Global Strategic Emerging Markets Bond Fund

(A Sub-Fund of BOCOM International Fund)

Reports and financial statements
for the year ended 31 December 2023

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Management and administration

Manager

BOCOM International Asset
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Directors of the manager

LI Wu
SU Fen (Appointed on 11 December 2023)
XI Xuanhua (Resigned on 21 December 2023)

Trustee and registrar

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Sub-custodian

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Solicitors to the Manager

Deacons
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Auditor

KPMG
8/F, Prince's Building
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Hong Kong

Global Strategic Emerging Markets Bond Fund

(A Sub-fund of BOCOM International Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

The Fed slowed and likely ended its most aggressive tightening campaign since the early 1980s in its fight against inflation. Since the last rate hike in July, which brought the top end of the federal funds target range to the highest level since 2000 (5.50%), inflation slowed at a steady pace even as economic growth remained strong. Yet, the overarching theme for 2023 was rate volatility. After beginning the year at 3.88%, the 10yr yield fell more than 50 bps to 3.31% in March amid regional bank concerns and Credit Suisse Crisis. From there, resilient economic data and heavy Treasury issuance led to a significant move up in rates. The 10yr yield rose 168 bps, peaking in mid-October at 4.99%, the highest level since 2007. But the elevated rates were short-lived as one of the strongest year-end market rallies in decades ensued over the final two months. The 10yr yield fell 111 bps to end the year at 3.88%, the same yield at which it began the year, completing the round trip. It's also been another challenging year for emerging markets, which faced continuously tight financial conditions and growth headwinds from the global geopolitical tensions. That said, a strong Q4 rally on market hopes for Fed easing and an economic soft landing, primarily in November/December, helped to produce solid results of 5.72% in 2023 following a challenging 2022 for the Global Aggregate Index. The strong compression movement in credit spread was also in favor of lower quality market segments and EM debt in the final 2 months of the year.

Portfolio Review

In 2023, the Global Strategic Emerging Markets Bond Fund (USD Class A) recorded a return of -1.13%, the reference benchmark JP Morgan EMBI Global Index was at 10.45%. We are using USD Class A return as an indication since it has the largest NAV in USD among all classes. During the year, although global interest rate hike pressure had soften, we remained cautious on the duration and stayed up in credit quality. The weighted average duration was shortened to 1.10 from 1.50 as of 31 Dec 2023, way shorter than benchmark which was over 2.50. High yield exposure was eliminated from 16.08% as of 31 Dec 2022 for better overall stability of the fund. Looking forward, we remain cautious on global economic growth outlook while we would seize the opportunity to extend the portfolio duration progressively as the yield level is near 20-year high and be cautious about the risk of inflation rebounds in US.

By order of the board

李讯

Director

Hong Kong

29 APR 2024

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 2023.

For and on behalf of
Bank of Communications Trustee Limited

29 APR 2024

KPMG

Independent auditor's report to the unitholders of Global Strategic Emerging Markets Bond Fund

(A Sub-fund of BOCOM International Fund)

Opinion

We have audited the financial statements of Global Strategic Emerging Markets Bond Fund (the "Sub-Fund"), set out on pages 8 to 35, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in net asset attributable to unitholders and the statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023 and of its financial performance and its 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises all 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.

Independent auditor's report to the unitholders of Global Strategic Emerging Markets Bond Fund (continued)

(A Sub-fund of BOCOM International Fund)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager and the Trustee are 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 Manager and the Trustee determine 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 Manager and the Trustee are 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 Manager and the Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

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

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. This report is made 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 provisions of the Trust Deed and the relevant disclosure provisions of Appendix E to the SFC Code.

Independent auditor's report to the unitholders of Global Strategic Emerging Markets Bond Fund (continued)

(A Sub-fund of BOCOM International Fund)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement 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 Manager and the Trustee.

- Conclude on the appropriateness of the Manager's and the Trustee'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.

- 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 Manager and the Trustee 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.

