

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

**SEMI-ANNUAL REPORT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**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**

Li Wu  
Xi Xuanhau

**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**

KPMG  
8/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong

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**REPORT OF THE MANAGER TO THE UNITHOLDERS**

**Market Review**

The global fixed income market has gone through a rollercoaster in 23H1. In 23Q1, hotter-than-expected employment report and inflation data reversed the course of the rally of interest rates at the beginning of the year and the crisis in US and European banking system dragged the market into an extremely risk-off mode. While in 23Q2, higher-than-desired inflation and a stronger-for-longer global economy helped risk-free rates to climb back and credit spreads to tighten. Adding to that, several property names' tumble continued to drag down the Asian HY market.

**Portfolio Review**

In 23H1, the Global Strategic Emerging Markets Bond Fund (USD Class A) recorded a negative return of -2.62%. We are using USD Class A return as an indication since it has the largest NAV in USD terms among all classes. During the year, amid global interest rate hike and recession fear alongside with the US and Europe banking crises, we kept cautious on the duration and stayed up in credit quality. The weighted average duration remained around 1.4 year as it was 1.5 back on 31 Dec 2022, way shorter than the benchmark which was around 6.7 years. Our high yield exposure was also controlled at below 20%, which was around 18.5% as at 30 Jun 2023.

Looking forward, we remain cautious on global economic growth outlook while we would seize the opportunity to extend the portfolio duration as the yield level is near 20-year high and the hike cycle is approaching to an end.

(A Sub-fund of BOCOM International Fund)

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 30 JUNE 2023**

	<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
	<b>USD</b>	<b>USD</b>
<b>Assets</b>		
Financial assets at fair value through profit or loss	7,087,574	6,976,924
Interest receivable	77,866	68,063
Amount due from broker	66,966	252,948
Cash and cash equivalents	521,593	832,265
	<hr/>	<hr/>
<b>Total assets</b>	<b>7,753,999</b>	<b>8,130,200</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Liabilities</b>		
Management fee payable	3,845	4,253
Trustee fee payable	5,058	5,227
Redemption Payable	-	184,073
Accrued expense and other payables	44,469	28,601
	<hr/>	<hr/>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>53,372</b>	<b>222,154</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net assets attributable to unitholders	<u><u>7,700,627</u></u>	<u><u>7,908,046</u></u>

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Note	<b>For the six months ended 30 Jun 2023 USD</b>	<b>For the six months ended 30 Jun 2022 USD</b>
<b>Income</b>			
Interest Income on debt securities		157,703	125,464
Interest (expense)/income on bank deposits		(47)	16
Net losses on financial assets and financial liabilities at fair value through profit or loss		(291,648)	(955,256)
Net foreign currency gain/(losses)		407	(395)
Other Income		102	6
		<hr/>	<hr/>
<b>Total loss</b>		(133,483)	(830,165)
		<hr/>	<hr/>
<b>Expenses</b>			
Management fee	2(a)	(23,513)	(25,538)
Trustee fee	2(b)	(30,516)	(30,516)
Sub-custodian fee		(1,178)	(793)
Audit fee		(15,868)	(14,887)
Transaction costs	2(c), 8	(784)	-
Bank Charges		(78)	-
Other expenses		(68)	(34)
		<hr/>	<hr/>
<b>Total operating expenses</b>		(72,005)	(71,768)
		<hr/>	<hr/>
<b>Decrease in net assets attributable to unitholders from operations</b>		<u>(205,488)</u>	<u>(901,933)</u>

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	For the six months ended 30 Jun 2023 USD	For the six months ended 30 Jun 2022 USD
<b>Net assets attributable to unitholders at the beginning of the period</b>	7,908,046	9,044,839
Proceeds from units issued	-	259,034
Redemption of units	(1,931)	-
Net (decrease)/increase from unit transactions	(1,931)	259,034
Decrease in net assets attributable to unitholders from operations	(205,488)	(901,933)
<b>Net assets attributable to unitholders at the end of the period</b>	<b>7,700,627</b>	<b>8,401,940</b>

	<b>Number of redeemable units</b>	
	For the six months ended 30 Jun 2023 USD	For the six months ended 30 Jun 2022 USD
<u>Class A USD (Acc)</u>		
<b>Units in issue at the beginning of the period</b>	4,017,677.782	4,017,677.782
Issue of units during the period	-	-
Redemption of units during the period	-	-
<b>Units in issue at the end of the period</b>	<b>4,017,677.782</b>	<b>4,017,677.782</b>
<u>Class R HKD (Acc)</u>		
<b>Units in issue at the beginning of the period</b>	41,882.226	41,882.226
Issue of units during the period	-	-
Redemption of units during the period	-	-
<b>Units in issue at the end of the period</b>	<b>41,882.226</b>	<b>41,882.226</b>
<u>Class R HKD (Dis)</u>		
<b>Units in issue at the beginning of the period</b>	27,082.266	27,082.266
Issue of units during the period	-	213,479.228
Redemption of units during the period	(1,663.547)	-
<b>Units in issue at the end of the period</b>	<b>25,418.719</b>	<b>240,561.494</b>

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**1. Basis of preparation and accounting policies**

The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31 December 2022. Other amendments to HKFRS effective for the financial year ended 31 December 2023 are not expected to have a material impact on the fund.

