

BOSERA INVESTMENT FUNDS

Bosera Global Income Opportunities Fund

April 2022

Issuer: Bosera Asset Management (International) Co., Limited

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the fund's Explanatory Memorandum.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	Bosera Asset Management (International) Co., Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Dealing frequency:	Daily
Ongoing charges over a year:	Class A RMB: estimated to be 3.00%* Class I RMB: 3.00%# Class A USD: estimated to be 3.00%* Class I USD: estimated to be 3.00%*
Base currency:	RMB
Dividend policy:	<p>Discretionary dividend distributable out of income and/or capital (including where the Sub-Fund pays dividends out of gross income and charges/pays all or part of the fees and expenses to/out of capital) in respect of Class A Units. Where distributed out of capital or effectively out of capital, this may result in an immediate reduction in Net Asset Value per Class A Unit.</p> <p>Currently, the Manager intends to make distributions on a semi-annual basis (i.e. June and December in each year) in respect of Class A Units. Distributions will be paid in the currency of the relevant class of Units. However, there is no guarantee of regular distribution nor, where distribution is made, the amount being distributed.</p> <p>No dividend will be distributed in respect of Class I Units</p>

* These are only estimates based on the sum of the estimated ongoing expenses chargeable to the respective class of Units of the Sub-Fund expressed as a percentage of the estimated average Net Asset Value of the respective class of Units of the Sub-Fund. The actual figures may vary from year to year.

The ongoing charges figure for each class of Units is based on the ongoing expenses for the year ended 31 December 2021. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the relevant class expressed as a percentage of the average Net Asset Value of such class during the relevant period. The ongoing charges figure includes the amortised portion of the set-up costs of the Sub-Fund applicable to the relevant period. The ongoing charges figure for each class of Units is capped at a maximum of 3% of the average Net Asset Value for each Class. Any excess of ongoing expenses of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund if such expense would result in the ongoing charges figure exceeding 3%.

Financial year end of this fund:	31 December
Minimum initial investment:	Class A USD: USD 1,000 Class A RMB: RMB 10,000 Class I USD: USD 1,000,000 Class I RMB: RMB 10,000,000
Minimum subsequent investment	Class A USD: USD 1,000 Class A RMB: RMB 10,000 Class I USD: USD 1,000,000 Class I RMB: RMB 10,000
Minimum holding:	Class A USD: USD 1,000 Class A RMB: RMB 10,000 Class I USD: USD 1,000,000 Class I RMB: RMB 10,000,000
Minimum redemption amount:	Class A USD: USD 1,000 Class A RMB: RMB 10,000 Class I USD: USD1,000,000 Class I RMB: RMB 10,000

What is this product?

The Bosera Global Income Opportunities Fund (the “Sub-Fund”) is a sub-fund of Bosera Investment Funds which is a unit trust established by a trust deed (the “Trust Deed”) dated 5 January 2012 as an umbrella fund under the laws of Hong Kong.

Objectives and Investment Strategy

Objective

The Sub-Fund aims to achieve income and capital appreciation by investing in fixed income securities globally.

Strategy

The Sub-Fund seeks to achieve its investment objective by investing at least 70% of its Net Asset Value in fixed income securities issued by government, quasi-government entities, financial institutions or corporations globally. The remainder of the Sub-Fund may be invested in cash or cash equivalents. The Sub-Fund will not hold more than 30% of its Net Asset Value in cash or cash equivalents.

Although the Sub-Fund has a global investment universe, the securities selected for investment based on the professional judgement of the Manager may at times result in a portfolio that is concentrated in certain geographical area(s).

The Sub-Fund’s maximum exposure to the PRC, including investments in offshore PRC securities and onshore PRC securities, will be less than 70% of the Sub-Fund’s Net Asset Value. The Manager do not anticipate that the Sub-Fund will invest more than 30% of its Net Asset Value in any single geographical area(s) other than the PRC.

Up to 20% of the Sub-Fund’s Net Asset Value may be invested in onshore PRC fixed income securities. Such investments will be made through the Manager’s status as a RQFII pursuant to the RQFII regulations. Further information relating to the RQFII regime is set out in the Explanatory Memorandum. The Sub-Fund may also invest up to 10% of its Net Asset Value in fixed income securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority).

