PRODUCT KEY FACTS

BOSERA INVESTMENT FUNDS
Bosera Greater China Bond 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
Ongoing charges over a year:	Class A USD: 2.08%#
	Class A USD – MDis: estimated to be 2.08%*
	Class A RMB and Class A RMB Hedged: estimated to be 2.08%#
	Class A HKD – MDis: estimated to be 2.07%*
	Class A HKD: 2.07%#
	Class I USD: 0.95%#
	Class I RMB: 1.10%#
	Class I RMB Hedged: 0.93%#
	Class I HKD: 0.95%#
Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	Class A (except for Class A USD – MDis and Class A HKD – MDis) Class I: Subject to the Manager's discretion. Class A USD – MDis and Class A HKD – MDis: The Manager currently intends to make monthly dividend distributions, subject to the its discretion. The Manager has discretion as to whether or not the Sub-Fund will make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value ("**NAV**") per unit of the Sub-Fund ("**Unit**").

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 NAV 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.

* As the class of Units is newly set up, 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 NAV of the respective class of Units of the Sub-Fund. The actual figures may vary from year to year. A single ongoing charges figure is published for each Class of Units, which have the same fee structure.

Financial year end of this fund:	31 December
Minimum initial investment:	Class A USD: USD1,000 Class A USD - MDis: USD1,000 Class A RMB and Class A RMB Hedged: RMB10,000 Class A HKD: HKD10,000 Class A HKD - MDis: HKD10,000 Class I USD: USD100,000 Class I RMB and Class I RMB Hedged: RMB1,000,000 Class I HKD: HKD1,000,000
Minimum subsequent investment	Class A USD: USD1,000 Class A USD - MDis: USD1,000 Class A RMB and Class A RMB Hedged: RMB10,000 Class A HKD: HKD10,000 Class A HKD - MDis: HKD10,000 Class I USD: USD100,000 Class I RMB and Class I RMB Hedged: RMB1,000,000 Class I HKD: HKD1,000,000

What is this product?

The Bosera Greater China Bond 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 through primarily investing in Greater China fixed income securities.

Strategy

The Sub-Fund aims to achieve its investment objective by investing at least 70% of its Net Asset Value ("NAV") in a portfolio of fixed income securities issued or guaranteed by (i) listed or unlisted corporations which have their main operations (or majority of assets) in, or have majority of their income or revenue derived from Greater China (comprising Mainland China, Hong Kong, Macau and Taiwan), and (ii) governments and/or government related entities in Greater China. For the avoidance of doubt, the issuers of the fixed income securities who have a majority of their income or revenue derived from Greater China as mentioned in (i) above may be based in or outside Greater China. The fixed income securities which the Sub-Fund may invest in include, but are not limited to, certificate of deposits, bonds, convertible bonds, contingent convertible bonds, "Dim Sum" bonds and capital securities.

The Sub-Fund may invest up to 20% in each of convertible bonds and contingent convertible bonds, and up to 30% in "Dim Sum" bonds.

Up to 30% of the Sub-Fund's NAV 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).

Up to 30% of the Sub-Fund's NAV may be invested in urban investment bonds (城投債), which are debt instruments issued by Mainland local government financing vehicles ("LGFVs"). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

Direct exposure to RMB denominated fixed income instruments issued or distributed in Mainland China ("Onshore RMB Securities") may be gained via the Manager's RQFII status, investing in Mainland Interbank Bond Market under Foreign

Access Regime and/or Bond Connect (both terms as defined in the Explanatory Memorandum) and/or other means as may be permitted by the relevant regulations from time to time. Investment in Onshore RMB Securities will comprise less than 70% of the NAV of the Sub-Fund.

The Sub-Fund is not subject to any requirements on the minimum credit rating of the fixed income securities it may hold (and consequently it may hold securities that are below investment grade (i.e. BB+ or below as rated by Standard and Poor's, Fitch Ratings, Moody's or any other internationally recognized rating agencies, or rated AA or below as rated by a Mainland Chinese credit rating agency) or are unrated), and is not subject to any limitation on the portion of its NAV which may be invested in such securities, except that the Sub-Fund will not invest more than 30% in fixed income securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade and/or unrated (for example, Argentina and Brazil). Such investments are based on the professional judgement of the Manager whose reasons for investment may include a favourable outlook on the sovereign issuer, potential for ratings upgrade and the expected changes in the value of such investments due to the ratings changes.