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

**2. Transactions with related parties or 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 period 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.

**(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 six months ended 30 June 2023 was USD23,513 (30 June 2022: USD25,538) of which USD3,845 (31 December 2022: USD4,253) was outstanding at 30 June 2023.

**(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 trustee fee charged for the six months ended 30 June 2023 was USD30,516 (30 June 2022: USD30,516) of which USD5,058 (31 December 2022: USD5,227) was outstanding at 30 June 2023.



**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**2. Transactions with related parties or connected persons (Continued)**

**(c) Brokerage fee**

During the period, the total brokerage commission paid to BOCOM International Securities Limited is listed as follows:

	Aggregate value of purchase and sales of securities USD	Total commission paid USD	% of Sub- Fund's total transactions during the period %	Average commission rate %
For the six months ended 30 Jun 2023	1,628,650	784	4.58%	0.05%
For the six months ended 30 Jun 2022	-	-	-	-

**(d) Holdings of units of the Sub-Fund**

As at 30 June 2023, BOCOM International Holdings Company Limited, the parent company of the Manager, held 4,017,677.782 units (31 December 2022: 4,017,677.782 units) in the Sub-Fund.

**(e) Balance balances and amount due from broker balance**

Bank balances are maintained with Bank of Communications Co. Ltd HK Branch, a branch of Bank of Communications Co., Ltd., the ultimate holding company of the Manager and the Trustee. Relevant balances as at 30 June 2023 were USD1,578 (31 December 2022: USD1,619).

Amount due from broker balance is maintained with BOCOM International Securities Limited, a fellow subsidiary of the Manager and the Trustee. Relevant balance as at 30 June 2023 was USD66,966 (31 December 2022: USD252,948).

**3. Soft Dollar arrangements**

During the period, the manager and its connected persons did not enter into any soft dollar arrangements with brokers relating to dealing in the assets of the Sub-Fund.

**4. Borrowings**

The Sub-Fund did not make any borrowings during the six months ended 30 June 2023.

**5. Contingent liabilities and commitments**

The Sub-Fund did not have any contingent liabilities and commitments during the six months ended 30 June 2023.

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**6. Distribution to unitholders**

The Sub-Fund did not make any distribution during the six months ended 30 June 2023.

**7. Details on units**

**Net asset value per unit of each class of units**

	Currency	Net assets per class	Number of Units outstanding	Net asset Value per unit
<b>At 30 June 2023</b>				
Class A USD (Acc)	USD	7,623,883	4,017,677.782	1.897
Class R HKD (Acc)	HKD	47,888	41,882.226	8.961
Class R HKD (Dis)	HKD	28,856	25,418.719	8.897

	Currency	Net assets per class	Number of Units outstanding	Net asset Value per unit
<b>At 30 June 2022</b>				
Class A USD (Acc)	USD	8,060,373	4,017,677.782	2.006
Class R HKD (Acc)	HKD	399,872	41,882.226	9.547
Class R HKD (Dis)	HKD	2,280,375	240,561.494	9.479

**8. 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 recognized in the statement of comprehensive income as an expense.

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the period ended 30 June 2023 amounted to USD784 (30 June 2022: Nil). Refer to Note 2(c) for details.

