

**China Life Franklin Global Fund -  
Select High Yield Bond Fund**  
(A fund of an open-ended unit trust established  
under the laws of Hong Kong)

For the year ended 31 December 2023

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## Administration and management

### **Manager**

China Life Franklin Asset Management Co., Limited  
27/F, One Exchange Square,  
8 Connaught Place Central,  
Hong Kong

### **Directors of the Manager**

Liu Xiaodong  
Greg Eugene McGowan  
Chen Yingshun  
Wang Yijiang  
Li Guoan  
Vivatrat Jing Su  
Shang Gang  
Huang Xiumei

### **Legal adviser to the Manager**

Deacons  
5/F, Alexandra House,  
18 Chater Road,  
Central, Hong Kong

### **Trustee, transfer agent and registrar**

BOCI-Prudential Trustee Limited  
Suites 1501-1507 & 1513-1516,  
15/F, 1111 King's Road,  
Taikoo Shing, Hong Kong

### **Auditor**

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

### **Custodian**

Bank of China (Hong Kong) Limited  
14F, Bank of China Tower  
1 Garden Road  
Hong Kong

# Report of the Manager to the unitholders

## Market review & outlook

Amid the lingering impact of the COVID-19 pandemic, intensified geopolitical conflicts and high inflation faced by many countries, the global economy recorded asymmetrical recovery with a GDP growth of 2.9% in 2023.

U.S. labour market remained robust, and economic growth stayed resilient despite FOMC raised interest rates by 25 basis points at four meetings to a record high in nearly 23 years. The debt ceiling discussion with growing fiscal deficit and refinancing scale of mid- and long-term treasury also lead yields fluctuating to rise. During Dec 2023's FOMC meeting, the Fed acknowledged progress in bringing down inflation and hinted at an end to the rate-hiking cycle. The Fed took a dovish turn and were in discussion of potential rate cuts which drove a significant decline in interest rates. On the other hand, China's economy remained sluggish after the release of pent-up demand at the beginning of the year. In the fourth quarter, trillions of yuan in government bonds were issued and allocated to local provinces through transfer payments in order to boost growth.

Sentiment in fixed income market improved. Spreads had widened in March 2023 due to the regional bank crisis but have since tightened during the remaining months of the year. This was partly driven by a reduction in issuance supply. Though many central banks were forced to hike in line with the Federal Reserve, their local currency financing rates remained lower than those in the offshore USD market which further support the demand supply dynamics and lend support to spreads. In 2023, bond outflows from emerging market bonds amounted to 33.7 billion, a contraction from the 87.4 billion outflow in 2022. JACI investment-grade and high-yield index bounced 7.42% and 4.76% respectively in 2023.

U.S. stock market also recovered with fiscal expansion amid monetary tightening headwinds. Nasdaq index rose by 43%, approaching an all-time high. S&P 500 also recorded a gain of 24%, setting a historical level high. Profitability structurally strengthened, and leverage ratios (net debt/EBITDA) slightly increased but remained at historically low levels. The Hong Kong market had a different story. At the beginning of the year, the turnaround in China's epidemic policy brought better expectations for China's economy growth. This led to a strong start in HSI but could not be sustained against the backdrop of multiple rate hikes by the Federal Reserve, widening interest spread between U.S. and China and foreign capital outflow. The liquidity, risk appetite, and valuation expansion space for Hong Kong stocks were significantly under pressure.

Looking ahead, the market has fully priced in the end of the Fed's hiking cycle but has also been gradually correcting aggressive expectations for rate cuts. Inflation in the U.S. may continue to cool down, but core inflation remains sticky, and the process is expected to be tumultuous. The timing and pace of rate cuts have been repeatedly delayed amid uncertain economic prospects. The shift in monetary policy by major central banks such as the Fed and ECB and the implementation of China's growth policies remain key focuses for the market in the future.

## Report of the Manager to the unitholders (continued)

### **GHG Emission**

As of 31 December 2023, the portfolio carbon footprint of the Fund is 298.13 tCO<sub>2</sub> per million dollar invested. The calculation of carbon footprint covered 81.74% of assets in the portfolio in terms of market value. 18.26% of the assets are not covered in the calculation of carbon footprint.

**Methodology:** Scope 1 and Scope 2 GHG emissions from investments and debts are allocated to the reporting institution based on the proportional share of investment or debt against the enterprise value of the investee company. Enterprise value means the sum, at financial year end, of the market capitalisation of ordinary and preferred shares and the book value of total debt and non-controlling interests, without deducting cash or cash equivalents. The value is then divided by portfolio NAV to normalise the data.

**Limitation 1:** Scope 1 and Scope 2 GHG emissions data is obtained with the use of third-party data vendor, sourcing from publicly accessible data which includes but is not limited to annual reports and sustainability reports. When such data is not available, a proprietary estimation model is employed to provide a reasonable approximation of GHG emission data. There is no guarantee as to the accuracy of such estimation.

**Limitation 2:** Changes in the enterprise value of underlying companies may affect the portfolio carbon footprint without actual changes in Scope 1 and Scope 2 GHG emissions.

**Limitation 3:** Sovereign fixed income instruments, are not covered in the calculation due to the lack of standardized approach in calculating GHG emissions.

China Life Franklin Asset Management Co., Limited

## Report of the Trustee to the unitholders

We hereby confirm that, in our opinion, the Manager, China Life Franklin Asset Management Co., Limited, has, in all material respects, managed China Life Franklin Global Fund - Select High Yield Bond Fund For the year ended 31 December 2023, in accordance with the provisions of the Trust Deed dated 5 October 2020, the First Supplemental Deed dated 9 November 2020 and the Second Supplemental Deed dated 22 June 2021.

On behalf of

BOCI-Prudential Trustee Limited, the Trustee

# Independent Auditor's Report to the Unitholders of China Life Franklin Global Fund - Select High Yield Bond Fund

*(a sub-fund of China Life Franklin Global Fund, an open-ended unit trust established under the laws of Hong Kong)*

## Report on the Audit of Financial Statements

### Opinion

We have audited the financial statements of Select High Yield Bond Fund (a sub-fund of China Life Franklin Global Fund (the "Trust") and referred to as the "Sub-Fund") set out on pages 9 to 39, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow 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 disposition of the Sub-Fund as at 31 December 2023 and of its financial transactions and 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 ("HKSA") 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 China Life Franklin Global Fund - Select High Yield Bond Fund (continued)

*(a sub-fund of China Life Franklin Global Fund, an open-ended unit trust established under the laws of Hong Kong)*

## **Responsibilities of the Manager and the Trustee of the Sub-Fund for the Financial Statements**

The Manager and the Trustee of the Sub-Fund 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 of the Sub-Fund 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 of the Sub-Fund 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 of the Sub-Fund 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 of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 5 October 2020, as amended ("the Trust Deed"), 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 HKSAAs 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 China Life Franklin Global Fund - Select High Yield Bond Fund (continued)

*(a sub-fund of China Life Franklin Global Fund, an open-ended unit trust established under the laws of Hong Kong)*

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with HKSAAs, 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 of the Sub-Fund.
- 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 of the Sub-Fund 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.

**Independent Auditor's Report to the Unitholders of China  
Life Franklin Global Fund - Select High Yield Bond Fund  
(continued)**

*(a sub-fund of China Life Franklin Global Fund, an open-ended unit trust established under the laws of Hong Kong)*

**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

## Statement of comprehensive income for the year ended 31 December 2023 (Expressed in USD)

|  | Note  | 2023<br>USD           | 2022<br>USD               |
|--|-------|-----------------------|---------------------------|
| <b>Income</b>  |       |                       |                           |
| Interest income on financial assets at FVTPL   |       | 423,325               | 588,121                   |
| Other interest revenue   |       | 7,742                 | 1,755                     |
| Other income   |       | 1,173                 | 493                       |
|  |       | <u>432,240</u>        | <u>590,369</u>            |
| <b>Expenses</b>  |       |                       |                           |
| Management fees  | 4, 14 | (48,235)              | (47,800)                  |
| Transaction costs  | 4, 14 | (22,051)              | (15,492)                  |
| Trustee fees   | 4, 14 | (29,919)              | (29,920)                  |
| Custodian fees   | 4, 14 | (20,366)              | (15,368)                  |
| Audit fees   |       | (14,013)              | (12,736)                  |
| Bank loan interest   |       | (742)                 | (714)                     |
| Other operating expenses   |       | (5,945)               | (5,160)                   |
|  |       | <u>(141,271)</u>      | <u>(127,190)</u>          |
| Net gain before investments and exchange differences                                     |       | <u>290,969</u>        | <u>463,179</u>            |
| <b>Investment and exchange differences</b>   |       |                       |                           |
| Net gain/(loss) on financial assets and liabilities at fair value through profit or loss | 5     | 146,189               | (1,634,177)               |
| Net foreign exchange differences   |       | 23,441                | (6,011)                   |
|  |       | <u>169,630</u>        | <u>(1,640,188)</u>        |
| Profit/(loss) and total comprehensive income for the year                                |       | <u><u>460,599</u></u> | <u><u>(1,177,009)</u></u> |

The notes on pages 15 to 39 form an integral part of these financial statements.

