%
SWEDEN(3.02%)			
SEB VAR PERP 05/69	2,000,000	2,006,680	3.02%
THAILAND(1.58%)			
TOPTB 3.50 10/17/49	1,100,000	1,048,476	1.58%
United Arab Emirates (11.04%)			
ADGB 3.125 09/30/49	900,000	875,970	1.32%
DPWDU 4.7 09/30/49	1,500,000	1,506,765	2.26%
EBIUH VAR PERP 03/69	1,500,000	1,581,150	2.38%
KWIPKK 4.229 10/26	1,000,000	1,042,310	1.57%
FUJAIR VAR PER 10/69	1,300,000	1,336,218	2.01%
NTBKKK VAR PER 11/69	1,000,000	999,890	1.50%
		65,531,544	98.50%
Total investments		65,531,544	98.50%
Other net assets		996,626	1.50%
Total net assets as at 31 December 2019		66,528,170	100.00%
Total investments at cost		63,196,661	

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Holdings/principal			
	2018	Additions	Disposals	2019
Investments				
ABQKQD 3.125 9/24/24	-	1,800,000	1,800,000	-
ADGB 3.125 09/30/49	-	2,000,000	1,100,000	900,000
ADGREG 6.25 12/10/24	-	200,000	200,000	-
ADROIJ 4.25 10/31/24	-	1,500,000	-	1,500,000
ADSEZ 4.375 07/03/29	-	250,000	250,000	-
ADTIN 4.25 05/21/36	-	1,000,000	-	1,000,000
AFREXI 3.994 9/21/29	-	1,400,000	1,400,000	-
AGILE 7.875 PER07/68	-	1,000,000	-	1,000,000
ALDAR 3.875 10/22/29	-	1,000,000	1,000,000	-
ALPHSA 10.0 12/19/22	1,000,000	-	1,000,000	-
ANHUII 4.875 10/21	2,000,000	-	2,000,000	-
ANTOIL 7.5 12/02/22	-	700,000	-	700,000
ANTOIL 9.75 12/05/20	2,000,000	-	-	2,000,000
ARAMCO 3.5 04/16/29	-	1,000,000	1,000,000	-
ARAMCO 4.375 4/16/49	-	1,400,000	1,400,000	-
ASRIIJ 11.5 04/22/21	-	400,000	400,000	-
BACR 5.088 06/20/30	-	3,000,000	3,000,000	-
BBRIIJ 4.625 7/20/23	1,000,000	-	1,000,000	-
BBLTB 3.733 09/25/34	-	600,000	600,000	-
BBRIIJ 3.95 03/28/24	-	500,000	500,000	-
BCHINA 5.00 11/13/24	2,000,000	-	2,000,000	-
BCLMHK 4.0 01/22/22	-	3,000,000	3,000,000	-
BEDUUS 7.45 07/31/22	-	1,000,000	-	1,000,000
BEIJHK 2.8 07/15/22	-	1,200,000	1,200,000	-
BGBKKK VAR PER 07/69	-	2,100,000	2,100,000	-
BHRAIN 4.5 03/30/27	-	1,200,000	1,200,000	-
BHRAIN 7.00 10/12/28	2,500,000	-	-	2,500,000
BMO VAR PER 08/69	-	1,800,000	1,800,000	-
BNP VAR PERP 03/69	-	900,000	900,000	-
BOCAVI 4.0 01/25/24	-	3,500,000	3,500,000	-
BOSUH 4 09/18/24	-	2,000,000	2,000,000	-
BPIPM 2.5 09/10/24	-	1,000,000	1,000,000	-
BTGPBZ VAR PER 02/69	-	1,250,000	1,250,000	-
CAPG 7.95 09/07/21	500,000	-	500,000	-
CAPG 8.5 01/23/22	-	800,000	800,000	-
CBAAU 3.61 09/12/34	-	400,000	400,000	-
CBAAU 3.743 09/12/39	-	700,000	700,000	-
CCAMCL 4.75 02/21/29	-	650,000	650,000	-
CCB 4.25% 02/27/29	-	1,000,000	1,000,000	-
CDBLFD3.7503/11/22	-	3,500,000	3,500,000	-
CHALUMVARPER05/69	-	400,000	400,000	-
CHFOTN8.604/08/24	-	1,000,000	1,000,000	-
CHINSC8.7501/15/21	-	600,000	600,000	-
CHJMAO4.2507/23/29	-	600,000	600,000	-
CHPWCNVARPER06/69	-	300,000	300,000	-
CINDBK4.6252/28/29	-	500,000	500,000	-
CITNAT4.502/01/29	-	700,000	700,000	-
CITNATVARPER07/69	-	800,000	800,000	-
CJIANT 4.50 09/20/21	2,000,000	-	-	2,000,000
CKHH3.37509/06/49	-	500,000	500,000	-