KPMG

Independent auditor's report to the unitholders of Global Strategic Emerging Markets Bond Fund (continued)

(A Sub-fund of BOCOM International Fund)

Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E to the SFC Code

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

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 APR 2024

Statement of financial position for the year ended 31 December 2023

(Expressed in US dollars)

	Note	*2023* USD	*2022* USD
Assets			
Financial assets at fair value through profit or loss	3(a)	5,984,062	6,976,924
Interest receivable		45,999	68,063
Amounts due from brokers		978,672	252,948
Cash and cash equivalents	3(b)	205,277	832,265
Total assets		7,214,010	8,130,200
Liabilities			
Management fee payable	8(b)	3,797	4,253
Trustee fee payable	8(c)	5,226	5,227
Redemption payable		903,617	184,073
Accrued expense and other payables		32,000	28,601
Total liabilities (excluding net assets attributable to unitholders)		944,640	222,154
Net assets attributable to unitholders	6	6,269,370	7,908,046

Approved and authorised for issue by the Trustee and the Manager on 29 APR 2024

) For and on behalf of
) Bank of Communications
) Trustee Limited
)

) For and on behalf of
) BOCOM International
) Asset Management Limited
)

The notes on pages 13 to 35 form part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2023

(Expressed in US dollars)

	Note	2023 USD	2022 USD
Income			
Interest income on debt securities		323,204	259,890
Interest income on bank deposits		4,422	52
Net losses on financial assets and financial liabilities at fair value through profit or loss	5	(270,762)	(1,263,222)
Net foreign exchange gains/(losses)		407	(526)
Other income		102	9
Total gains/(losses)		57,373	(1,003,797)
Expenses			
Management fee	8(b)	(46,925)	(51,124)
Trustee fee	8(c)	(61,539)	(61,538)
Sub-custodian fee		(1,790)	(1,257)
Audit fee		(35,600)	(29,305)
Bank charges		(198)	(356)
Transaction costs	7	(928)	-
Other expenses		(1,041)	(1,039)
Total operating expenses		(148,021)	(144,619)
Decrease in net assets attributable to unitholders from operations		(90,648)	(1,148,416)

The notes on pages 13 to 35 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 31 December 2023

(Expressed in US dollars)

	Note	2023 USD	2022 USD
Net assets attributable to unitholders at beginning of the year		7,908,046	9,044,839
Proceeds from units issued		-	259,034
Redemption of units		(1,548,028)	(247,411)
Net (redemption)/contributions by unitholders during the year		(1,548,028)	11,623
Decrease in net assets attributable to unitholders from operations		(90,648)	(1,148,416)
Net assets attributable to unitholders at end of the year	6	6,269,370	7,908,046

Statement of changes in net assets attributable to unitholders for the year ended 31 December 2023 (continued)

(Expressed in US dollars)

	Note	Number of redeemable units 2023	2022
Class A USD (Acc)			
Units in issue at beginning of the year		4,017,677.782	4,017,677.782
Redemption of units during the year		(803,778.777)	-
Units in issue at end of the year		3,213,899.005	4,017,677.782
Class R HKD (Acc)			
Units in issue at beginning and at end of the year		41,882.226	41,882.226
Class R HKD (Dis)			
Units in issue at beginning of the year		27,082.266	27,082.266
Issue of units during the year		-	213,479.228
Redemption of units during the year		(1,663.547)	(213,479.228)
Units in issue at end of the year		25,418.719	27,082.266

The notes on pages 13 to 35 form part of these financial statements.

Statement of cash flows for the year ended 31 December 2023

(Expressed in US dollars)

	2023 USD	2022 USD
Cash flows from operating activities		
Decrease in net assets attributable to unitholders from operations	(90,648)	(1,148,416)
Adjustment for:		
Interest income on debt securities	(323,204)	(259,890)
Interest income on bank deposits	(4,422)	(52)
Net losses from financial asset at fair value through profit or loss	270,762	1,263,222
Operating cash flows before working capital changes	(147,512)	(145,136)
Change in operating assets and liabilities		
Decrease in management fee payable	(456)	(5,548)
Decrease in trustee fee payable	(1)	(5,394)
Increase in accrued expense and other payables	3,399	-
Decrease in amounts due from brokers	(725,724)	-
Decrease in financial assets at fair value through profit or loss	722,100	287,583
Cash (used in)/generated from operating activities	(148,194)	131,505
Interest received	349,690	352,901
Net cash from operating activities	201,496	484,406
Cash flows from financing activities		
Proceeds from issue of redeemable units	-	259,034
Payments on redemption of redeemable units	(828,484)	(63,338)
Net cash (used in)/generated from financing activities	(828,484)	195,696
Net (decrease)/increase in cash and cash equivalents	(626,988)	680,102
Cash and cash equivalents at the beginning of the year	832,265	152,163
Cash and cash equivalents at the end of the year	205,277	832,265

The notes on pages 13 to 35 form part of these financial statements.