## Statement of financial position at 31 December 2023 (Expressed in USD)

|  | Note  | 31 December<br>2023<br>USD | 31 December<br>2022<br>USD |
|--|-------|----------------------------|----------------------------|
| <b>Assets</b>  |       |                            |                            |
| Financial assets at fair value through profit or loss      | 5     | 9,527,658                  | 11,396,126                 |
| Amounts due from brokers                                   | 8     | 139,606                    | 152,567                    |
| Interest receivable  |       | 148,677                    | 126,117                    |
| Prepayment and other receivable                            |       | 11,679                     | -                          |
| Cash and cash equivalents                                  | 9     | 140,448                    | 789,928                    |
| <b>Total assets</b>  |       | <u>9,968,068</u>           | <u>12,464,738</u>          |
| <b>Liabilities</b>   |       |                            |                            |
| Financial liabilities at fair value through profit or loss | 5, 6  | 2,446                      | -                          |
| Amounts due to brokers                                     | 8     | -                          | 474,212                    |
| Management fee payable                                     | 4, 14 | 40,239                     | 3,905                      |
| Trustee fee payable  | 4, 14 | 2,339                      | 2,420                      |
| Other accounts payable and accruals                        |       | 62,592                     | 64,682                     |
| <b>Total liabilities</b>                                   |       | <u>107,616</u>             | <u>545,219</u>             |
| <b>Net assets</b>  | 11    | <u>9,860,452</u>           | <u>11,919,519</u>          |
| <b>Number of units in issue, Class B (USD)</b>             |       | -                          | 268,724                    |
| <b>Number of units in issue, Class I (USD)</b>             |       | 1,026,000                  | 1,026,000                  |
| <b>Net asset value per unit, Class B (USD)</b>             |       | -                          | 9.1732                     |
| <b>Net asset value per unit, Class I (USD)</b>             |       | 9.6106                     | 9.2149                     |

Approved by the Manager and the Trustee on

China Life Franklin Asset Management  
Co., Limited

BOCI-Prudential Trustee Limited

The notes on pages 15 to 39 form an integral part of these financial statements.

## Statement of changes in equity for the year ended 31 December 2023 (Expressed in USD)

|  | <u>2023</u>                 |                             |
|--|-----------------------------|-----------------------------|
|  | <u>Number of units</u>      | <u>USD</u>                  |
| As at 1 January 2023   | 1,294,724                   | 11,919,519                  |
| <b>Transaction with unitholders, recognised directly in equity</b>     |                             |                             |
| Subscription of units  |                             |                             |
| - Class B (USD)  | -                           | -                           |
| - Class I (USD)  | -                           | -                           |
|  | <u>                    </u> | <u>                    </u> |
| Redemption of units  |                             |                             |
| - Class B (USD)  | (268,724)                   | (2,519,666)                 |
| - Class I (USD)  | -                           | -                           |
|  | <u>                    </u> | <u>                    </u> |
|  | <u>(268,724)</u>            | <u>(2,519,666)</u>          |
|  | <u>1,026,000</u>            | <u>9,399,853</u>            |
| <b>Increase in net assets attributable to unitholders for the year</b> |                             | <u>460,599</u>              |
| <b>As at 31 December 2023</b>  |                             | <u><u>9,860,452</u></u>     |

The notes on pages 15 to 39 form an integral part of these financial statements.

Statement of changes in equity  
for the year ended 31 December 2023 (continued)  
(Expressed in USD)

|  | <u>2022</u>            |                    |
|--|------------------------|--------------------|
|  | <u>Number of units</u> | <u>USD</u>         |
| As at 1 January 2022   | 1,626,000              | 16,096,528         |
| <b>Transaction with unitholders, recognised directly in equity</b>     |                        |                    |
| Subscription of units  |                        |                    |
| - Class B (USD)  | -                      | -                  |
| - Class I (USD)  | -                      | -                  |
|  | <u>-</u>               | <u>-</u>           |
| Redemption of units  |                        |                    |
| - Class B (USD)  | (331,276)              | (3,000,000)        |
| - Class I (USD)  | -                      | -                  |
|  | <u>(331,276)</u>       | <u>(3,000,000)</u> |
|  | <u>1,294,724</u>       | <u>13,096,528</u>  |
| <b>Decrease in net assets attributable to unitholders for the year</b> |                        | <u>(1,177,009)</u> |
| <b>As at 31 December 2022</b>  |                        | <u>11,919,519</u>  |

The notes on pages 15 to 39 form an integral part of these financial statements.

## Statement of cash flow for the year ended 31 December 2023 (Expressed in USD)

|   | Note | 2023<br>USD             | 2022<br>USD               |
|---|------|-------------------------|---------------------------|
| <b>Cash flows from operating activities</b>   |      |                         |                           |
| Profit/(loss) for the year  |      | 460,599                 | (1,177,009)               |
| Adjustments for:  |      |                         |                           |
| Interest income   |      | (431,067)               | (589,876)                 |
| Finance cost  |      | 742                     | 714                       |
| Net change in unrealised gain/loss on financial assets and financial liabilities at fair value through profit or loss | 5    | (335,353)               | 227,479                   |
| Net realised loss on financial assets and financial liabilities at fair value through profit or loss                  | 5    | 189,164                 | 1,406,698                 |
| Purchase of financial assets and financial liabilities at fair value through profit or loss                           |      | (63,224,854)            | (76,516,768)              |
| Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss                 |      | 65,241,957              | 69,377,241                |
| Decrease in amounts due from brokers  |      | 12,961                  | 1,412,562                 |
| Increase in prepayment and other receivables  |      | (11,679)                | -                         |
| (Decrease)/increase in amounts due to brokers   |      | (474,212)               | 474,212                   |
| Increase in management fee payable  |      | 36,334                  | 960                       |
| Decrease in trustee fee payable   |      | (81)                    | (80)                      |
| (Decrease)/increase in other accounts payable and accruals  |      | (2,090)                 | 2,021                     |
|   |      | <u>1,462,421</u>        | <u>(5,381,846)</u>        |
| Interest received   |      | 408,507                 | 570,316                   |
| Finance cost paid   |      | (742)                   | (714)                     |
|   |      | <u>1,870,186</u>        | <u>(4,812,244)</u>        |
| <b>Net cash generated from/(used in) operating activities</b>   |      | <u><u>1,870,186</u></u> | <u><u>(4,812,244)</u></u> |

**Statement of cash flow**  
**for the year ended 31 December 2023 (continued)**  
*(Expressed in USD)*

|   | <i>Note</i> | 2023<br>USD           | 2022<br>USD           |
|---|-------------|-----------------------|-----------------------|
| <b>Cash flows from financing activities</b>               |             |                       |                       |
| Proceeds from subscriptions of units                      |             | -                     | -                     |
| Payment on redemptions of redeemable participating shares |             | <u>(2,519,666)</u>    | <u>(3,000,000)</u>    |
| <b>Net cash flows used in financing activities</b>        |             | <u>(2,519,666)</u>    | <u>(3,000,000)</u>    |
| <b>Net decrease in cash and cash equivalents</b>          |             | (649,480)             | (7,812,244)           |
| <b>Cash and cash equivalents at beginning of the year</b> |             | <u>789,928</u>        | <u>8,602,172</u>      |
| <b>Cash and cash equivalents at end of year</b>           | 9           | <u><u>140,448</u></u> | <u><u>789,928</u></u> |

The notes on pages 15 to 39 form an integral part of these financial statements.



# Notes to the financial statements

(Expressed in USD)

## 1 The Sub-Fund

China Life Franklin Global Fund (the “Trust”) was constituted as an open-ended unit trust established under the laws of Hong Kong pursuant to a trust deed dated 5 October 2020, as amended (the “Trust Deed”).

The Trust is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the “SFC Code”). Authorisation by the SFC does not imply official approval or recommendation.

China Life Franklin Global Fund - Select High Yield Bond Fund (the “Sub-Fund”) commenced its operation on 20 September 2021. As at 31 December 2023, there were two other sub-funds established by the Trust, namely Global Growth Fund and Short Term Bond Fund. Each of the sub-funds is constituted as a separate sub-fund of the Trust. The sub-funds are authorized by the Hong Kong Securities and Futures Commission under Section 104(1) of the Securities and Futures Ordinance and are required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC.