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Holdings/principal				
	2018	Additions	Mature	Disposals	2019
Investments					
CMZBVARPERP04/69	-	1,600,000	-	-	1,600,000
CNSHAN4.3PERP	-	1,400,000	-	1,400,000	-
COGARD7.12504/22	-	700,000	-	700,000	-
COGARD7.2504/08/26	-	6,000,000	-	4,000,000	2,000,000
CRHZCH3.7508/26/24	-	300,000	-	300,000	-
CRHZCH4.12502/29	-	300,000	-	300,000	-
CS 7.50 PERP 07/68	1,000,000	-	-	1,000,000	-
DAESEC3.1255/07/22	-	1,000,000	-	1,000,000	-
DIBUHVARPER01/69	-	1,200,000	-	1,200,000	-
DPWDU3.87507/18/29	-	1,700,000	-	1,300,000	400,000
DPWDU4.709/30/49	-	2,000,000	-	500,000	1,500,000
EBIUHVARPERP03/69	-	1,500,000	-	-	1,500,000
EGYPT7.600303/29	-	300,000	-	300,000	-
EGYPT8.700203/49	-	200,000	-	200,000	-
EMAAR3.87509/17/29	-	1,700,000	-	-	1,700,000
EMDEBK3.5163/06/24	-	1,000,000	-	1,000,000	-
ESICSU3.9397/30/24	-	2,000,000	-	2,000,000	-
EXCCMG 7.30 04/18/19	1,000,000	-	-	1,000,000	-
EXIMBK3.87503/24	-	2,000,000	-	2,000,000	-
FTLNHD7.512/16/21	-	800,000	-	-	800,000
FUFENG 5.875 08/21	600,000	-	-	600,000	-
FUJAIRVARPER10/69	-	1,300,000	-	-	1,300,000
FUTLAN7.501/22/21	-	2,000,000	-	2,000,000	-
FWDGRP5.7507/09/24	-	1,400,000	-	1,400,000	-
GHANA8.12503/26/32	-	600,000	-	-	600,000
GHANA8.9503/26/51	-	1,600,000	-	1,600,000	-
GLPCHI4.9742/26/24	-	700,000	-	700,000	-
GTJA3.87503/11/22	-	200,000	-	200,000	-
GZGETH3.7507/18/22	-	1,600,000	-	1,600,000	-
GZINFU 4.15 04/22/19	1,200,000	-	(200,000)	1,000,000	-
GZRFPR8.1257/11/24	-	900,000	-	900,000	-
GZRFPR8.7501/10/21	-	1,000,000	-	1,000,000	-
GZRFPR9.12507/22	-	1,200,000	-	1,200,000	-
HAOHUA 4.625 3/14/23	2,000,000	-	-	2,000,000	-
HKAA3.4502/21/29	-	500,000	-	500,000	-
HMELIN5.4510/22/26	-	1,600,000	-	1,600,000	-
HNYUZI4.2506/28/24	-	1,000,000	-	1,000,000	-
HONHAI3.7503/12/24	-	1,500,000	-	1,500,000	-
HONHAI4.2503/12/29	-	750,000	-	750,000	-
HRAM4.00PERP11/49	-	1,500,000	-	1,500,000	-
HRINTH3.7505/29/24	-	6,000,000	-	6,000,000	-
HUADIAVARPER05/69	-	400,000	-	400,000	-
HZCONI4.875 12/20/20	1,600,000	-	-	1,600,000	-
HYUELE309/17/24	-	1,500,000	-	1,500,000	-
ICBCAS2.8759/12/29	-	900,000	-	900,000	-
INDOIS4.4502/20/29	-	1,500,000	-	1,500,000	-
IDASAL 5.23 11/15/21	500,000	2,000,000	-	-	2,500,000
INTNEDVARPER11/69	-	1,000,000	-	-	1,000,000
INTNEDVARPER4/69	-	1,400,000	-	-	1,400,000