Notes to the financial statements

1 The Sub-Fund

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 and is required to comply with the Code on Unit Trusts and Mutual Funds issued by SFC.

Global Strategic Emerging Markets Bond Fund (the "Sub-Fund") is one of three sub-funds under the Trust available for investment as at 31 December 2023. 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 asset value 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 and/or supranational institutions in emerging markets countries (such as Brazil, China, Mexico, Turkey, Russia, South Africa and Indonesia) which are denominated in United States dollars, 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, corporations and/or supranational institutions in the United States and Western Europe. Not more than 40% of the Sub- Fund's net asset value 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 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 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of the SFC Code issued by the SFC. Material accounting policies adopted by the Sub-Fund are disclosed below.

2 Material accounting policies (continued)

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Sub-Fund. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-Fund for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Financial assets at fair value through profit or loss (see note 2(d)).

The preparation of financial statements in conformity with HKFRSs requires the Manager and the Trustee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

New and amended HKFRSs

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Sub-Fund.

- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amended HKFRSs listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities

Recognition and initial measurement

The Sub-Fund initially recognises regular-way transactions in financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the Sub-Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured at initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Classification of financial assets

On initial recognition, the Sub-Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI")

All other financial assets of the Sub-Fund are measured at FVTPL.

Business model assessment

The Sub-Fund has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, amounts due from brokers and interest receivable. These financial assets are held to collect contractual cash flow.
- Other business model: this includes financial assets at fair value through profit or loss. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

In assessing whether the contractual cash flows are SPPI, the Sub-Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement of financial assets

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses are recognised in profit or loss in "net losses on financial assets at fair value through profit or loss" in the statement of comprehensive income.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

<u>Derecognition</u>

The Sub-Fund derecognises regular-way sales of financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Sub-Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On a derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received is recognised in profit or loss.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Fair value measurement

"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 in the principal or, in its absence, the most advantageous market to which the Sub-Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Fund measures instruments quoted in an active market at last mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Sub-Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(e) Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(f) Interest income

Interest income presented in the statement of comprehensive income is calculated on an effective interest basis.

The "effective interest rate" is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

(g) Expenses

All expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income.

2 Material accounting policies (continued)

(h) Redeemable units

The Sub-Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Sub-Fund has more than one class of redeemable units in issue. This is the most subordinate class of financial instruments in the Sub-Fund and ranks *pari passu* in all material respects and has identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Sub-Fund's net assets at each daily redemption date and also in the event of the Sub-Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset is classified as equity instruments if it meets the following conditions:

- it entitles the holder to a pro rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation;

- it is in the class of instruments that is subordinate to all other classes of instruments;

- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- apart from the contractual obligation for the Sub-Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

- the total expected cash flows attributable to the instrument over its life are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

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

(i) 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.

2 Material accounting policies (continued)

(j) Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

(k) Transaction costs

Transaction costs are costs incurred to acquire financial assets 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.

(l) Distribution to unitholders

Distribution to the Sub-Fund's unitholders is recognised in the Sub-Fund's financial statements in the period in which the distributions are approved and declared.

(m) Impairment

The Sub-Fund recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Financial assets at amortised cost include interest receivable, cash and cash equivalents and amounts due from brokers.

The Sub-Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and

- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-Fund's historical experience and informed credit assessment and including forward-looking information.

The Sub-Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-Fund in full, without recourse by the Sub-Fund to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

2 Material accounting policies (continued)

(m) Impairment (continued)

The Sub-Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of "investment grade". The

Sub-Fund considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Sub-Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

2 Material accounting policies (continued)

(n) Related parties

(a) A person, or a close member of that person's family, is related to the group if that person:

- (i) has control or joint control over the group;
- (ii) has significant influence over the group; or
- (iii) is a member of the key management personnel of the group or the group's parent.

(b) An entity is related to the group if any of the following conditions applies:

- (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Financial risk management

The Sub-Fund has exposure to market risk (interest rate risk and currency), credit risk and liquidity risk.

The Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

(a) *Market risk*

i. 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 2023

	Within 1 year USD	*1 - 5 years* USD	*Over 5 years* USD	*Non-interest bearing* USD	*Total* USD
Assets					
Financial assets at fair value through profit or loss	2,186,355	2,114,161	1,683,546	-	5,984,062
Interest receivable	-	-	-	45,999	45,999
Amounts due from brokers	-	-	-	978,672	978,672
Cash and cash equivalents	205,277	-	-	-	205,277
Total assets	2,391,632	2,114,161	1,683,546	1,024,671	7,214,010
Liabilities					
Management fee payable	-	-	-	3,797	3,797
Trustee fee payable	-	-	-	5,226	5,226
Redemption payable	-	-	-	903,617	903,617
Accrued expenses and other payables	-	-	-	32,000	32,000
Net assets attributable to unitholders	-	-	-	6,269,370	6,269,370
Total liabilities	-	-	-	7,214,010	7,214,010
Total interest sensitivity gap	2,391,632	2,114,161	1,683,546		

3 Financial risk management (continued)

As at 31 December 2022

	Within 1 year USD	*1 - 5 years* USD	*Over 5 years* USD	*Non-interest bearing* USD	*Total* USD
Assets					
Financial assets at fair value through profit or loss	1,427,070	3,405,802	2,144,052	-	6,976,924
Interest receivable	-	-	-	68,063	68,063
Amounts due from brokers	-	-	-	252,948	252,948
Cash and cash equivalents	832,265	-	-	-	832,265
Total assets	2,259,335	3,405,802	2,144,052	321,011	8,130,200
Liabilities					
Management fee payable	-	-	-	4,253	4,253
Trustee fee payable	-	-	-	5,227	5,227
Redemption payable	-	-	-	184,073	184,073
Accrued expenses and other payables	-	-	-	28,601	28,601
Net assets attributable to unitholders	-	-	-	7,908,046	7,908,046
Total liabilities	-	-	-	8,130,200	8,130,200
Total interest sensitivity gap	2,259,335	3,405,802	2,144,052		

The majority of the Sub-Fund's interest rate exposure is on debt instruments denominated in USD. 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. The adjusted weighted modified duration is the modified duration multiplied by the allocation of net asset value and a sensitivity factor. As at 31 December 2023, the Sub-Fund invested in debt securities of USD5,984,062 (2022: USD6,976,924) and the portfolio weighted average modified duration of the Sub-Fund is 1.04 (2022: 2.74).

At 31 December 2023, should interest rates have lowered/risen by 25 basis points (2022: 25 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for would amount to approximately USD15,559 (2022: USD47,792) arising substantially from the increase/decrease in market values of debt securities.

ii. 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 2023 and 2022, the Sub-Fund is not exposed to significant currency risk as majority of its 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.

3 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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 NA., 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 actively manages 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.

The table below summarises the credit quality of the Sub-Fund's debt portfolio, which represents 95.46% and 88.23% of the net asset value as at 31 December 2023 and 2022 respectively:

Debt securities by rating category:

Rating	*2023 % of net asset value*	*2022 % of net asset value*
Standard & Poor's		
AA	3.13	20.71
AA-	-	2.84
A+	3.16	10.42
A-	3.92	5.42
BBB+	17.53	-
BBB	-	3.09
BBB-	-	6.01
BB	-	2.86

3 Financial risk management (continued)

Rating	*2023 % of net asset value*	*2022 % of net asset value*
Moody's		
A2	18.67	7.08
Baa1	20.76	6.15
Baa2	17.47	7.21
Ba3	-	5.01
C	-	2.10
Fitch		
A+	3.18	2.48
A	4.51	3.47
A-	3.13	-
BBB	-	2.50
Non-rated	-	0.88
	95.46	88.23

The non-rated debt securities are mostly corporate bonds. The Manager has assessed the credit quality of the debt securities based on the nature of the issuers and the historical information about the issuers' default rates. As at 31 December 2023 and 2022, there were no non-rated debt securities in default.