The Manager of the Trust and the Sub-Fund are China Life Franklin Asset Management Co., Limited (the “Manager”) and the Trustee is BOCI-Prudential Trustee Limited (the “Trustee”). The Custodian is Bank of China (Hong Kong) Limited (the “Custodian”).

The investment objective of the Sub-Fund is to provide a high level of income and capital appreciation over the medium to long term by investing primarily in a portfolio of global fixed income securities (in particular, high yield bonds (i.e. below investment grade and unrated bonds)). The Sub-Fund may invest in assets denominated in currencies other than its base currency (i.e. USD).

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets and financial liabilities classified at fair value through profit or loss that have been measured at fair value. These financial statements are presented in United States dollars (USD) and all values are rounded to the nearest dollar except where otherwise indicated.

## 2.2 Changes in accounting policies and disclosures

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Sub-Fund. None of these developments have had a material effect on how the Sub-Fund's result and financial position for the current or prior periods have been prepared or presented.

The Sub-Fund has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 2.3).

## 2.3 Issued but not yet effective Hong Kong financial reporting standards

The Sub-Fund has not early applied any of the new and revised HKFRSs that have been issued but 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.

|  | <i>Effective for<br/>accounting periods<br/>beginning on or after</i> |
|--|---|
| Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")</i> | 1 January 2024  |
| Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")</i>                  | 1 January 2024  |
| Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>  | 1 January 2025  |

The Sub-Fund is in the process of making an assessment of what the impact of these amendments and interpretations 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.

## 2.4 Material accounting policies

### (a) *Financial instruments*

#### (i) Classification

In accordance with HKFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The Sub-Fund's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

#### Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including cash and cash equivalents, prepayment and other receivables, amounts due from brokers and interest receivable.

#### Financial assets measured at fair value through profit or loss ("FVPL")

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

## 2.4 Material accounting policies (continued)

- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Sub-Fund includes in this category equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

### Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading. The Sub-Fund includes in this category derivative contracts in a liability position sold short since they are classified as held for trading.

### Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVPL. The Sub-Fund includes in this category amounts due to brokers, management fee payable, trustee fee payable, other accounts payable and accrual.

#### (ii) Recognition

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the financial asset.

#### (iii) Initial measurement

Financial assets at FVPL are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

#### (iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at FVPL in the statement of comprehensive income. Interests and dividends earned or paid on these instruments are recorded separately in 'interest income' and 'dividend income' in the statement of comprehensive income.

## 2.4 Material accounting policies (continued)

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

### (v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Sub-Fund of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either.

- the Sub-Fund has transferred substantially all the risks and rewards of the asset, or
- the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained.

The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

## 2.4 Material accounting policies (continued)

### (vi) Determination of fair value

The Sub-Fund measures its investments classified as financial assets at fair value through profit or loss at fair value at each reporting date.

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, such as, recent arm's length market transactions, quotes from brokers and market makers, deemed to be appropriate in the circumstances.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

### (vii) Impairment of financial assets

The Sub-Fund recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Sub-Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## 2.4 Material accounting policies (continued)

### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

At each reporting date, the Sub-Fund assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Sub-Fund compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Sub-Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Sub-Fund may also consider a financial asset to be in default when internal or external information indicates that the Sub-Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Sub-Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable and contract assets which apply the simplified approach.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

### (viii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.4 Material accounting policies (continued)

### (b) *Functional and presentation currency*

The Sub-Fund's functional currency is USD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in USD. Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also USD.

### (c) *Foreign currency transactions*

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss as part of the 'net gains or losses on financial assets at fair value through profit or loss'. Exchange differences on other financial instruments are included in profit or loss as 'net foreign exchange differences'.

### (d) *Redeemable units*

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a pro rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the 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.



## 2.4 Material accounting policies (continued)

In addition to the redeemable units having all of the above features, the Sub-Fund has no other financial instrument or contract that has:

- (a) Total cash flows based substantially on the 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
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders

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.

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 instrument 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 only has one class of redeemable units in issue and the redeemable units meet all of these conditions and are classified as equity.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

The Sub-Fund recognises unitholders' subscriptions and allots units upon receipt of a valid subscription application and derecognises them upon receipt of a valid redemption application.

### (e) **Distributions to unitholders**

Distributions are at the discretion of the Sub-Fund. A dividend distribution to the Sub-Fund's unitholders is accounted for as a deduction from equity. No distribution was proposed or paid out during the current period.

## 2.4 Material accounting policies (continued)

### (f) *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

### (g) *Interest income*

Interest income is recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

### (h) *Net gains or losses on financial assets at fair value through profit or loss*

This item includes changes in the fair value of financial assets as 'at fair value through profit or loss' and excludes interest income.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount or cash payments.

### (i) *Fees and commissions*

Fees and commissions are recognised on an accrual basis.

### (j) *Related parties*

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund; or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Fund are members of the same Sub-Fund;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Sub-Fund are joint ventures of the same third party;

## 2.4 Material accounting policies (continued)

- (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 Sub-Fund or an entity related to the Sub-Fund;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (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); and
- (viii) the entity, or any member of a Sub-Fund of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

### (k) Taxes

In some jurisdiction, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

### (l) Segment reporting

An operating segment is a component of the Sub-Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Sub-Fund's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The chief operating decision maker of the Sub-Fund is identified as the Manager, China Life Franklin Asset Management Co., Limited.

## 3 Material accounting judgments and estimates

The preparation of the Sub-Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

## 4 Fees

### Management fee

The Manager is entitled to a management fee from the Sub-Fund, at a rate of 1% which can be increased to 3% maximum per annum with respect to the net asset value of Class A units and at a rate of 0.5% which can be increased to 3% per maximum annum with respect to the net asset value of Class I units. No management fee is charged for Class B units. Management fees were calculated and accrued on a daily basis.

The management fee for the year ended 31 December 2023 was USD48,235 (2022: USD47,800) and USD40,239 (2022: USD3,905) was payable to the Manager as at 31 December 2023.

### Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, at a rate up to 0.5% per annum with respect to the net asset value of the Sub-Fund, subject to a monthly minimum fee of USD5,000. The fee was calculated and accrued on a daily basis.

The trustee fee for the year ended 31 December 2023 was USD29,919 (2022: USD29,920) and USD2,339 (2022: USD2,420) was payable to the Trustee as at 31 December 2023.

### Custodian fee

The Custodian is entitled to receive custodian fee from the Sub-Fund, at a rate of 0.05% per annum with respect to the net asset value of the Sub-Fund which was calculated on a monthly basis. The Custodian is also entitled to reimbursement for any out-of-pocket expenses or third-party charges incurred in the course of its duties.

There custodian fee for the year ended 31 December 2023 was USD20,366 (2022: USD15,368) and USD nil (2022: USD nil) was payable to the Custodian as at 31 December 2023.

### Transaction costs

|                      | 2023<br>USD   | 2022<br>USD   |
|----------------------|---------------|---------------|
| Brokerage commission | 3,561         | 2,732         |
| Transaction costs    | 18,490        | 12,760        |
|                      | <u>22,051</u> | <u>15,492</u> |

## 5 Financial assets and financial liabilities at fair value through profit or loss

|  | 2023<br>USD      | 2022<br>USD       |
|--|------------------|-------------------|
| Financial assets at fair value through profit or loss            |                  |                   |
| - listed debt securities   | 8,960,492        | 9,967,293         |
| - unlisted quoted bonds  | 567,166          | 1,428,833         |
|  | <u>9,527,658</u> | <u>11,396,126</u> |
| Total financial assets at fair value through profit or loss      |                  |                   |
| Financial liabilities at fair value through profit or loss       |                  |                   |
| - futures (note 6)   | 2,446            | -                 |
|  | <u>2,446</u>     | <u>-</u>          |
| Total financial liabilities at fair value through profit or loss |                  |                   |
|  | <u>2,446</u>     | <u>-</u>          |

Net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

|   | 2023<br>USD    | 2022<br>USD        |
|---|----------------|--------------------|
| Held for trading  |                |                    |
| - realised losses   | (189,164)      | (1,406,698)        |
| - change in unrealised gains/losses   | 335,353        | (227,479)          |
|   | <u>146,189</u> | <u>(1,634,177)</u> |
| Total net gains/(losses) on financial assets and liabilities at fair value through profit or loss |                |                    |

## 6 Derivative contracts

The Sub-Fund uses derivative financial instruments to economically hedge its risks associated primarily with interest rate and foreign currency fluctuations. Derivative financial instruments may also be used for trading purposes where the Manager believes this would be more effective than investing directly in the underlying financial instruments. The derivative contract that the Sub-Fund holds includes future contracts.