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Holdings/principal			
	2018	Additions	Disposals	2019
Investments				
IVLTB4.37509/12/24	-	900,000	900,000	-
JINGRU 9.45 04/23/21	2,000,000	-	2,000,000	-
JUDA FLOAT 08/02/21	1,400,000	-	-	1,400,000
KAISAG 8.50 06/30/22	1,000,000	-	1,000,000	-
KAISAG11.254/09/22	-	1,700,000	500,000	1,200,000
KAISAG11.7502/21	-	1,700,000	-	1,700,000
KBANK3.34310/02/31	-	1,200,000	1,200,000	-
KDB3.2502/19/24	-	500,000	500,000	-
KMCMIN6.206/27/22	-	1,200,000	-	1,200,000
KOMIPW3.37501/22	-	850,000	850,000	-
KORELE2.506/24/24	-	400,000	400,000	-
KORESC3.2504/17/24	-	1,000,000	1,000,000	-
KSA 3.625 03/04/28	1,000,000	-	1,000,000	-
KSA4.37504/16/2029	-	1,200,000	-	1,200,000
KWIPKK4.22910/26	-	1,300,000	300,000	1,000,000
LLPLCA6.87502/39	-	850,000	850,000	-
LVS3.508/18/26	-	300,000	300,000	-
LVS3.908/08/29	-	300,000	300,000	-
MASQUH4.2502/26/24	-	700,000	700,000	-
MATSEL3.1137/19/29	-	1,800,000	1,800,000	-
MEDCIJ 8.50 08/17/22	1,200,000	-	1,200,000	-
MGMTGE9.7501/29/22	-	3,400,000	1,000,000	2,400,000
MITCO2.507/09/24	-	1,750,000	1,750,000	-
MITSRE3.9501/24/29	-	350,000	350,000	-
MONDFI5.1255/07/29	-	400,000	400,000	-
MSINSVARPERP03/69	-	1,300,000	1,300,000	-
MUBAUH3.711/07/49	-	1,200,000	1,200,000	-
MUMTAK5.6252/27/24	-	1,000,000	1,000,000	-
NAB3.93308/02/34	-	500,000	500,000	-
NANYAN3.811/20/29	-	900,000	900,000	-
NFFSHC3.62501/24	-	800,000	800,000	-
NMHIGH4.375 12/04/20	500,000	-	500,000	-
NTBKKKVARPER11/69	-	1,000,000	-	1,000,000
NWDEVL4.1257/18/29	-	1,000,000	1,000,000	-
QDHTCO 4.50 03/20/21	1,000,000	-	1,000,000	-
OMAN4.87502/01/25	-	600,000	-	600,000
OMAN608/01/29	-	1,400,000	-	1,400,000
ORIEAS4.503/20/29	-	200,000	200,000	-
OTELOM 6.625 4/24/28	1,000,000	-	1,000,000	-
PERTIJ3.6507/30/29	-	300,000	300,000	-
PERTIJ4.707/30/49	-	900,000	-	900,000
PHILIP 9.50 02/02/30	1,000,000	-	1,000,000	-
PINGIN3.6255/28/24	-	350,000	350,000	-
PLNIJ3.37502/05/30	-	600,000	600,000	-
PLNIJ3.87507/17/29	-	2,000,000	1,000,000	1,000,000
PLNIJ4.37502/05/50	-	400,000	400,000	-
PLNIJ4.87507/17/49	-	1,000,000	-	1,000,000
PNBPM3.2809/27/24	-	1,500,000	1,500,000	-
POHANG2.7507/15/24	-	1,000,000	1,000,000	-
POWFIN3.909/16/29	-	2,200,000	2,200,000	-

