

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

**SEMI-ANNUAL REPORT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

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## **GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

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### **MANAGEMENT AND ADMINISTRATION**

#### **Manager**

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

#### **Directors of the Manager**

LI Wu  
SHENG Jie (Appointed on 10 May 2024)  
SU Fen (Appointed on 11 December 2023 and  
resigned on 10 May 2024)

#### **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  
Hung Hom, 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

## **GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

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### **REPORT OF THE MANAGER TO THE UNITHOLDERS**

#### **Market Review**

The bond market had a robust finish to 2023, suggesting that the worst of the rout was in the rearview. Since mid-2022, inflation had been steadily declining and Federal Reserve Chairman Jerome Powell had indicated the potential for a reduction in interest rates for the current year. With economic growth picking up and unemployment rates staying low, leading indicators pointed towards a more moderate pace in 2024. However, the persistence of inflation and continued strong job growth at the start of the year led to a sharp repricing of rate cut expectations, resulting in a higher interest rate curve and increased volatility in 1H 2024. Despite some rate volatility as the market was trying to figure out the Fed's path forward, Asia credit has continued to march higher, adding another 1.0% total return in 2Q to bring the 1H total return to 2.5% (As indicated by JACI), underpinned by supply/demand imbalances, and elevated coupon income.

#### **Portfolio Review**

In 2024H1, the Global Strategic Emerging Markets Bond Fund (USD Class A) recorded a positive return of 1.35%, which outperformed the reference benchmark JP Morgan EMBI Global Index by 1.84%. We are using USD Class A return as an indication since it has the largest NAV in USD terms among all classes. During the period, amid US prolonged tight monetary policy and uneven global economic recovery process, we kept cautious on the duration and stayed up in credit quality. The weighted average duration was kept below 2 during 2024H1, way shorter than benchmark which was over 4. High yield exposure was kept 0 during the same period.

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

(A Sub-Fund of BOCOM International Fund)

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

**AS AT 30 JUNE 2024**

	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>USD</b>	<b>USD</b>
<b>Assets</b>		
Financial assets at fair value through profit or loss	4,699,011	5,984,062
Interest receivable	47,376	45,999
Amounts due from brokers	558,202	978,672
Subscription receivable	383,533	-
Cash and cash equivalents	30,783	205,277
	5,718,905	7,214,010
	5,718,905	7,214,010
<b>Liabilities</b>		
Management fee payable	2,447	3,797
Trustee fee payable	5,044	5,226
Redemption payable	-	903,617
Amount due to brokers	499,250	-
Accrued expense and other payables	16,908	32,000
	523,649	944,640
	523,649	944,640
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	523,649	944,640
<b>Net assets attributable to unitholders</b>	5,195,256	6,269,370

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

(A Sub-Fund of BOCOM International Fund)

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Note	<b>For the six months ended 30 Jun 2024 USD</b>	<b>For the six months ended 30 Jun 2023 USD</b>
<b>Income</b>			
Interest income on debt securities		125,791	157,703
Interest income/(expenses) on bank deposits		3,593	(47)
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss		9,612	(291,648)
Net foreign exchange gains		58	407
Other income		8	102
		139,062	(133,483)
		139,062	(133,483)
<b>Expenses</b>			
Management fee	2(a)	(17,146)	(23,513)
Trustee fee	2(b)	(30,601)	(30,516)
Sub-custodian fee		(972)	(1,178)
Audit fee		(18,188)	(15,868)
Transaction costs	8	-	(784)
Bank charges		(60)	(78)
Other expenses		(26)	(68)
		(66,993)	(72,005)
		(66,993)	(72,005)
<b>Increase/(Decrease) in net assets attributable to unitholders from operations</b>		<b>72,069</b>	<b>(205,488)</b>