### Futures contracts

Future contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardized amounts on regulated exchanges and are subject to daily cash margin requirements. The credit risk related to future contracts is considered minimal because the exchange ensures that these contracts are always honoured.

At 31 December 2023, the Sub-Fund's holdings in futures contracts were as specified below:

| Type of contract  | Expiration | Underlying              | No. of contracts | Position | Fair value<br>USD |
|-------------------|------------|-------------------------|------------------|----------|-------------------|
| Futures contracts | Mar 2024   | 2-Year US Treasury Note | 6                | Short    | (2,446)           |

At 31 December 2022, no future contract was held by the Sub-Fund.

## 7 Income tax

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

Certain interest income received by the Sub-Fund may be subject to withholding tax in the country of origination.

## 8 Amounts due from/to brokers

|   | 2023<br>USD    | 2022<br>USD    |
|---|----------------|----------------|
| Amounts due from brokers                    |                |                |
| - cash held by brokers                      | 139,606        | 152,567        |
|   | <u>139,606</u> | <u>152,567</u> |
| Amounts due to brokers                      |                |                |
| - purchase transactions awaiting settlement | -              | 474,212        |
|   | <u>-</u>       | <u>474,212</u> |

As at 31 December 2023, cash held by brokers were expected to be recoverable on demand.

As at 31 December 2022, the purchase transactions awaiting settlement were past due by 10 days and subsequently settled in January 2023.

## 9 Cash and cash equivalents

The balances represent cash held with Bank of China (Hong Kong). The bank balances are interest-bearing.

## 10 Units in issue

As at 31 December 2023, the Sub-Fund has offered one class of unit in issue. The units can be issued and redeemed on each valuation day, i.e. every business day of the calendar year. The holders of unit may redeem the units on any valuation day by no later than the dealing deadline, i.e. no later than the 4:00 p.m. (Hong Kong time) of the business day of the calendar year. Redemption requests received after such time will be deemed to have been received on the next business day.

## 10 Units in issue (continued)

The calculation of net asset value per unit is based on the total net assets attributable to holders of redeemable units of each class and the number of redeemable units in issue of each class at the end of the reporting period.

The number of units in issue and the net asset value per unit as at the end of the period is stated in the statement of financial position.

### Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise. The Trust and the Sub-Fund do not have any externally imposed capital requirements.

## 11 Reconciliation of net asset value

The following schedule shows the reconciliation between the NAV determined in accordance with the Private Placement Memorandum and Supplement of the Sub-Fund and the NAV determined in accordance with HKFRS.

The Private Placement Memorandum and Supplement of the Sub-Fund state that the preliminary expenses should be amortised in 5 years, while the HKFRS requires that preliminary expenses should be expensed immediately. As at 31 December 2023, the remaining amortisation period is 2 years and the unamortised amount is USD23,502 (2022: 3 years and the unamortised amount is USD35,102).

|  | 2023<br>USD      | 2022<br>USD       |
|--|------------------|-------------------|
| Net assets attributable to unitholders as determined for the purposes of processing unit subscriptions and redemptions | 9,883,863        | 11,954,621        |
| Adjustment to preliminary expenses   | <u>(23,411)</u>  | <u>(35,102)</u>   |
| Net assets attributable to unitholders (per financial statements)  | <u>9,860,452</u> | <u>11,919,519</u> |

## 12 Financial risk and management objective and policies

Investment in the Sub-Fund is subject to market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The performance of the Sub-Fund will be affected by a number of risk factors, including the following:

## 12 Financial risk and management objective and policies (continued)

### **Market risk**

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and indirectly observable variables such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation, etc., which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net asset value of redeemable units of the Sub-Fund.

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as interest rate risk and foreign exchange risk.

### **Interest rate risk**

As the Sub-Fund has invested in debt securities whose values are driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. When interest rates rise, the value of previously acquired debt securities will normally fall because new debt securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired debt securities will normally rise. The Manager regularly assesses the economic condition and monitor changes in interest rates outlook to control the impact of interest rate risk.

The majority of interest rate exposure arises on investments in debt securities. Most of the Sub-Fund's investments in debt securities carry fixed interest rates and mature within an average of 1 to 5 years.

The following table demonstrates the sensitivity of the Sub-Fund's profit or loss for the period to a reasonably possible change in interest rates, with all other variables held constant.

|                        | <i>Change in<br/>basis points</i> | <i>Sensitivity of<br/>change in fair<br/>value<br/>of investments<br/>and net assets<br/>USD</i> |
|------------------------|-----------------------------------|--|
| As at 31 December 2023 |                                   |  |
| - Debt securities      | +/- 100bpss                       | -/+ 265,799  |
| As at 31 December 2022 |                                   |  |
| - Debt securities      | +/- 100bpss                       | -/+ 359,694  |

The Sub-Fund also has interest-bearing bank deposits which the interest rates movement will not have significant cash flow impact on the net asset value and therefore no sensitivity analysis on bank deposit is presented.



## 12 Financial risk and management objective and policies (continued)

### ***Foreign exchange risk***

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund holds assets and liabilities mainly denominated in HKD and United States dollars ("USD") while USD is the functional currency of the Sub-Fund. As HKD is pegged to the Sub-Fund's functional currency, the Sub-Fund has insignificant immediate exposure to currency risk in respect of the HKD. As such, HKD is not presented here as the Sub-Fund considers the possible movements on exchange rates between the USD and the HKD are limited and the effects to the operations of the Sub-Fund are minimal.

### ***Liquidity risk***

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash and resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Sub-Fund.

The Sub-Fund is exposed to liquidity risk through its investments, including listed or unlisted quoted bonds and derivatives. The Sub-Fund restricts its concentration risk by its investment restriction policy as per its Explanatory Memorandum.

The price at which the fixed income securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spreads of the price of fixed income securities in which the Sub-Fund invests may be large, and hence, the Sub-Fund may incur significant trading and realisation costs and losses may be suffered.

Analysis of debt securities at fair value through profit or loss into maturity groups is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groups is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

The following table summarises the maturity profile of the Sub-Fund's financial liabilities based on contractual undiscounted cash flows. Balances due within 1 year equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Sub-Fund's financial assets in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

## 12 Financial risk and management objective and policies (continued)

As at 31 December 2023

|                                 | <i>Within<br/>1 year<br/>USD</i> | <i>1 to<br/>5 years<br/>USD</i> | <i>More than<br/>5 years<br/>USD</i> | <i>Non-interest<br/>bearing<br/>USD</i> | <i>Total<br/>USD</i> |
|---------------------------------|----------------------------------|---------------------------------|--------------------------------------|---|----------------------|
| <u>Financial assets</u>         |                                  |                                 |                                      |   |                      |
| Cash and cash equivalents       | 140,448                          | -                               | -                                    | -                                       | 140,448              |
| Amounts due from brokers        | 139,606                          | -                               | -                                    | -                                       | 139,606              |
| Interest receivable             | -                                | -                               | -                                    | 148,677                                 | 148,677              |
| Prepayment and other receivable | -                                | -                               | -                                    | 11,679                                  | 11,679               |
| Financial assets at FVPL        | 2,717,510                        | 3,217,462                       | 3,592,686                            | -                                       | 9,527,658            |
| <b>Total financial assets</b>   | <b>2,997,564</b>                 | <b>3,217,462</b>                | <b>3,592,686</b>                     | <b>160,356</b>                          | <b>9,968,068</b>     |

|                                     | <i>Within<br/>1 year<br/>USD</i> | <i>1 to<br/>5 years<br/>USD</i> | <i>More than<br/>5 years<br/>USD</i> | <i>Non-interest<br/>bearing<br/>USD</i> | <i>Total<br/>USD</i> |
|-------------------------------------|----------------------------------|---------------------------------|--------------------------------------|---|----------------------|
| <u>Financial liabilities</u>        |                                  |                                 |                                      |   |                      |
| Management fee payable              | -                                | -                               | -                                    | 40,239                                  | 40,239               |
| Trustee fee payable                 | -                                | -                               | -                                    | 2,339                                   | 2,339                |
| Financial liabilities at FVPL       | 2,446                            | -                               | -                                    | -                                       | 2,446                |
| Other accounts payable and accruals | -                                | -                               | -                                    | 62,592                                  | 62,592               |
| <b>Total financial liabilities</b>  | <b>2,446</b>                     | <b>-</b>                        | <b>-</b>                             | <b>105,170</b>                          | <b>107,616</b>       |