The Sub-Fund may hold up to 30% of its NAV in cash or cash equivalents.

The Sub-Fund may invest in financial derivative instruments for hedging or investment purposes to the extent permitted by the investment restrictions of the SFC's Code on Unit Trusts and Mutual Funds (the "Code") and the Explanatory Memorandum (notwithstanding this, derivatives will not be used extensively for investment purposes). All of the Sub-Fund's investments will be subject to the restrictions set out in Chapter 7 of the Code.

The Sub-Fund will not invest in collateralised and/or securitized securities (including asset backed securities, mortgage backed securities and asset backed commercial paper). The Sub-Fund will also not enter into securities lending, repurchase or reverse repurchase transactions or other similar over-the-counter transactions.

Use of derivatives / Investment in derivatives

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

What are the key risks?

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

1. Investment risk

- 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. Concentration risk

- The concentration of investments in debt securities from the Greater China markets may subject the Sub-Fund to greater volatility than portfolios which comprise broad-based global investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Greater China markets.

3. Risks associated with debt instruments

- *Interest rate risk*: Generally, the value of debt instruments is expected to be inversely correlated with changes in interest rates. Any increase in interest rates or changes in macro-economic policies globally (including monetary policy and fiscal policy) may adversely impact the value of the Sub-Fund's portfolio.
- *Credit risk*: Investment in debt instruments is subject to the credit/default risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest.
- *Volatility and liquidity risk:* The debt securities in the Greater China markets (in particular Mainland China and Taiwan) may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuation. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- *Credit rating risk and risk of credit rating downgrades*: 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 rating of a debt security or its issuer may also be subsequently downgraded, which may adversely affect the value of the Sub-Fund. In such events, the Sub-Fund may also be subject to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings at a reasonable price or at all. In respect of Onshore RMB Securities, 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.

- *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, the NAV of the Sub-Fund may need to be adjusted and may be adversely affected.
- *Risk of investing in debt securities which are rated below investment grade or are unrated*: The Sub-Fund may invest in debt securities which are rated below investment grade or are unrated. Such securities are generally subject to a higher degree of credit risk, a lower degree of liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- *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.

4. Risk of investing in convertible bonds

- Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

5. Risk associated with investment in contingent convertible bonds

- *Trigger level risk / conversion risk*: Contingent convertible bonds may have non-viability and/or loss absorption convertible features and may be subject to compulsory conversion by the issuer into ordinary shares upon the occurrence of a trigger event which may be out of the issuer's control. Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Manager to anticipate the triggering events that would require the conversion. These instruments may be converted into shares potentially at a discounted price and the principal amount invested may be lost. In case of conversion, the Manager might be forced to sell these new equity shares and such forced sale may result in the Sub-Fund experiencing losses.
- *Coupon cancellation risk*: Coupon payments are entirely discretionary and may be cancelled by the issuer. As a result, these instruments may be volatile and their price may decline rapidly in the event that coupon payments are suspended.
- *Sector concentration risk*: These instruments are issued by banking and insurance institutions. The performance of the Sub-Fund may depend to a greater extent on the overall condition of the financial services industry than for funds following a more diversified strategy.
- *Novelty and untested nature*: The structure of these instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

6. 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.

7. Risks relating to urban investment bonds

Urban investment bonds are issued by LGFVs. Such bonds are typically not guaranteed by local governments or the central government of the Mainland. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the NAV of the Sub-Fund could be adversely affected.

8. "Dim Sum" bond market risk

- "Dim Sum" bonds are bonds issued outside of the Mainland but denominated in RMB. The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the NAV of the Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

9. Risks associated with investment made through the RQFII regime

- The Sub-Fund's ability to make the relevant investments in Onshore RMB Securities is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in Mainland China, which are subject to change and may have potential retrospective effect.
- The Sub-Fund may suffer substantial losses if the approval of the RQFII is being revoked / terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including the RQFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

10. Risks associated with Mainland Interbank Bond Market

- Investing in the Mainland Interbank Bond Market via the Foreign Access Regime and/or Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to fixed income securities. The relevant rules and regulations on investment in the Mainland Interbank Bond Market via the Foreign Access Regime and/or Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the Mainland Interbank Bond Market, the Sub-Fund's ability to invest in the Mainland Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

11. Taxation risk in the Mainland

- There are risks and uncertainties associated with the current Mainland Chinese tax laws, regulations and practice in respect of the Sub-Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value. Based on professional and independent tax advice, the Sub-Fund (i) will make relevant provision on dividend and interest from Mainland Chinese securities if the withholding income tax ("WIT") is not withheld at source at the time when such income is received (where WIT is already held at source, no further provision will be made) and (ii) will not make any provision on the gross unrealised and realised capital gains derived from the trading of Mainland A-Shares and debt securities.
- Any shortfall between any provision made and the actual tax liabilities, which will be debited form 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 the timing of 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).