**GLOBAL STRATEGIC EMERGING MARKETS BOND FUND**

(A Sub-Fund of BOCOM International Fund)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
(UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	<b>For the six months ended 30 Jun 2024 USD</b>	<b>For the six months ended 30 Jun 2023 USD</b>
<b>Net assets attributable to unitholders at the beginning of the period</b>	6,269,370	7,908,046
	-----	-----
Proceeds from units issued	383,474	-
Redemption of units	(1,529,657)	(1,931)
	-----	-----
Net redemption by unitholders during the period	(1,146,183)	(1,931)
	-----	-----
Increase/(Decrease) in net assets attributable to unitholders from operations	72,069	(205,488)
	-----	-----
<b>Net assets attributable to unitholders at the end of the period</b>	<b>5,195,256</b>	<b>7,700,627</b>
	=====	=====

	<b><u>Number of redeemable units</u></b>	
	<b>For the six months ended 30 Jun 2024 USD</b>	<b>For the six months ended 30 Jun 2023 USD</b>
<u>Class A USD (Acc)</u>		
<b>Units in issue at the beginning of the period</b>	3,213,899.005	4,017,677.782
Redemption of units during the period	(789,443.452)	-
	-----	-----
<b>Units in issue at the end of the period</b>	<b>2,424,455.553</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	328,162.614	-
	-----	-----
<b>Units in issue at the end of the period</b>	<b>370,044.840</b>	<b>41,882.226</b>
	=====	=====
<u>Class R HKD (Dis)</u>		
<b>Units in issue at the beginning of the period</b>	25,418.719	27,082.266
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>25,418.719</b>
	=====	=====

## GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

(A Sub-Fund of BOCOM International Fund)

### NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### 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 2023, 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 2023. Other amendments to HKFRS effective for the financial year ended 31 December 2024 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 2024 was USD17,146 (30 June 2023: USD23,513) of which USD2,447 (31 December 2023: USD3,797) was outstanding at 30 June 2024.

##### (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 2024 was USD30,601 (30 June 2023: USD30,516) of which USD5,044 (31 December 2023: USD5,226) was outstanding at 30 June 2024.



## GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

(A Sub-Fund of BOCOM International Fund)

### NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

##### (c) Brokerage fee

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:

	Aggregate value of purchase and sales of securities USD	Total commission paid USD	% of Sub- Fund's total transactions during the period %	Average commissi on rate %
For the six months ended 30 Jun 2024	699,960	-	8.83%	-
For the six months ended 30 Jun 2023	1,628,650	784	4.58%	0.05%

##### (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 30 June 2024 and 31 December 2023 were as follows.

As at 30 June 2024, BOCOM International Holdings Company Limited, the parent company of the Manager, held 2,424,455.553 units (31 December 2023: 3,213,899.005 units) for Class A USD (Acc) 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 2024 were USD1,579 (31 December 2023: USD1,579).

Amount due from broker is maintained with BOCOM International Securities Limited, a fellow subsidiary of the Manager and the Trustee. Relevant balance as at 30 June 2024 was USD71,390 (31 December 2023: USD71,415).

#### 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 2024 and 2023.

## GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

(A Sub-Fund of BOCOM International Fund)

### NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### 5. Contingent liabilities and commitments

The Sub-Fund did not have any contingent liabilities and commitments during the six months ended 30 June 2024 and 2023.

#### 6. Distribution to unitholders

The Sub-Fund did not make any distribution during the six months ended 30 June 2024 and 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 2024</b>				
Class A USD (Acc)	USD	4,733,272	4,424,455.553	1.952
Class R HKD (Acc)	HKD	432,491	370,044.840	9.125
Class R HKD (Dis)	HKD	29,493	25,418.719	9.059
	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

#### 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 six months ended 30 June 2024 amounted to USD Nil (30 June 2023: USD784). Refer to Note 2(c) for details.

## GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

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### INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2024

Investments (90.45%)	Holdings	Fair Value USD	% of Net assets
<b>Debt securities (90.45%)</b>			
<b>China</b>			
AVIILC 5.15 03/18/27 EMTN	300,000	299,274	5.76%
BCHINA 5 11/13/24 REGS	300,000	299,166	5.76%
BOCAVI 3.25 04/29/25 REGS	200,000	196,100	3.77%
BOCAVI 4.5 05/23/28 GMTN	200,000	195,278	3.76%
CCAMCL 3.25 01/28/27 EMTN	300,000	282,624	5.44%
CICCHK 5.493 03/01/26 EMTN	300,000	300,555	5.79%
GZDZCD 6.8 08/05/25	300,000	302,313	5.82%
HUANEN V5.3 PERP	200,000	199,622	3.84%
JNCCIH 5.55 01/16/27	200,000	197,754	3.81%
JNRWVE 6.7 11/18/24	400,000	400,976	7.72%
<b>Indonesia</b>			
PLBIJ 4.875 10/01/24 REGS	400,000	398,996	7.68%
<b>Malaysia</b>			
PETMK 3.5 03/18/25 REGS	250,000	246,408	4.74%
<b>Saudi Arabia</b>			
ARAMCO 1.625 11/24/25 REGS	300,000	284,589	5.48%
<b>South Korea</b>			
HIGHWY 3.625 05/18/25 REGS	200,000	197,070	3.79%
<b>United Kingdom</b>			
CKHH 3.625 10/31/24 REGS	200,000	198,676	3.82%
HSBC 6.375 12/29/49	300,000	299,082	5.76%
<b>United States of America</b>			
HYNMTR 5.8 06/26/25 REGS	400,000	400,528	7.71%
		-----	-----
<b>Total investments</b>		4,699,011	90.45%
<b>Other net assets</b>		496,245	9.55%
<b>Total net assets as at 30 June 2024</b>		<u>5,195,256</u>	<u>100.00%</u>
<b>Total investment at cost</b>		<u>4,708,473</u>	

## GLOBAL STRATEGIC EMERGING MARKETS BOND FUND

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### STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2024

	31 Dec 2023	Additions	Holdings Mature	Disposals	30 Jun 2024
<b>Investments</b>					
<b>Debt securities</b>					
ARAMCO 1.625 11/24/25 REGS	300,000	-	-	-	300,000
AVIILC 5.15 03/18/27 EMTN	-	500,000	-	200,000	300,000
AVIILC V6.125 PERP EMTN	500,000	-	-	500,000	-
B 0 02/06/24	-	170,000	170,000	-	-
BCHINA 5 11/13/24 REGS	500,000	-	-	200,000	300,000
BOCAVI 3.25 04/29/25 REGS	-	200,000	-	-	200,000
BOCAVI 4.5 05/23/28 GMTN	200,000	-	-	-	200,000
CCAMCL 3.25 01/28/27 EMTN	-	300,000	-	-	300,000
CCB 4.25% 02/27/29	200,000	-	-	200,000	-
CICCHK 5.493 03/01/26 EMTN	300,000	200,000	-	200,000	300,000
CKHH 3.625 10/31/24 REGS	-	200,000	-	-	200,000
EBIUH V6.125 PERP .	200,000	-	-	200,000	-
GZDZCD 6.8 08/05/25	-	500,000	-	200,000	300,000
HIGHWAY 3.625 05/18/25 REGS	200,000	-	-	-	200,000
HNYUZI 4.25 06/28/24	600,000	-	-	600,000	-
HSBC 6.375 12/29/49	-	300,000	-	-	300,000
HUANEN V3.08 PERP	300,000	-	-	300,000	-
HUANEN V5.3 PERP	-	200,000	-	-	200,000
HYNMTR 5.8 06/26/25 REGS	400,000	-	-	-	400,000
ICBCIL 2.125 01/27/25 EMTN	300,000	-	-	300,000	-
JNCCIH 5.55 01/16/27	-	520,000	-	320,000	200,000
JNRWVE 6.7 11/18/24	-	400,000	-	-	400,000
PETMK 3.5 03/18/25 REGS	250,000	-	-	-	250,000
PLBIJ 4.875 10/01/24 REGS	600,000	-	-	200,000	400,000
RLCONS V3.97 PERP	500,000	-	-	500,000	-
SHNHAN 4.5 04/12/28 REGS	200,000	-	-	200,000	-
SNRSKY 5.25 03/11/24	500,000	-	200,000	300,000	-