## 12 Financial risk and management objective and policies (continued)

As at 31 December 2022

|                           | <i>Within<br/>1 year<br/>USD</i> | <i>1 to<br/>5 years<br/>USD</i> | <i>More than<br/>5 years<br/>USD</i> | <i>Non-interest<br/>bearing<br/>USD</i> | <i>Total<br/>USD</i> |
|---------------------------|----------------------------------|---------------------------------|--------------------------------------|---|----------------------|
| <u>Financial assets</u>   |                                  |                                 |                                      |   |                      |
| Cash and cash equivalents | 789,928                          | -                               | -                                    | -                                       | 789,928              |
| Amounts due from brokers  | 152,567                          | -                               | -                                    | -                                       | 152,567              |
| Interest receivable       | -                                | -                               | -                                    | 126,117                                 | 126,117              |
| Financial assets at FVPL  | 11,396,126                       | -                               | -                                    | -                                       | 11,396,126           |
| Total financial assets    | 12,338,621                       | -                               | -                                    | 126,117                                 | 12,464,738           |

|                                     | <i>Within<br/>1 year<br/>USD</i> | <i>1 to<br/>5 years<br/>USD</i> | <i>More than<br/>5 years<br/>USD</i> | <i>Non-interest<br/>bearing<br/>USD</i> | <i>Total<br/>USD</i> |
|-------------------------------------|----------------------------------|---------------------------------|--------------------------------------|---|----------------------|
| <u>Financial liabilities</u>        |                                  |                                 |                                      |   |                      |
| Amounts due to brokers              | 474,212                          | -                               | -                                    | -                                       | 474,212              |
| Management fee payable              | -                                | -                               | -                                    | 3,905                                   | 3,905                |
| Trustee fee payable                 | -                                | -                               | -                                    | 2,420                                   | 2,420                |
| Other accounts payable and accruals | -                                | -                               | -                                    | 64,682                                  | 64,682               |
| Total financial liabilities         | 474,212                          | -                               | -                                    | 71,007                                  | 545,219              |

### **Credit and counterparty risk**

The Sub-Fund is exposed to credit risk, which 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/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund invests in a diversified portfolio of debt securities issued by issuers with wide range of credit ratings. If the issuer of any of the debt securities in which the Sub-Fund invested defaults, the performance of the Sub-Fund will be adversely affected. The credit ratings are reviewed regularly by the Manager.

The Sub-Fund is exposed to credit risk on debt securities. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9 impairment requirements on the respective reporting dates.

## 12 Financial risk and management objective and policies (continued)

### As at 31 December 2023

| Custodian and broker            | Credit rating    |
|---------------------------------|------------------|
| Bank of China (Hong Kong)       | A+               |
| Morgan Stanley                  | A-               |
| <u>Financial assets at FVPL</u> | USD              |
| AAA                             | 268,633          |
| AA-                             | 199,104          |
| A+                              | 438,605          |
| A-                              | 201,064          |
| A                               | -                |
| BBB+                            | -                |
| BBB                             | -                |
| BBB-                            | 972,382          |
| BB+                             | 2,682,223        |
| BB                              | 1,595,652        |
| BB-                             | 201,050          |
| B+                              | 1,147,058        |
| No rating                       | 1,821,887        |
| Total financial assets at FVPL  | <u>9,527,658</u> |

### As at 31 December 2022

| Custodian and broker            | Credit rating     |
|---------------------------------|-------------------|
| Bank of China (Hong Kong)       | A+                |
| Morgan Stanley                  | A-                |
| <u>Financial assets at FVPL</u> | USD               |
| A-                              | -                 |
| AAA                             | 1,548,000         |
| A                               | 274,569           |
| BBB+                            | 199,648           |
| BBB                             | 703,330           |
| BBB-                            | 365,202           |
| BB+                             | 1,922,118         |
| BB                              | 1,471,679         |
| BB-                             | 177,234           |
| B+                              | 191,236           |
| No rating                       | 4,543,110         |
| Total financial assets at FVPL  | <u>11,396,126</u> |

## 13 Fair value information

The Sub-Fund's financial instruments are measured at fair value on the date of the statement of financial position. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates.

### **Valuation of financial instruments**

The Sub-Fund's accounting policy on fair value measurements is detailed in accounting policy in note 2.4(a)(vi).

The Sub-Fund measures fair values using the three levels of fair value hierarchy defined in HKFRS 13, *Fair value measurement*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

The Sub-Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and whose unobservable inputs have a significant effect on the instrument's valuation.

Fair values of futures contract that are traded in active market are based on quoted prices.

For debt securities, the Sub-Fund measures instruments quoted in the market at last closing price, because this price provides a reasonable approximate of the exit price. In other cases, the fair value is estimated using the market comparison/discounted cash flow techniques. This considers (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

### 13 Fair value information (continued)

The fair value measurement of all of the financial assets and financial liabilities at fair value through profit or loss held by the Sub-Fund as at 31 December 2023 is as follow:

| 31 December 2023   | Level 1<br>USD | Level 2<br>USD | Level 3<br>USD | Total<br>USD |
|--|----------------|----------------|----------------|--------------|
| Financial assets at fair value through profit or loss          |                |                |                |              |
| Debt securities  | 8,486,271      | 1,041,387      | -              | 9,527,658    |
| Total financial assets at fair value through profit or loss    | 8,486,271      | 1,041,387      | -              | 9,527,658    |
| Financial liability at fair value through profit or loss       |                |                |                |              |
| Future   | -              | (2,446)        | -              | (2,446)      |
| Total financial liability at fair value through profit or loss | -              | (2,446)        | -              | (2,446)      |
| 31 December 2022   | Level 1<br>USD | Level 2<br>USD | Level 3<br>USD | Total<br>USD |
| Financial assets at fair value through profit or loss          |                |                |                |              |
| Debt securities  | -              | 11,396,126     | -              | 11,396,126   |
| Total financial assets at fair value through profit or loss    | -              | 11,396,126     | -              | 11,396,126   |

There was no transfer between different levels of the fair value hierarchy during the year ended 31 December 2023 and 31 December 2022.

For all other financial assets and liabilities, the carrying value is an approximation of fair value.

### 14 Transactions with the Trustee and Manager and their connected persons

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for what is disclosed in note 4 to the financial statements and below.

#### Manager

Details of management fees charged by the Manager during the year and outstanding at the reporting date are disclosed in note 4.

#### Trustee fee and transaction fee

Details of trustee fees charged by the Trustee during the year and outstanding at the reporting date are disclosed in note 4.

## 14 Transactions with the Trustee and Manager and their connected persons (continued)

The Trustee receives a transaction fee up to USD25 per subscription, redemption and transfer transaction and a securities transaction fee up to USD25 per transaction. Total transaction fee charged by the Trustee for subscription, redemption and transfer transaction during the year was USD25 (2022: USD25) and total transaction fee charged by the Trustee for securities transaction during the year was USD18,465 (2022: USD12,735).

### Transactions with Custodian (Bank of China (Hong Kong) Limited)

The Sub-Fund's bank balance and investments were held by the Custodian, Bank of China (Hong Kong) Limited ("BOCHK").

At 31 December 2023, bank balance with BOCHK was amounting to USD140,448, the interest revenue on the bank deposits was USD799 and the bank charge was USD542 (2022: BOCHK was USD789,928, the interest revenue on the bank balance was USD198 and the bank charge was USD215).

Details of custodian fee charged by the BOCHK during the year and outstanding at the reporting date are disclosed in note 4.

### Holding in the Sub-Fund

As of 31 December 2023, China Life Insurance (Overseas) Company Limited, a fellow subsidiary of the Manager, holds 1,026,000 Class I (USD) units of the Sub-Fund.

As of 31 December 2023, China Life Franklin Asset Management Company Limited, the Manager of the Sub-Fund, holds nil Class B (USD) units of the Sub-Fund.

The following table summarises the movement of the relevant holding during the year, 2023 and 2022:

### 2023

|   | <i>Units<br/>outstanding at<br/>1 January<br/>2023</i> | <i>Units<br/>subscribed<br/>during the year</i> | <i>Units<br/>redeemed<br/>during the year</i> | <i>Units<br/>outstanding at<br/>31 December<br/>2023</i> |
|---|--|---|---|--|
| Class I (USD)   |  |   |   |  |
| China Life Insurance<br>(Overseas) Company<br>Limited | 1,026,000  | -   | -   | 1,026,000  |
| Class B (USD)   |  |   |   |  |
| China Life Franklin Asset<br>Management               | <u>268,724</u>   | <u>-</u>  | <u>(268,724)</u>                              | <u>-</u>   |

## 14 Transactions with the Trustee and Manager and their connected persons (continued)

2022

|   | <i>Units<br/>outstanding at<br/>1 January<br/>2022</i> | <i>Units<br/>subscribed<br/>during the year</i> | <i>Units<br/>redeemed<br/>during the year</i> | <i>Units<br/>outstanding at<br/>31 December<br/>2022</i> |
|---|--|---|---|--|
| Class I (USD)   |  |   |   |  |
| China Life Insurance<br>(Overseas) Company<br>Limited | 1,026,000  | -   | -   | 1,026,000  |
| Class B (USD)   |  |   |   |  |
| China Life Franklin Asset<br>Management               | <u>600,000</u>   | <u>-</u>  | <u>(331,276)</u>                              | <u>268,724</u>   |

## 15 Soft commission arrangements

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Neither the Manager nor any of its connected persons has entered into any soft commission arrangements with brokers or dealers in respect of the transactions for the account of the Sub-Fund during the year.