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

As at 31 December 2023

	USD	*Credit rating*	*Source of credit rating*
Investments			
Citibank, N.A.	5,984,062	A+	Standard& Poor's

3 Financial risk management (continued)

Cash and cash equivalents

Citibank, N.A	203,698	A+	Standard& Poor's
[1]Bank of Communications Co. Ltd HK Branch	1,579	A-	Standard& Poor's
	205,277		

Amounts due from brokers

[1]BOCOM International Securities Limited	71,415	A-	Standard& Poor's
Citibank, N.A	907,257	A+	Standard& Poor's
	978,672		

As at 31 December 2022

	USD	*Credit rating*	*Source of credit rating*
Investments			
Citibank, N.A.	6,976,924	A+	Standard& Poor's
Cash and cash equivalents			
Citibank, N.A	830,646	A+	Standard& Poor's
[1]Bank of Communications Co. Ltd HK Branch	1,619	A-	Standard& Poor's
	832,265		
Amounts due from brokers			
[1]BOCOM International Securities Limited	252,948	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.

3 Financial risk management (continued)

Cash and cash equivalents, amounts due from brokers and interest receivable are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

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

(c) 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 its assets in securities that are traded in an active market and can be readily disposed.

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 2023, there was 1 (2022: 1) unitholder account 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 2023	
Management fee payable	3,797
Trustee fee payable	5,226
Redemption payable	903,617
Accrued expenses and other payables	32,000
Net assets attributable to unitholders	6,269,370
Contractual cash outflow	7,214,010
As at 31 December 2022	
Management fee payable	4,253
Trustee fee payable	5,227
Redemption payable	184,073
Accrued expenses and other payables	28,601
Net assets attributable to unitholders	7,908,046
Contractual cash outflow	8,130,200

3 Financial risk management (continued)

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 2023		
Total assets	7,186,543	27,467
As at 31 December 2022		
Total assets	8,079,564	50,636

(d) *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 that the Sub-Fund can access at the measurement date;
- 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.

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.

3 Financial risk management (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2023 and 2022 respectively:

	Level 1 USD	*Level 2* USD	*Level 3* USD	*Total* USD
As at 31 December 2023				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	5,984,062	-	5,984,062
Total assets	-	5,984,062	-	5,984,062
As at 31 December 2022				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	6,976,924	-	6,976,924
Total assets	-	6,976,924	-	6,976,924

For the year ended 31 December 2023 and 2022, there were no transfers between levels.

(e) Capital risk management

The capital of the Sub-Fund 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 Distribution to unitholders

The Sub-Fund did not make any distribution during the year ended 31 December 2023 and 2022.

5 Net losses on financial assets at fair value through profit or loss

	2023 USD	*2022* USD
Net realised losses on sale of financial assets at fair value through profit or loss	(1,911,673)	(1,052,565)
Net unrealised gains/(losses) of financial assets at fair value through profit or loss	1,640,911	(210,657)
	(270,762)	(1,263,222)

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

As at 31 December 2023 and 2022, the Sub-Fund issued two classes of units in a total of three series-Class A USD (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 units are offered to institutional investors.

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.

The movements of the redeemable units are disclosed in the statement of changes in net assets attributable to unitholders.

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

	Currency	*Number of units outstanding*	*Net asset value per unit*
At 31 December 2023			
Class A USD (Acc)	USD	3,213,899.005	1.926
Class R HKD (Acc)	HKD	41,882.226	9.041
Class R HKD (Dis)	HKD	25,418.719	8.977
At 31 December 2022			
Class A USD (Acc)	USD	4,017,677.782	1.948
Class R HKD (Acc)	HKD	41,882.226	9.181
Class R HKD (Dis)	HKD	27,082.266	9.116

7 Transaction costs

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the year ended 31 December 2023 amounted to USD 928 (2022: USD Nil). Refer to Note 8(e) for details.

8 Transactions with related parties or connected persons

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, Trustee and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons except for those disclosed below.

All transactions were entered into during the year between the Sub-Fund and the Manager, Trustee and their connected persons were carried out in the ordinary course of business and on normal commercial terms.

(a) Bank balances

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 at 31 December 2023 and 2022 and interest income earned during the year on these bank balances are summarised below:

	2023 USD	*2022* USD
Bank balances deposited	1,579	1,619
Interest income earned	-	16

Amounts due from broker are maintained with BOCOM International Securities Limited, a fellow subsidiary of the Manager and the Trustee. Relevant balance at 31 December 2023 and 2022 are summarised below:

	2023 USD	*2022* USD
Balance maintained	71,415	252,948

8 Transactions with related parties or connected persons (continued)

(b) Management fees

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 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 2023 was USD46,925 (2022: USD51,124) of which USD3,797 (2022: USD4,253) was outstanding at 31 December 2023.