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 30 JUNE 2023**

<b>Investments (93.05%)</b>	<b>Holdings</b>	<b>Fair Value USD</b>	<b>% of Net assets</b>
<b>Debt securities (93.05%)</b>			
<b>China</b>			
BOC AVIATION LTD 4.5% 05/23/2028	200,000	193,438	2.52%
BLUESTAR FIN HOLDINGS 3.375 07/16/2024	253,000	246,126	3.25%
CN HUANENG GP HK TREASUR 3.08 PERP 12/70	300,000	283,176	3.68%
CMHI FINANCE BVI CO LTD 3.5 VAR PERP 10/09/2070	700,000	695,100	9.1%
CICC HK FINANCE 2016 MTN 5.493% 03/01/2026	300,000	299,592	3.96%
ICBCIL FINANCE CO LTD 2.125% 01/27/2025	300,000	283,419	3.72%
KAISA GROUP HOLDINGS LTD 11.25% 04/09/2022	1,200,000	82,272	1.07%
KAISA GROUP HOLDINGS LTD 8.65% 07/22/2022	500,000	33,720	0.44%
SUNRISE CAYMAN LTD 5.25% 03/11/2024	700,000	696,150	9.19%
SOAR WISE LTD 3.425 VAR PERP 11/04/2070	500,000	494,360	6.45%
<b>Hong Kong</b>			
BANK OF CHINA HONG KONG VAR PERP 09/14/2068	700,000	699,181	9.24%
CHINA CITIC BANK INTL VAR PERP 11/06/2068	700,000	702,254	9.22%
<b>Indonesia</b>			
INDIKA ENERGY CAPITAL IV 8.25% 10/22/2025	400,000	398,144	5.25%
<b>Kuwait</b>			
KIB TIER 1 SUKUK LIMITED VAR PEPR 06/10/2069	200,000	196,028	2.55%
<b>Malaysia</b>			
PETRONAS CAPITAL LTD 3.5 03/18/2025	250,000	241,585	3.17%
<b>Saudi arabia</b>			
SAUDI ARABIAN OIL CO 1.625% 11/24/2025	300,000	274,626	3.57%
<b>South Korea</b>			
KOREA EXPRESSWAY CORP 3.625 05/18/2025	200,000	192,932	2.52%
SHINHAN BANK 4.5% 04/12/2028	200,000	195,340	2.56%
<b>United Kingdom</b>			
HUTCH WHAMPOA INT 14 LTD 3.625 10/31/2024	300,000	292,059	3.82%
<b>United States of America</b>			
US TREASURY N/B 3.5 02/15/2033	300,000	291,563	3.84%
US TREASURY N/B 4.25 05/31/2025	100,000	98,691	1.29%
<b>United Arab Emirates</b>			
EMIRATES NBD BANK PJSC VAR PEPR 26/04/2070	200,000	197,818	2.64%
<b>Total investments</b>		----- 7,087,574 -----	----- 93.05% -----

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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AS AT 30 JUNE 2023**

<b>Other net assets</b>	613,053	6.95%
	<u>7,700,627</u>	<u>100.00%</u>
<b>Total net assets as at 30 June 2023</b>		
	<u>8,793,828</u>	
<b>Total investment at cost</b>		

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<b>Holdings</b>			30 Jun 2023
	31 Dec 2022	Additions	Disposals	
<b>Investments</b>				
<b>Debt securities</b>				
AIRPORT AUTHORITY HK VAR PERP 12/08/2070	300,000	-	300,000	-
ADANI GREEN ENERGY LTD 4.375% 09/08/2024	-	500,000	500,000	-
AIA GROUP LTD 4.95% 04/04/2033	-	200,000	200,000	-
ASAHI MUTUAL LIFE INSURA 6.9 PERP	-	250,000	250,000	-
ADANI PORTS AND SPECIAL 3.375 07/24/2024	500,000	-	500,000	-
BOC AVIATION LTD 4.5% 05/23/2028	-	200,000	-	200,000
BOC AVIATION 4.875 05/03/2033	-	200,000	200,000	-
BANK OF EAST ASIA LTD 6.75 03/15/2027	-	250,000	250,000	-
BLUESTAR FIN HOLDINGS 3.375 07/16/2024	253,000	-	-	253,000
BLUESTAR FIN HOLDINGS 3.875 PERP 06/2070	-	500,000	500,000	-
BANK MANDIRI PT 5.5% 04/04/2026	-	200,000	200,000	-
BANK NEGARA INDONESIA 4.3 PERP	-	500,000	500,000	-
BANK OF CHINA HONG KONG VAR PERP 09/14/2068	-	700,000	-	700,000
CHINA CITIC BANK INTL VAR PERP 11/06/2068	-	700,000	-	700,000
CMHI FINANCE BVI CO LTD 3.5 VAR PERP 10/09/2070	-	700,000	-	700,000
CNAC HK FINBRIDGE CO LTD 2% 09/22/2025	300,000	300,000	600,000	-
CK HUTCHISON INTL 23 4.875% 04/21/2033	-	250,000	250,000	-
CICC HK FINANCE 2016 MTN 5.493% 03/01/2026	-	300,000	-	300,000
CHONG HING BANK LTD VAR PERP 07/15/2069	250,000	-	250,000	-
CNOOC FINANCE 2013 LTD 3.00 05/09/2023	300,000	-	300,000	-
CHOOO PETROLEUM NORTH 6.4 05/15/2037	-	200,000	200,000	-
DIAMOND II LTD 7.95% 07/28/2026	-	400,000	400,000	-
EMIRATES NBD BANK PJSC VAR PEPR 26/04/2070	200,000	-	-	200,000
GACI FIRST INVESTMENT 4.75% 02/14/2030	-	1,000,000	1,000,000	-
GACI FIRST INVESTMENT 4.875% 02/14/2035	-	2,000,000	2,000,000	-
GACI FIRST INVESTMENT 5.125% 02/14/2053	-	500,000	500,000	-
HYUNDAI CAPITAL AMERICA 5.5% 03/30/2026	-	200,000	200,000	-
HYUNDAI CAPITAL AMERICA 5.6% 03/30/2028	-	200,000	200,000	-
HUATONG INTNL 3.35% 08/13/2023	-	200,000	200,000	-
CN HUANENG GP HK TREASUR 3.08 PERP 12/70	300,000	-	-	300,000
HUTCH WHAMPOA INT 14 LTD 3.625 10/31/2024	300,000	-	-	300,000
INDIKA ENERGY CAPITAL IV 8.25% 10/22/2025	400,000	-	-	400,000
ICBCIL FINANCE CO LTD 2.125% 01/27/2025	300,000	-	-	300,000
ICBCIL FINANCE CO LTD FLOATING 05/15/2023 US LIBOR 3M + 110	-	200,000	200,000	-
ING GROEP NV 7.5 PERP	-	1,100,000	1,100,000	-
KOOKMIN BANK 2.125 02/15/2025	250,000	-	250,000	-
KOREA EXPRESSWAY CORP 3.625 05/18/2025	200,000	-	-	200,000
KOREA EAST-WEST POWER CO 3.875% 07/19/2023	400,000	-	400,000	-
KAISA GROUP HOLDINGS LTD 11.25% 04/09/2022	1,200,000	-	-	1,200,000
KAISA GROUP HOLDINGS LTD 8.65% 07/22/2022	500,000	-	-	500,000