## 16 Distribution to unitholders

There was no declared distribution for the year ended 31 December 2023 (2022: Nil).

The Manager has discretion as to whether or not to make any distribution, the frequency of distribution and the amount of distribution. The Manager currently intends not to make any distribution for the Sub-Fund. It is the current intention of the Manager that income earned by the Sub-Fund will be reinvested in the Sub-Fund and reflected in the increased value of units.



## **17 Segment information**

The Manager makes strategic resource allocation on behalf of the Sub-Fund and determines operating segments based on internal reports reviewed which are used to make strategic decisions.

The Manager's asset allocation decisions are based on one single and integrated investment strategy, and the Fund's performance is evaluated on an overall basis. Accordingly, the Manager considers that the Fund has one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the prospectus of the Sub-Fund. There were no changes in the operating segment during the year.

The segment information provided to the Manager is the same as that disclosed in the statement of comprehensive income and statement of financial position.

## **18 Events after the reporting period**

There were no other material events after the reporting date, which necessitate revision of the figures or disclosures included in these financial statements.

## Statement of movements in portfolio holdings for the year ended 31 December 2023 (Unaudited) (Expressed in USD)

|   | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|---|----------------------------------|------------------|------------------|------------------------------------|
|   | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| <i>Australia</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| NATIONAL AUSTRALIA BANK LTD<br>6.429% S/A 12JAN2033 REGS    | -                                | 300,000          | 300,000          | -                                  |
| <i>British Virgin Islands</i>                               |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| CELESTIAL MILES LTD 5.75% S/A<br>PERP                       | 600,000                          | -                | 600,000          | -                                  |
| FRANSHION BRILLIANT LTD 4.875%<br>S/A PERP                  | 400,000                          | 600,000          | 1,000,000        | -                                  |
| HUARONG FINANCE II CO LTD 5.5%<br>S/A 16JAN2025             | 200,000                          | -                | 200,000          | -                                  |
| LINK CB LTD CB 4.5% Q 12DEC2027                             | 2,000,000                        | -                | 2,000,000        | -                                  |
| NEW METRO GLOBAL LTD 4.8% S/A<br>15DEC2024                  | 200,000                          | -                | 200,000          | -                                  |
| WANDA PROPERTIES OVERSEAS LTD<br>6.875% S/A 23JUL2023       | -                                | 200,000          | 200,000          | -                                  |
| <i>Canada</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| TORONTO-DOMINION BANK 5.103%<br>S/A 09JAN2026               | -                                | 200,000          | 200,000          | -                                  |
| <i>Cayman</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| ADIB CAPITAL INVEST 3 LTD 7.25%<br>S/A PERP                 | -                                | 200,000          | 200,000          | -                                  |
| CATHAY PACIFIC FINANCE III LTD CB<br>2.75% S/A 05FEB2026    | 2,000,000                        | -                | -                | 2,000,000                          |
| CHINA OVERSEAS FINANCE CAYMAN<br>VI LTD 5.95% S/A 08MAY2024 | 200,000                          | -                | 200,000          | -                                  |
| CHINA RESOURCES LAND LTD 3.75%<br>S/A PERP                  | 200,000                          | -                | 200,000          | -                                  |
| CIFI HLDGS GROUP CO LTD 6.55% S/A<br>28MAR2024              | -                                | 200,000          | 200,000          | -                                  |
| COUNTRY GARDEN HLDGS CO LTD<br>5.4% S/A 27MAY2025           | -                                | 1,000,000        | 1,000,000        | -                                  |
| COUNTRY GARDEN HLDGS CO LTD<br>8% S/A 27JAN2024             | 200,000                          | 200,000          | 400,000          | -                                  |
| DAR AL-ARKAN SUKUK CO LTD 8% S/A<br>25FEB2029               | -                                | 200,000          | 200,000          | -                                  |
| DP WORLD CRESCENT LTD 5.5% S/A<br>13SEP2033                 | -                                | 280,000          | 280,000          | -                                  |
| FWD LTD 5.5% S/A PERP                                       | 800,000                          | -                | 300,000          | 500,000                            |
| GACI FIRST INVESTMENT CO 4.875%<br>S/A 14FEB2035            | -                                | 200,000          | 200,000          | -                                  |
| GACI FIRST INVESTMENT CO 5.125%<br>S/A 14FEB2053            | -                                | 200,000          | 200,000          | -                                  |
| GREENTOWN CHINA HLDGS LTD<br>5.65% S/A 13JUL2025            | 200,000                          | 200,000          | 400,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|--|----------------------------------|------------------|------------------|------------------------------------|
|  | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| <i>Cayman</i>  |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| HONGKONG LAND FINANCE CAYMAN ISLAND CO LTD 5.25% S/A 14JUL2033 | -                                | 210,000          | 210,000          | -                                  |
| LONGFOR GROUP HLDGS LTD 3.85% S/A 13JAN2032                    | -                                | 200,000          | 200,000          | -                                  |
| LONGFOR PROPERTIES CO LTD 4.5% S/A 16JAN2028                   | -                                | 400,000          | 400,000          | -                                  |
| MAJID AL FUTTAIM HLDG LLC 5% S/A 01JUN2033                     | -                                | 200,000          | 200,000          | -                                  |
| MEITUAN CB 0% S/A 27APR2027                                    | 200,000                          | -                | 200,000          | -                                  |
| MELCO RESORTS FINANCE LTD 5.375% S/A 04DEC2029 REGS            | -                                | 400,000          | 400,000          | -                                  |
| MELCO RESORTS FINANCE LTD 5.75% S/A 21JUL2028 REGS             | -                                | 400,000          | 400,000          | -                                  |
| MGM CHINA HLDGS LTD 5.375% S/A 15MAY2024 REGS                  | -                                | 600,000          | 200,000          | 400,000                            |
| MGM CHINA HLDGS LTD 4.75% S/A 01FEB2027 REGS                   | -                                | 400,000          | 200,000          | 200,000                            |
| MGM CHINA HLDGS LTD 5.875% S/A 15MAY2026 REGS                  | -                                | 200,000          | 200,000          | -                                  |
| SAUDI ELECTRICITY SUKUK PROGRAMME CO 4.632% S/A 11APR2033      | -                                | 200,000          | 200,000          | -                                  |
| SUCI SECOND INVESTMENT CO 6% S/A 25OCT2028 REGS                | -                                | 200,000          | 200,000          | -                                  |
| YANKUANG GROUP CAYMAN LTD 4% S/A 16JUL2023                     | 600,000                          | -                | 600,000          | -                                  |
| <i>China</i>   |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| CENTRAL CHINA REAL ESTATE LTD 7.25% S/A 16JUL2024              | -                                | 200,000          | 200,000          | -                                  |
| CENTRAL CHINA REAL ESTATE LTD 7.9% S/A 07NOV2023               | -                                | 200,000          | 200,000          | -                                  |
| CHINA CINDA ASSET MANAGEMENT CO LTD 4.4% A PERP                | -                                | 200,000          | -                | 200,000                            |
| CHINA MERCHANTS BANK CO LTD/SYDNEY 5.3% A 17FEB2023 FXCD       | 1,000,000                        | -                | 1,000,000        | -                                  |
| COUNTRY GARDEN HLDGS CO LTD 5.125% S/A 17JAN2025               | -                                | 600,000          | 600,000          | -                                  |
| COUNTRY GARDEN HLDGS CO LTD 6.5% S/A 08APR2024                 | -                                | 200,000          | 200,000          | -                                  |
| COUNTRY GARDEN HLDGS CO LTD 7.25% S/A 08APR2026                | -                                | 200,000          | 200,000          | -                                  |
| LENOVO GROUP LTD CB 2.5% S/A 26AUG2029                         | -                                | 400,000          | 400,000          | -                                  |
| LONGFOR GROUP HLDGS LTD 3.95% S/A 16SEP2029                    | -                                | 400,000          | 400,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|--|----------------------------------|------------------|------------------|------------------------------------|
|  | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| <i>Colombia</i>  |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| COLOMBIA GOVERNEMNT INTL BOND<br>8.75% S/A 14NOV2053       | -                                | 200,000          | 200,000          | -                                  |