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

		Holdings/principal		
	2018	Additions	Disposals	2019
Investments				
QATAR 4.50 04/23/28	1,000,000	-	-	1,000,000
QATAR 3.875 04/23/23	900,000	-	-	900,000
QATAR4.003/14/29	-	850,000	850,000	-
QATAR4.81703/14/49	-	750,000	750,000	-
QIBKQD3.98203/24	-	1,800,000	1,800,000	-
QIIKQD4.26403/24	-	800,000	800,000	-
QIIKQDVARPER11/69	-	800,000	-	800,000
QNBFB6.87509/07/24	-	300,000	300,000	-
RAKBNK4.1254/09/24	-	2,000,000	2,000,000	-
RCBPM309/11/24	-	1,200,000	1,200,000	-
RHBCMK3.7662/19/24	-	700,000	700,000	-
ROADKG7.7504/18/21	-	300,000	300,000	-
ROADKG7.87502/23	-	400,000	400,000	-
RONXIN8.106/09/23	-	600,000	-	600,000
RONXIN8.7510/25/22	-	2,000,000	2,000,000	-
RONXIN8.9501/22/23	-	1,200,000	1,200,000	-
RPVIN6.6703/12/24	-	500,000	500,000	-
RUYIGR 7.50 12/19/19	1,000,000	-	1,000,000	-
RWLVCA4.6254/16/29	-	1,600,000	1,600,000	-
SABIC 4.50 10/10/28	1,500,000	-	-	1,500,000
SAMBA2.7510/02/24	-	1,600,000	1,600,000	-
SCBTB3.902/11/24	-	500,000	500,000	-
SCBTB4.402/11/29	-	350,000	350,000	-
SCRAII3.806/27/22	-	200,000	200,000	-
SDHMK6.99653/12/25	-	500,000	-	500,000
SEBVARPERP05/69	-	2,800,000	800,000	2,000,000
SECBPM 4.50 09/25/23	2,400,000	-	2,400,000	-
SECO 4.222 01/27/24	1,500,000	-	1,500,000	-
SECO 4.723 09/27/28	2,000,000	-	2,000,000	-
SHARSK3.23410/29	-	1,000,000	1,000,000	-
SHARSK3.85404/26	-	1,200,000	1,200,000	-
SHGANG405/23/24	-	200,000	200,000	-
SHGUOH4.3707/09/22	-	1,500,000	1,500,000	-
SHIMAO5.607/15/26	-	2,200,000	2,200,000	-
SHINFN3.3402/05/30	-	200,000	200,000	-
SHINFN VAR 08/13/68	2,200,000	-	1,700,000	500,000
SHNHAN404/23/29	-	1,000,000	1,000,000	-
SHPORT2.8509/11/29	-	800,000	800,000	-
SHPORT3.37506/29	-	200,000	200,000	-
SIBVARPER07/69	-	1,800,000	1,800,000	-
SINOPE3.6808/08/49	-	500,000	500,000	-
SMCGLVARPER05/69	-	1,600,000	-	1,600,000
SMCGLVARPERP04/69	-	3,800,000	3,800,000	-
SNRSKY5.2503/11/24	-	700,000	700,000	-
SOAF4.8509/30/29	-	500,000	500,000	-
SOAF5.7509/30/2049	-	500,000	-	500,000
SOCGEN VAR PERP10/68	1,000,000	-	1,000,000	-
SRAILT706/25/24	-	1,100,000	-	1,100,000
SRENVX5.004/02/49	-	200,000	200,000	-
SRENVXVARPERP9/69	-	1,800,000	1,800,000	-

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

		Holdings/principal		
	2018	Additions	Disposals	2019
Investments				
SRILAN6.85%3/14/24	-	350,000	350,000	-
SRILAN7.5503/28/30	-	900,000	-	900,000
SRILAN7.85%3/14/29	-	350,000	-	350,000
STANLN3.5162/12/30	-	1,300,000	1,300,000	-
STCAB3.8905/13/29	-	2,000,000	2,000,000	-
STSP2.37508/28/29	-	1,000,000	1,000,000	-
SUNAC7.87502/15/22	-	1,000,000	1,000,000	-
SUNAC8.37501/15/21	-	1,800,000	1,800,000	-
SUNAC 8.625 7/27/20	600,000	-	600,000	-
SUNHUN3.7502/25/29	-	1,000,000	1,000,000	-
T2.50%12/31/2020	-	1,200,000	1,200,000	-
TAQAUH410/03/49	-	200,000	200,000	-
TNBMK 4.851 11/01/28	1,000,000	-	1,000,000	-
TOPTB3.5010/17/49	-	2,100,000	1,000,000	1,100,000
TOYOTA2.7607/02/29	-	1,500,000	1,500,000	-
UBS VAR 12/29/49	2,000,000	-	2,000,000	-
UBSVARPER01/2069	-	800,000	800,000	-
VNET7.87510/15/21	-	2,400,000	2,400,000	-
WARBAB2.9829/24/24	-	2,000,000	2,000,000	-
WB3.507/05/24	-	400,000	400,000	-
WOORIBVARPER10/69	-	900,000	900,000	-
WSTP4.1107/24/34	-	1,900,000	1,900,000	-
WSTP4.42107/24/39	-	1,900,000	1,900,000	-
WHMTR VAR PER 12/68	3,000,000	-	-	3,000,000
XANCON4.0006/24/22	-	700,000	700,000	-
YUNMET5.5004/08/22	-	5,000,000	2,500,000	2,500,000
YUZHOU8.502/04/23	-	640,000	640,000	-
YUZHOU8.62501/22	-	1,000,000	1,000,000	-
YUZHOU 7.90 05/11/21	1,000,000	-	1,000,000	-
ZYAMCL4.211/29/22	-	2,500,000	-	2,500,000
ZZCITY5.705/24/22	-	2,400,000	-	2,400,000
FUT10YUSTNMAR19	(60)	-	(60)	-
FUT10YUSTNMAR20	-	(75)	(75)	-