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<b>Holdings</b>			30 Jun 2023
	31 Dec 2022	Additions	Disposals	
KOREA HYDRO & NUCLEAR PO 3.75% 07/25/2023	500,000	-	500,000	-
KOREA NATIONAL OIL CORP 1.75 04/18/2025	300,000	-	300,000	-
KOREA NATIONAL OIL CORP 4.75% 04/03/2026	-	500,000	500,000	-
KIB TIER 1 SUKUK LIMITED VAR PEPR 06/10/2069	200,000	-	-	200,000
KRUNG THAI BANK/CAYMAN 4.4% PERPETUAL	-	500,000	500,000	-
KYOBO LIFE INSURANCE CO 5.9 06/15/2052	200,000	-	200,000	-
MIZUHO FINANCIAL GROUP 5.669% 09/13/2033	-	500,000	500,000	-
MCC HOLDING HK CORP LTD 3.25 PERP 01/2072	300,000	-	300,000	-
MITSUBISHI UFJ FIN GRP 5.242 04/19/2029	-	400,000	400,000	-
MITSUBISHI UFJ FIN GRP 5.406 04/19/2034	-	400,000	400,000	-
NORINCHUKIN BANK 5.43 03/09/2028	-	200,000	200,000	-
PETRONAS CAPITAL LTD 3.5 03/18/2025	250,000	-	-	250,000
REC LTD 5.625 04/11/2028	-	200,000	200,000	-
SAUDI ARABIAN OIL CO 1.625% 11/24/2025	300,000	-	-	300,000
SMBC AVIATION CAPITAL FI 5.45% 05/03/2028	-	200,000	200,000	-
SHINHAN BANK 4.5% 04/12/2028	-	200,000	-	200,000
SUNRISE CAYMAN LTD 5.25% 03/11/2024	-	700,000	-	700,000
SUMITOMO CORP 5.55 03/09/2028	-	200,000	200,000	-
SUMITOMO MITSUI TR BK LT 5.5 03/09/2028	-	200,000	200,000	-
SUMITOMO MITSUI TR BK LT 5.65 03/09/2026	-	200,000	200,000	-
SOAR WISE LTD 3.425 VAR PERP 11/04/2070	500,000	-	-	500,000
UNITED OVERSEAS BANK LTD 1.25 04/14/2026	250,000	-	250,000	-
US TREASURY BILL 0 05/25/2023	-	750,000	750,000	-
US TREASURY BILL 06/13/2023	-	600,000	600,000	-
US TREASURY N/B 3.5 02/15/2033	-	700,000	400,000	300,000
US TREASURY N/B 4.25 05/31/2025	-	100,000	-	100,000