The Sub-Fund will have no restrictions on minimum credit ratings of the fixed income securities it holds (and consequently it may hold unrated or below investment grade securities), and is not subject to any limitation on the portion of its Net Asset Value which may be invested in unrated or below investment grade securities.

The Sub-Fund will not invest in convertible bonds or dim sum bonds.

Up to 30% of the Sub-Fund's Net Asset Value may be invested in debt instruments with loss-absorption features ("LAP") (including contingent convertible bonds (Additional Tier 1 and Tier 2 Capital Instruments), senior non-preferred debt securities, instruments issued under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and other similar instruments that may be issued by banks or other financial institutions). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The Sub-Fund may also invest in financial derivative instruments ("FDIs") for hedging or investment purposes to the extent permitted by the investment restrictions under the Code on Unit Trusts and Mutual Funds (the "UT Code") and the provisions set out under the section "investment and borrowing restrictions" in the Explanatory Memorandum.

The Sub-Fund will not invest in asset backed securities (including asset backed commercial paper). The Manager will also not enter into any securities lending, sale and repurchase or reverse-repurchase transactions or other similar over-the-counter transactions in respect of the Sub-Fund.

Use of derivatives / Investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Investment risks

- The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

2. Risks associated with fixed income securities

Interest rate risk

- Investment in the Sub-Fund is subject to interest rate risk. Generally, the value of fixed income securities is expected to be inversely correlated with changes in interest rates. Where interest rates rise, the prices of the fixed income securities fall.

Volatility and liquidity risk

- Unrated or below investment grade fixed income securities may be subject to higher volatility and lower liquidity compared to investment grade fixed income securities. The prices of such fixed income securities may be subject to fluctuations. The bid and offer spread of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

Credit risk and risk of credit rating downgrades

- The Sub-Fund is exposed to the credit/default risk of issuers of fixed income securities that it may invest in.
- The credit rating of a fixed income security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the fixed income securities that are being downgraded.
- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- The credit appraisal system in the Mainland and the rating methodologies employed in the Mainland may be different from those employed in other markets. Credit ratings given by Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

Risks associated with fixed income securities which are unrated or rated below investment grade

- The Sub-Fund may invest in fixed income securities rated below investment grade as rated by an internationally recognised credit agency or rated BB+ or below by a Mainland credit rating agency, or which are unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated fixed income securities.

Valuation risk

- Valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

Sovereign debt risk

- The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

3. Risks relating to the PRC

- Investing in emerging markets, such as the PRC, involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, settlement, custody and regulatory risks.
- The concentration of the Sub-Fund's investments in PRC-related companies may result in greater volatility than portfolios which comprise broad-based global investments.
- There are risks and uncertainties associated with the current Chinese tax laws, regulations and practice in respect of capital gains realised by RQFIs on its investments in the PRC (which may have retrospective effect). After careful consideration of the Manager's assessment and having taken and considered independent professional tax advice, the Manager considers, in accordance with such advice, that the Sub-Fund should be able to enjoy a PRC withholding income tax exemption on capital gains derived from disposal of debt instruments issued by the PRC government or PRC corporations and has determined to change the tax provisioning approach in respect of the Sub-Fund effective from 21 July 2014 so that it does not make any withholding income tax provision for the account of the Sub-Fund in respect of the gross realised and unrealised capital gains derived from the disposal of debt instruments issued by the PRC government or PRC corporations. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Sub-Fund's assets, will adversely affect the Sub-Fund's NAV. The actual tax liabilities may be lower than the tax provision made. Depending on their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

4. RMB currency risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

5. Risks associated with investments in LAPs

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger, there may be potential price contagion and volatility caused by debt instruments with loss-absorption features to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.
- The Sub-Fund may invest in contingent convertible debt securities ("Cocos") which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- The Sub-Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

6. Foreign currency risk

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

7. Dividends risk

- There is no assurance that the Sub-Fund will declare to pay dividends or distributions. Investors may not receive any distributions.