GLOBAL STRATEGIC EMERGING MARKETS BOND FUND
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PERFORMANCE TABLE (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Net asset values

	Net asset value	Net asset value per unit
At 31 December 2019 (Dealing NAV)		
Class A USD (Acc)	USD39,678,468	USD2.528
Class R HKD (Acc)	HKD190,383	HKD12.133
Class R HKD (Dis)	HKD328,585	HKD12.133
Class A HKD (Acc)	HKD208,548,930	HKD12.690
At 31 December 2018 (Dealing NAV)		
Class R USD (Acc)	USD48,695	USD2.142
Class A USD (Acc)	USD34,939,964	USD2.226
Class R HKD (Acc)	HKD169,723	HKD10.816
Class R HKD (Dis)	HKD381,232	HKD10.816
Class A HKD (Acc)	HKD184,711,863	HKD11.239
At 31 December 2017 (Dealing NAV)		
Class R USD (Acc)	USD50,362	USD2.215
Class R USD (Dis)	USD161,681	USD2.182
Class A USD (Acc)	USD35,902,185	USD2.287
Class R HKD (Acc)	HKD175,222	HKD11.166
Class R HKD (Dis)	HKD503,743	HKD11.166
Class A HKD (Acc)	HKD189,464,264	HKD11.528

Highest and lowest net asset value per unit (Dealing NAV)

	Highest net asset value per unit	Lowest net asset value per unit
Year ended 31 December 2019		
Class A USD (Acc)	USD2.528	USD2.223
Class R HKD (Acc)	HKD12.479	HKD10.808
Class R HKD (Dis)	HKD12.137	HKD10.808
Class A HKD (Acc)	HKD12.694	HKD11.231
Year ended 31 December 2018		
Class R USD (Acc)	USD2.227	USD2.100
Class R USD (Dis)	USD2.194	USD2.069
Class A USD (Acc)	USD2.300	USD2.175
Class R HKD (Acc)	HKD11.949	HKD10.626
Class R HKD (Dis)	HKD11.263	HKD10.626
Class A HKD (Acc)	HKD11.604	HKD11.009

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PERFORMANCE TABLE (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Highest and lowest net asset value per unit (Dealing NAV) (Continued)

	Highest net asset value per unit	Lowest net asset value per unit
Year ended 31 December 2017		
Class R USD (Acc)	USD2.215	USD2.100
Class R USD (Dis)	USD2.182	USD2.068
Class I USD (Acc)	USD2.265	USD2.137
Class A USD (Acc)	-	-
Class R HKD (Acc)	USD11.166	USD10.500
Class R HKD (Dis)	HKD11.166	HKD10.501
Class I HKD (Acc)	HKD11.416	HKD10.687
Class A HKD (Acc)	HKD11.528	HKD10.771
Year ended 31 December 2016		
Class R USD (Acc)	-	-
Class R USD (Dis)	USD2.085	USD1.965
Class A USD (Acc)	USD2.168	USD2.034
Class R HKD (Acc)	USD10.579	USD10.000
Class R HKD (Dis)	HKD10.579	HKD10.000
Class A HKD (Acc)	HKD10.842	HKD10.201
Year ended 31 December 2015		
Class R USD (Dis)	USD2.014	USD1.919
Class A USD (Acc)	USD2.075	USD1.973
Class R HKD (Acc)	HKD10.220	HKD9.734
Class R HKD (Dis)	HKD10.220	HKD9.734
Class A HKD (Acc)	HKD10.374	HKD9.859
Year ended 31 December 2014		
Class R USD (Acc)	USD2.064	USD1.892
Class R USD (Dis)	USD2.033	USD1.892
Class I USD (Acc)	USD2.079	USD1.901
Class R HKD (Acc)	HKD10.315	HKD9.475
Class R HKD (Dis)	HKD10.315	HKD9.475
Period ended 31 December 2013 (from inception)		
Class R USD (Dis)	USD2.052	USD1.798
Class A USD (Acc)	USD2.055	USD1.805
Class R HKD (Acc)	HKD10.266	HKD8.992
Class R HKD (Dis)	HKD10.266	HKD8.992
Class A HKD (Acc)	HKD10.282	HKD9.027