(c) Trustee fees

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 table below summarises the trustee fee for the year and trustee fee payable as at 31December 2023 and 2022:

	2023 USD	*2022* USD
Trustee fee	61,539	61,538
Trustee fee payable	5,226	5,227

8 Transactions with related parties or connected persons (continued)

(d) Holdings of units of the Sub-Fund

The holdings of units of the Sub-Fund by the connected persons of the Manager and the Trustee as at 31 December 2023 and 2022 were as follows.

Units held by BOCOM International Holdings Company Limited, the parent company of the Manager:

	Units outstanding at 1 January 2023	*Units subscribed during the year*	*Units redeemed during the year*	*Units outstanding at 31 December 2023*
2023				
Class A USD (Acc)	4,017,677.782	-	(803,778.777)	3,213,899.005

	Units outstanding at 1 January 2022	*Units subscribed during the year*	*Units redeemed during the year*	*Units outstanding at 31 December 2022*
2022				
Class A USD (Acc)	4,017,677.782	-	-	4,017,677.782

8 Transactions with related parties or connected persons (continued)

(e) Brokerage fees

The Sub-Fund utilizes the brokerage services of BOCOM International Securities Limited, a fellow subsidiary of the Manager and the Trustee. Details of transactions effected through this company are as follows:

	2023 USD	*2022* USD
Total aggregate value of such transactions for the year	1,326,195	-
Percentage of such transactions in value to the total transactions in value of the Sub-Fund for the year	2.76%	-
Total commission paid for the year	928	-
Average rate of commission	0.07%	-

9 Taxation

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

10 Soft commission arrangements

During the year, 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.

11 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Sub-Fund.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendements")*	1 January 2024
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025

The Sub-Fund is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

Investment portfolio (unaudited)
As at 31 December 2023

Investments (95.46%)	*Holdings*	*Fair value* USD	*% of Net assets*
Quoted debt securities (95.46%)			
CHINA(61.63%)			
AVIILC 6.125 PERP EM	500,000	502,190	8.01%
BCHINA 5.00 11/13/24	500,000	497,235	7.93%
BOCAVI 4.5 05/23/28	200,000	195,932	3.13%
CCB 4.25% 02/27/29	200,000	199,558	3.18%
CICCHK 5.493 3/01/26	300,000	303,069	4.83%
ICBCIL 2.125 1/27/25	300,000	290,160	4.63%
HUANEN 3.08 PERP	300,000	286,314	4.57%
HNYUZI 4.25 06/28/24	600,000	594,162	9.48%
RLCONS 3.97 PERP	500,000	496,060	7.91%
SNRSKY 5.25 03/11/24	500,000	498,900	7.96%
INDONESIA (9.51%)			
PLBIII 4.875 10/1/24	600,000	596,058	9.51%
South Korea (6.29%)			
SHNHAN 4.5 04/12/28	200,000	198,086	3.16%
HIGHWY 3.625 5/18/25	200,000	196,250	3.13%
MALAYSIA (3.92%)			
PETMK 3.5 03/18/25	250,000	245,473	3.92%
Saudi Arabia (4.51%)			
ARAMCO 1.625 11/25	300,000	282,759	4.51%
UNITED ARAB EMIRATES (3.18%)			
EBIUH VAR PERP 04/70	200,000	199,424	3.18%
United States(6.42%)			
HYNMTR 5.8 06/26/25	400,000	402,432	6.42%
Total investments (cost = USD6,001,053)		5,984,062	95.46%
Other net assets		285,308	4.54%
Total net assets as at 31 December 2023		6,269,370	100%

Statement of movements in investment portfolio (unaudited)
For the year ended 31 December 2023