12. Foreign currency risk

- The currency exposure of the Sub-Fund's investments is often different from the base currency of the Sub-Fund (USD), which gives rise to foreign currency risks. Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The performance of the Sub-Fund may be adversely affected by unfavourable movements in the exchange rate between USD and the currencies in which the assets of the Sub-Fund are held and by changes in exchange rate controls.

13. RMB currency risk

- The Sub-Fund may have exposure to investments which are denominated in RMB. 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

USD) 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 (if any) in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

14. Derivatives risk

- The Sub-Fund may use financial derivative instruments for investment, hedging, risk management, and efficient portfolio management purpose. The use of such derivatives exposes the Sub-Fund to additional risks, including 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 derivative by the Sub-Fund. Moreover, the use of financial derivative instruments for hedging may become ineffective, and the Sub-Fund may suffer substantial loss. Exposure to derivatives may lead to a high risk of significant loss by the Sub-Fund.

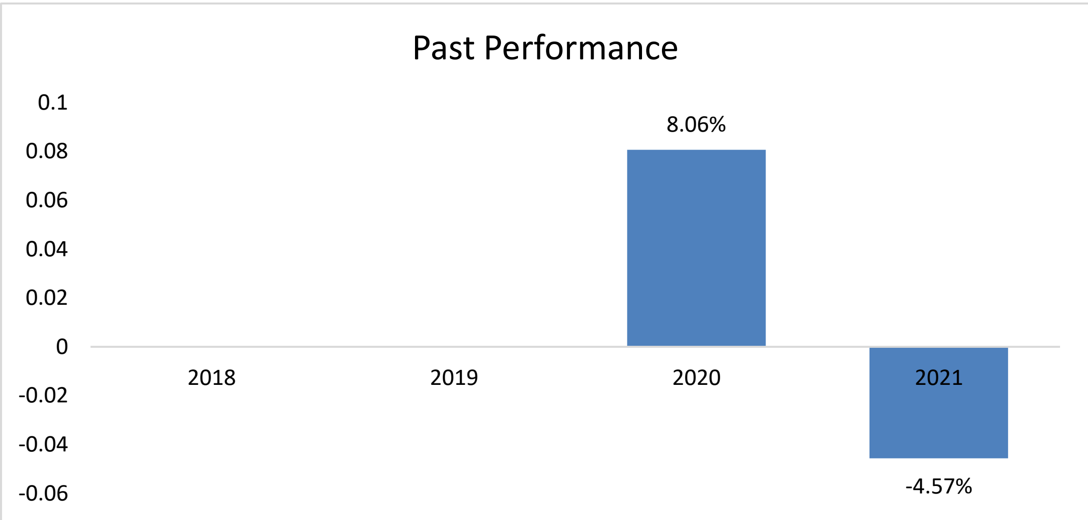
15. Hedged class risk

There is no guarantee that the desired hedging instruments will be available or that the hedging techniques will be effective. Hedging can limit potential gains of a hedged class.

16. Distribution out of capital risk

- 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 NAV per Unit of the relevant class.
- The distribution amount and NAV of the hedged unit classes may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

How has the fund performed?



- 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 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 Units increased or decreased in value during the calendar year shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee you might have to pay.
- Where no past performance is shown there was insufficient date available that year to provide performance.
- Fund launch date: May 2018

- Class A Units launch date: March 2019

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**	
	Class A	**Class I**
Subscription fee	up to 5% of the subscription amount	up to 3%* of the subscription amount
Switching fee (i.e. conversion fee)	up to 1%* of the redemption proceeds payable for the Units being switched	
Redemption fee	nil*	

Ongoing fees payable by the Sub-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)	
	Class A	**Class I**
Management fee	1.50%*	0.75%*
Performance fee	N/A	
Trustee fee	up to 0.12%*, subject to a monthly minimum of USD4,000	

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 information

- You generally buy and redeem units at the Sub-Fund's NAV 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 NAV 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 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.