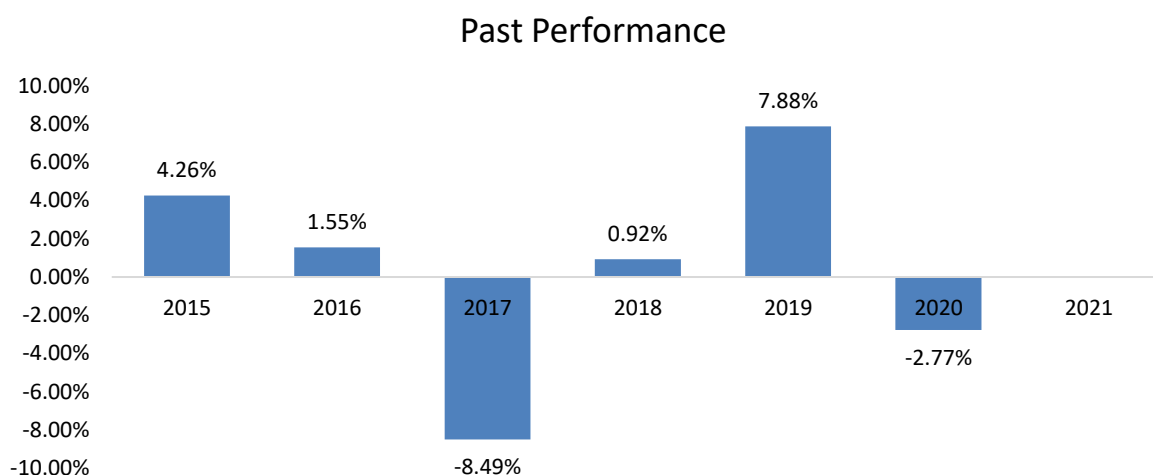
8. Risk associated with distribution out of capital or effectively out of capital

- Dividends on Class A Units may be distributable out of capital or effectively out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per Class A Unit.

9. Risks associated with investment in FDIs

- Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund.

How has the fund performed?



Note: The performance of the years 2015 and 2016 were achieved in circumstances that no longer apply as the investment objective and strategy of the Sub-Fund was changed since 28 April 2017.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend (if any) reinvested.
- Class A RMB Units have been selected as the representative unit class of the fund for the purpose of presenting past performance information on the basis that it is the authorised retail class with the longest track record in Hong Kong.
- These figures show by how much the Class A RMB Units increased or decreased in value during the calendar year shown. Performance data has been calculated in RMB including ongoing charges and excluding subscription fee you might have to pay.
- Where no past performance is shown there was insufficient data available that year to provide performance.
- Fund launch date: May 2014
- Class A RMB Units launch date: May 2014

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	What you pay			
	<u>Class A USD</u>	<u>Class A RMB</u>	<u>Class I USD</u>	<u>Class I RMB</u>
Subscription fee	3%* of the subscription amount	3%* of the subscription amount	3%* of the subscription amount	Nil*
Redemption fee	Nil*	Nil*	Nil*	Nil*
Switching fee (i.e. conversion fee)	1%* of the redemption proceeds payable in respect of the Units being switched	3%* of the redemption proceeds payable in respect of the Units being switched	1%* of the redemption proceeds payable in respect of the Units being switched	Nil*

Ongoing fees payable by the Sub-Fund

Bosera Global Income Opportunities Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Net Asset Value of the relevant class of Units)			
	<u>Class A USD</u>	<u>Class A RMB</u>	<u>Class I USD</u>	<u>Class I RMB</u>
Management fee	1.25%*	1.00%*	0.75%*	0.50%*
Performance fee	Nil*	Nil*	Nil*	Nil*
Trustee fee	Up to 0.12%*, subject to a monthly minimum of RMB25,000	Up to 0.12%*, subject to a monthly minimum of RMB25,000	Up to 0.12%*, subject to a monthly minimum of RMB25,000	Up to 0.12%*, subject to a monthly minimum of RMB25,000

Other fees

The Sub-Fund may have to pay other fees when dealing in the investments of the Sub-Fund.

- * You should note that some fees may be increased, up to a specified permitted maximum, by giving affected Unitholders at least one month's prior notice. For details please refer to the section headed "Expenses and Charges" in the Explanatory Memorandum.

Additional information & other RQFII information

- You generally buy and redeem units at the Sub-Fund's Net Asset Value which is determined on the dealing day on which your request is received in good order at or before 4:00 pm (Hong Kong time), being the Sub-Fund's dealing cut-off time. Before placing your subscription orders or redemption request, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The Sub-Fund's Net Asset Value and the latest subscription and redemption prices of units are available on the Manager's website www.bosera.com.hk (this website has not been reviewed by the SFC).
- The composition of dividends payable on Class A Units (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the Manager's website www.bosera.com.hk (this website has not been reviewed by the SFC).

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.