Investments (95.46 %)	*Holdings/principal*				
	2022	*Additions*	*Mature*	*Disposals*	*2023*
Debt securities					
ADANIG 4.375 9/08/24	-	500,000	-	500,000	-
ADSEZ 3.375 07/24/24	500,000	-	-	500,000	-
AIA 4.95 04/04/33	-	200,000	-	200,000	-
ARAMCO 1.625 11/25	300,000	-	-	-	300,000
ASAMLI 6.9 PERP	-	250,000	-	250,000	-
AVIILC 3.425 PERP	500,000	-	-	500,000	-
AVIILC 6.125 PERP EM	-	500,000	-	-	500,000
BMRIIJ 5.5 04/04/26	-	200,000	-	200,000	-
BBNIIJ 4.3 PERP	-	500,000	-	500,000	-
BOCHKL 5.9 PERP	-	700,000	-	700,000	-
BNKEA 6.75 03/15/27	-	250,000	-	250,000	-
BCHINA 5.00 11/13/24	-	500,000	-	-	500,000
CNBG 3.875 PERP	-	500,000	-	500,000	-
BOCAVI 4.875 5/03/33	-	200,000	-	200,000	-
BOCAVI 4.5 05/23/28	-	200,000	-	-	200,000
CCB 4.25% 02/27/29	-	700,000	-	500,000	200,000
CINDBK VAR PER 11/68	-	700,000	-	700,000	-
CHMETL 3.25 PERP	300,000	-	-	300,000	-
CHOHIN 5.7 PERP	250,000	-	-	250,000	-
CICCHK 5.493 3/01/26	-	300,000	-	-	300,000
CITNAT 2.125 2/15/25	250,000	-	-	250,000	-
CK Hutchison International (23) Ltd 4.875 21/04/2033	-	250,000	-	250,000	-
CKHH 3.625 10/31/24	300,000	-	-	300,000	-
CMHI 3.5 PERP	-	700,000	700,000	-	-
CNBG 3.375 07/16/24	253,000	300,000	-	553,000	-
CNOOC 3.00 05/09/23	300,000	-	-	300,000	-
CNOOC 6.4 05/15/37	-	200,000	-	200,000	-
RNW 7.95 07/28/26	-	200,000	-	200,000	-
EBIUH VAR PERP 04/70	200,000	-	-	-	200,000
PIFKSA 4.75 02/14/30	-	1,000,000	-	1,000,000	-
PIFKSA 4.875 2/14/35	-	2,000,000	-	2,000,000	-
PIFKSA 5.125 2/14/53	-	500,000	-	500,000	-

Statement of movements in investment portfolio (unaudited)
For the year ended 31 December 2023 (continued)

	Holdings/principal				
Investments (95.46 %) (Continued)	*2022*	*Additions*	*Mature*	*Disposals*	*2023*
Debt securities					
HAOHUA 2 09/22/25	300,000	300,000	-	600,000	-
HIGHWY 3.625 5/18/25	200,000	-	-	-	200,000
HKAA VAR PERP	300,000	-	-	300,000	-
HNYUZI 4.25 06/28/24	-	600,000	-	-	600,000
HSBC VAR 12/29/49	-	200,000	-	200,000	-
HUANEN 3.08 PERP	300,000	-	-	-	300,000
QDHTCO 3.35 08/13/23	-	200,000	-	200,000	-
HYNMTR 5.8 06/26/25	-	400,000	-	-	400,000
HYNMTR 5.5 03/30/26	-	200,000	-	200,000	-
HYNMTR 5.6 03/30/28	-	200,000	-	200,000	-
ICBCIL 2.125 1/27/25	300,000	-	-	-	300,000
ICBCIL FLOAT 5/15/23	-	200,000	200,000	-	-
INDYIJ 8.25 10/22/25	400,000	-	-	400,000	-
INTNED 7.5 PERP	-	1,100,000	-	1,100,000	-
JNRWVE 6.7 11/18/24	-	500,000	-	500,000	-
KAISAG 11.25 4/09/22	1,200,000	-	-	1,200,000	-
KAISAG 8.65 07/22/22	500,000	-	-	500,000	-
KIBKK VAR PERP 06/69	200,000	-	-	200,000	-
KOEWPW 3.875 7/19/23	400,000	-	-	400,000	-
KOHNPW 3.75 07/25/23	500,000	-	-	500,000	-
KOROIL 4.75 04/03/26	-	500,000	-	500,000	-
KOROIL 1.75 04/18/25	300,000	-	-	300,000	-
KTBTB 4.4 PERP	-	500,000	-	500,000	-
KYOBOL 5.9 06/15/52	200,000	-	-	200,000	-
MUFG 5.242 4/19/2029	-	400,000	-	400,000	-
MUFG 5.406 04/19/34	-	400,000	-	400,000	-
MIZUHO 5.669 9/13/33	-	500,000	-	500,000	-
NORBK 5.43 03/09/28	-	200,000	-	200,000	-
PETMK 3.5 03/18/25	250,000	-	-	-	250,000
PLBIII 4.875 10/1/24	-	600,000	-	-	600,000
RECLIN 5.625 4/11/28	-	200,000	-	200,000	-
RLCONS 3.97 PERP	-	700,000	-	200,000	500,000