| <i>Denmark</i>   |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| AP MOLLER-MAERSK A/S 5.875% S/A<br>14SEP2033 REGS          | -                                | 200,000          | 200,000          | -                                  |
| <i>France</i>  |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| BNP PARIBAS SA 8.5% S/A PERP<br>REGS                       | -                                | 450,000          | 250,000          | 200,000                            |
| BNP PARIBAS SA 9.25% S/A PERP<br>REGS                      | -                                | 300,000          | 300,000          | -                                  |
| CREDIT AGRICOLE SA 5.514% S/A<br>05JUL2033 REGS            | -                                | 250,000          | 250,000          | -                                  |
| CREDIT AGRICOLE SA 5.589% S/A<br>05JUL2026 REGS            | -                                | 400,000          | 400,000          | -                                  |
| CREDIT AGRICOLE SA 7.875% Q PERP<br>REGS                   | -                                | 200,000          | -                | 200,000                            |
| ELECTRICITE DE FRANCE SA 9.125%<br>S/A 15DEC2099 REGS      | -                                | 200,000          | 200,000          | -                                  |
| SOCIETE GENERALE SA 10% S/A<br>PERP                        | -                                | 200,000          | 200,000          | -                                  |
| SOCIETE GENERALE SA 7.875% S/A<br>PERP REGS (CALLED)       | -                                | 500,000          | 500,000          | -                                  |
| SOCIETE GENERALE SA 9.375% S/A<br>PERP                     | 200,000                          | -                | 200,000          | -                                  |
| <i>Germany</i>   |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| DEUTSCHE BANK AG 7.5% A PERP                               | -                                | 200,000          | -                | 200,000                            |
| <i>Hong Kong</i>   |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| AIA GROUP LTD 3.2% S/A 16SEP2040<br>REGS                   | -                                | 200,000          | -                | 200,000                            |
| CATHAY PACIFIC MTN FINANCING HK<br>LTD 4.875 S/A 17AUG2026 | 200,000                          | 600,000          | -                | 800,000                            |
| CHALIECO HONG KONG CORP LTD<br>5% S/A PERP                 | 600,000                          | 200,000          | 800,000          | -                                  |
| CHINA CITIC BANK INTL LTD 6% S/A<br>05DEC2023              | -                                | 250,000          | 250,000          | -                                  |
| CK HUTCHISON INTL 23 LTD 4.75% S/A<br>21APR2028 REGS       | -                                | 200,000          | 200,000          | -                                  |
| CK HUTCHISON INTL 23 LTD 4.875%<br>S/A 21APR2033 REGS      | -                                | 200,000          | 200,000          | -                                  |
| DAH SING BANK LTD 7.375% S/A<br>15NOV2033                  | -                                | 250,000          | 250,000          | -                                  |
| FAR EAST HORIZON LTD 3.375% S/A<br>18FEB2025               | -                                | 200,000          | -                | 200,000                            |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|---|----------------------------------|------------------|------------------|------------------------------------|
|   | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| GEMDALE EVER PROSPERITY<br>INVESTMENT LTD 4.95% S/A<br>12AUG2024        | -                                | 500,000          | 500,000          | -                                  |
| HONG KONG GOVERNMENT INTL<br>BOND 4.5% S/A 11JAN2028                    | -                                | 200,000          | 200,000          | -                                  |
| HONG KONG GOVERNMENT INTL<br>BOND 4.625% S/A 11JAN2033 REGS             | -                                | 200,000          | 200,000          | -                                  |
| HUARONG FINANCE 2017 CO LTD 3M<br>L+1.325% Q 03JUL2023                  | -                                | 800,000          | 800,000          | -                                  |
| HUARONG FINANCE 2019 CO LTD<br>2.125% S/A 30SEP2023                     | -                                | 700,000          | 700,000          | -                                  |
| HUARONG FINANCE 2019 CO LTD<br>3.875% S/A 13NOV2029                     | -                                | 200,000          | 200,000          | -                                  |
| HUARONG FINANCE II CO LTD 5% S/A<br>19NOV2025                           | -                                | 200,000          | 200,000          | -                                  |
| KINGSOFT CORP LTD CB 0.625% S/A<br>29APR2025                            | -                                | 4,000,000        | 4,000,000        | -                                  |
| SHUI ON DEVELOPMENT HLDG LTD<br>6.15% S/A 24AUG2024                     | -                                | 200,000          | 200,000          | -                                  |
| SMART INSIGHT INTL LTD CB 4.95%<br>S/A 28JUL2026                        | -                                | 2,000,000        | 2,000,000        | -                                  |
| VANKE REAL ESTATE HONG KONG<br>CO LTD 3.5% S/A 12NOV2029                | -                                | 200,000          | 200,000          | -                                  |
| VANKE REAL ESTATE HONG KONG<br>CO LTD 3.975% S/A 09NOV2027              | 400,000                          | 200,000          | 600,000          | -                                  |
| XIAOMI BEST TIME INTL LTD CB 0% A<br>17DEC2027                          | 200,000                          | -                | 200,000          | -                                  |
| YANCOAL INTL RESOURCES<br>DEVELOPMENT CO LTD 3.5% S/A<br>04NOV2023      | -                                | 800,000          | 800,000          | -                                  |
| <i>India</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| ADANI PORTS & SPECIAL ECONOMIC<br>ZONE LTD 4.375% S/A 03JUL2029<br>REGS | -                                | 200,000          | -                | 200,000                            |
| JSW STEEL LTD 3.95% S/A 05APR2027<br>REGS                               | -                                | 200,000          | -                | 200,000                            |
| JSW STEEL LTD 5.95% S/A 18APR2024                                       | 200,000                          | 200,000          | -                | 400,000                            |
| SHRIRAM TRANSPORT FINANCE CO<br>LTD 4.4% S/A 13MAR2024 REGS             | -                                | 200,000          | -                | 200,000                            |
| <i>Indonesia</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| ADARO INDONESIA 4.25% S/A<br>31OCT2024 REGS                             | 250,000                          | 500,000          | -                | 750,000                            |
| BANK MANDIRI PERSERO TBK PT<br>5.5% S/A 04APR2026                       | -                                | 200,000          | 200,000          | -                                  |
| INDONESIA GOVERNMENT INTL BOND<br>3.5% S/A 11JAN2028                    | -                                | 200,000          | 200,000          | -                                  |
| PERTAMINA GEOTHERMAL ENERGY<br>PT 5.15% S/A 27APR2028 REGS              | -                                | 200,000          | 200,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|---|----------------------------------|------------------|------------------|------------------------------------|
|   | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| <i>Ireland</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| SMBC AVIATION CAPITAL FINANCE<br>DAC 5.45% S/A 03MAY2028 REGS           | -                                | 200,000          | 200,000          | -                                  |
| SMBC AVIATION CAPITAL FINANCE<br>DAC 5.7% S/A 25JUL2033 REGS            | -                                | 200,000          | 200,000          | -                                  |
| <i>Japan</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| AOZORA BANK LTD 5.9% S/A<br>08SEP2026                                   | -                                | 220,000          | 220,000          | -                                  |
| ASAHI MUTUAL LIFE INSURANCE CO<br>6.9% S/A PERP                         | -                                | 200,000          | 200,000          | -                                  |
| FUKOKU MUTUAL LIFE INSURANCE<br>CO 6.8% S/A PERP                        | -                                | 200,000          | 200,000          | -                                  |
| MITSUBISHI CORP 5% S/A 05JUL2028<br>REGS                                | -                                | 200,000          | 200,000          | -                                  |
| MITSUBISHI UFJ FINANCIAL GROUP<br>INC 5.719% S/A 20FEB2026              | -                                | 200,000          | 200,000          | -                                  |
| NIPPON LIFE INSURANCE CO 6.25%<br>S/A 13SEP2053 REGS                    | -                                | 200,000          | 200,000          | -                                  |
| RAKUTEN GROUP INC 10.25% S/A<br>30NOV2024                               | -                                | 200,000          | 200,000          | -                                  |
| SUMITOMO MITSUI FINANCE &<br>LEASING CO LTD 5.353% S/A<br>25APR2028     | -                                | 200,000          | 200,000          | -                                  |
| SUMITOMO MITSUI FINANCIAL GROUP<br>INC 5.52% S/A 13JAN2028              | -                                | 200,000          | 200,000          | -                                  |
| SUMITOMO MITSUI FINANCIAL GROUP<br>INC 5.766% S/A 13JAN33               | -                                | 200,000          | 200,000          | -                                  |