Statement of movements in investment portfolio (unaudited)
For the year ended 31 December 2023 (continued)

		Holdings/principal			
Investments (95.46 %) (Continued)	*2022*	*Additions*	*Mature*	*Disposals*	*2023*
Debt securities					
SHNHAN 4.5 04/12/28	-	200,000	-	-	200,000
SMBCAC 5.45 05/03/28	-	200,000	-	200,000	-
SNRSKY 5.25 03/11/24	-	700,000	-	200,000	500,000
SUMI 5.55 03/09/28	-	200,000	-	200,000	-
SUMITR 5.5 03/09/28	-	200,000	-	200,000	-
SUMITR 5.65 03/09/26	-	200,000	-	200,000	-
UOBSP 3.875 10/19/49	-	300,000	300,000	-	-
B 0 10/10/23	-	300,000	300,000	-	-
B 0 09/12/23	-	300,000	300,000	-	-
B 0 06/13/23	-	600,000	600,000	-	-
B 0 11/16/23	-	500,000	-	500,000	-
B 0 05/25/23	-	750,000	550,000	200,000	-
T 3.5 02/15/33	-	700,000	-	700,000	-
T 4.25 05/31/25	-	100,000	-	100,000	-
UOBSP 1.25 04/14/26	250,000	-	-	250,000	-
Future					
FUT 10Y US TN DEC 23	-	(10)	-	(10)	-
FUT 10Y US TN JUN 23	-	(88)	-	(88)	-
FUT 10Y US TN MAR 24	-	(8)	-	(8)	-
FUT 10Y US TN SEP 23	-	(10)	-	(10)	-

Performance table (unaudited) for the year ended 31 December 2023

Net asset values

	Net asset value of the Sub-Fund	*Net asset value per unit*
At 31 December 2023 (NAV)	USD6,269,370	
Class A USD (Acc)		USD1.926
Class R HKD (Acc)		HKD9.041
Class R HKD (Dis)		HKD8.977
At 31 December 2022 (NAV)	USD7,908,046	
Class A USD (Acc)		USD1.948
Class R HKD (Acc)		HKD9.181
Class R HKD (Dis)		HKD9.116
At 31 December 2021 (NAV)	USD9,044,839	
Class A USD (Acc)		USD2.228
Class R HKD (Acc)		HKD10.571
Class R HKD (Dis)		HKD10.496

Performance table (unaudited)
for the year ended 31 December 2023 (continued)

Highest and lowest net asset value per unit

	Highest net asset value per unit	*Lowest net asset value per unit*
Year ended 31 December 2023		
Class A USD (Acc)	USD1.988	USD1.893
Class R HKD (Acc)	HKD9.406	HKD8.897
Class R HKD (Dis)	HKD9.339	HKD8.834
Year ended 31 December 2022		
Class A USD (Acc)	USD2.225	USD1.861
Class R HKD (Acc)	HKD10.558	HKD8.842
Class R HKD (Dis)	HKD10.483	HKD8.779
Year ended 31 December 2021		
Class A USD (Acc)	USD2.511	USD2.226
Class R HKD (Acc)	HKD11.924	HKD10.564
Class R HKD (Dis)	HKD11.839	HKD10.489
Year ended 31 December 2020		
Class A USD (Acc)	USD2.594	USD2.139
Class R HKD (Acc)	HKD12.442	HKD10.216
Class R HKD (Dis)	HKD12.442	HKD10.216
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

Performance table (unaudited) for the year ended 31 December 2023 (continued)

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 R HKD (Acc)	HKD11.166	HKD10.500
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 (Dis)	USD2.085	USD1.965
Class A USD (Acc)	USD2.168	USD2.034
Class R HKD (Acc)	HKD10.579	HKD10.000
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
Year 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