| <i>Luxembourg</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| CITIGROUP GLOBAL MARKETS<br>FUNDING LUXEMBOURG SCA CB 0%<br>A 25JUL2024 | 2,000,000                        | -                | 2,000,000        | -                                  |
| CITIGROUP GLOBAL MARKETS<br>FUNDING LUXEMBOURG SCA CB 0%<br>A 28MAY2024 | 2,000,000                        | -                | 2,000,000        | -                                  |
| <i>Malaysia</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| KHAZANAH CAPITAL LTD 4.876% S/A<br>1JUN2033                             | -                                | 200,000          | -                | 200,000                            |
| <i>Mauritius</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| GREENKO INVESTMENT CO 4.875%<br>S/A 16AUG2023 REGS                      | 400,000                          | 400,000          | 800,000          | -                                  |
| GREENKO MAURITIUS LTD 6.25% S/A<br>21FEB2023 REGS                       | 200,000                          | -                | 200,000          | -                                  |
| GREENKO SOLAR MAURITIUS LTD<br>5.55% S/A 29JAN2025 REGS                 | -                                | 200,000          | -                | 200,000                            |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|---|----------------------------------|------------------|------------------|------------------------------------|
|   | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| GREENKO SOLAR MAURITIUS LTD<br>5.95% S/A 29JUL2026 REGS               | -                                | 200,000          | -                | 200,000                            |
| GREENKO WIND PROJECTS<br>MAURITIUS LTD 5.5% S/A 06APR2025<br>REGS     | -                                | 200,000          | 200,000          | -                                  |
| NETWORK I2I LTD 5.65% S/A PERP<br>REGS                                | 400,000                          | -                | -                | 400,000                            |
| <i>Mongolia</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| MONGOLIA GOVERNMENT INTL BOND<br>8.65% S/A 19JAN2028 REGS             | -                                | 200,000          | 200,000          | -                                  |
| <i>Netherlands</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| ING GROEP NV 7.5% S/A PERP  | -                                | 200,000          | 200,000          | -                                  |
| <i>Pakistan</i>   |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| PAKISTAN GOVERNMENT INTL BOND 6%<br>S/A 08APR2026 REGS                | -                                | 400,000          | 400,000          | -                                  |
| <i>Singapore</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| ABJA INVESTMENT CO PTE LTD 5.95% S/A<br>31JUL2024                     | 200,000                          | 200,000          | -                | 400,000                            |
| BAYFRONT INFRASTRUCTURE<br>MANAGEMENT PTE LTD 4.257% S/A<br>16MAY2026 | -                                | 200,000          | 200,000          | -                                  |
| BOC AVIATION LTD 4.5% S/A 23MAY2028                                   | -                                | 200,000          | 200,000          | -                                  |
| INDIKA ENERGY CAPITAL IV PTE LTD<br>8.25% S/A 22OCT2025 REGS          | -                                | 450,000          | 250,000          | 200,000                            |
| MEDCO OAK TREE PTE LTD 7.375% S/A<br>14MAY2026 REGS                   | 200,000                          | -                | -                | 200,000                            |
| SINGAPORE AIRLINES LTD 3% S/A<br>20JUL2026                            | 400,000                          | 200,000          | -                | 600,000                            |
| THETA CAPITAL PTE LTD 6.75% S/A<br>31OCT2026                          | -                                | 200,000          | 200,000          | -                                  |
| UNITED OVERSEAS BANK LTD 3.875% S/A<br>PERP (CALLED)                  | -                                | 200,000          | 200,000          | -                                  |
| <i>South Korea</i>  |                                  |                  |                  |                                    |
| Denominated in US\$   |                                  |                  |                  |                                    |
| DOOSAN ENERBILITY CO LTD 5.5% S/A<br>17JUN2026                        | -                                | 200,000          | 200,000          | -                                  |
| KODIT GLOBAL 2023-1 LTD 4.954% S/A<br>25MAY2026                       | -                                | 200,000          | 200,000          | -                                  |
| KOREA DEVELOPMENT BANK 4.375% S/A<br>15FEB2028                        | -                                | 200,000          | 200,000          | -                                  |
| KOREA ELECTRIC POWER CORP 3.75% S/A<br>31JUL2026 REGS                 | -                                | 200,000          | 200,000          | -                                  |
| KOREA HOUSING FINANCE CORP 4.625%<br>S/A 24FEB2033 REGS               | -                                | 200,000          | 200,000          | -                                  |
| KOREA INVESTMENT & SECURITITES<br>CO LTD 6.875% S/A 06NOV2026         | -                                | 200,000          | 200,000          | -                                  |
| KOREA LAND & HOUSING CORP 5.75%<br>S/A 06OCT2025                      | -                                | 200,000          | 200,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | Movement                |           |           | At<br>31 December<br>2023 |
|--|-------------------------|-----------|-----------|---------------------------|
|  | At<br>1 January<br>2023 | Additions | Disposals |                           |
| KOREA NATIONAL OIL CORP 4.75%<br>S/A 03APR2026 REGS            | -                       | 200,000   | 200,000   | -                         |
| KOREA OCEAN BUSINESS CORP 4.5%<br>S/A 3MAY2028                 | -                       | 200,000   | 200,000   | -                         |
| LG CHEM LTD CB 1.25% S/A<br>18JUL2028                          | -                       | 400,000   | 400,000   | -                         |
| LG CHEM LTD CB 1.6% S/A 18JUL2030                              | -                       | 200,000   | 200,000   | -                         |
| MIRAE ASSET SECURITIES CO LTD<br>6.875% S/A 26JUL2026          | -                       | 200,000   | 200,000   | -                         |
| POSCO 5.75% S/A 17JAN2028 REGS                                 | -                       | 200,000   | 200,000   | -                         |
| POSCO 5.875% S/A 17JAN2033 REGS                                | -                       | 200,000   | 200,000   | -                         |
| SK BROADBAND CO LTD 4.875% S/A<br>28JUN2028                    | -                       | 200,000   | 200,000   | -                         |
| SK HYNIX INC 6.25% S/A 17JAN2026<br>REGS                       | -                       | 200,000   | 200,000   | -                         |
| SK HYNIX INC 6.5% S/A 17JAN2033<br>REGS                        | -                       | 200,000   | 200,000   | -                         |
| SK HYNIX INC CB 1.75% Q 11APR2030                              | -                       | 200,000   | 200,000   | -                         |
| SK ON CO LTD 5.375% S/A 11MAY2026                              | -                       | 200,000   | 200,000   | -                         |
| <i>Switzerland</i>   |                         |           |           |                           |
| Denominated in US\$  |                         |           |           |                           |
| UBS GROUP FUNDING SWITZERLAND<br>AG 7% S/A PERP                | -                       | 200,000   | 200,000   | -                         |
| UBS GROUP FUNDING SWITZERLAND<br>AG 9.5% S/A PERP              | -                       | 200,000   | 200,000   | -                         |
| <i>Taiwan</i>  |                         |           |           |                           |
| Denominated in US\$  |                         |           |           |                           |
| GIGABYTE TECH CB 0% A 27JUL2028                                | -                       | 200,000   | 200,000   | -                         |
| <i>United Arab Emirates</i>                                    |                         |           |           |                           |
| Denominated in US\$  |                         |           |           |                           |
| ABU DHABI NATIONAL ENERGY CO<br>PJSC 4.375% S/A 24JAN2029 REGS | -                       | 200,000   | -         | 200,000                   |
| FIRST ABU DHABI BANK PJSC 6.32%<br>S/A 4APR2034                | -                       | 240,000   | 240,000   | -                         |
| MDGH GMTN RSC LTD 4.375% S/A<br>22NOV2033                      | -                       | 200,000   | 200,000   | -                         |
| <i>United Kingdom</i>  |                         |           |           |                           |
| Denominated in US\$  |                         |           |           |                           |
| BARCLAYS PLC 7.75% Q PERP                                      | 300,000                 | -         | 300,000   | -                         |
| HSBC HLDGS PLC 5.887% S/A<br>14AUG2027                         | 300,000                 | -         | 300,000   | -                         |
| HSBC HLGS PLC 8% S/A PERP                                      | -                       | 200,000   | 200,000   | -                         |
| LLOYDS BANKING GROUP PLC 8% Q<br>PERP                          | -                       | 400,000   | 400,000   | -                         |
| STANDARD CHARTERED PLC 6.296%<br>S/A 06JUL2034 REGS            | -                       | 200,000   | 200,000   | -                         |
| STANDARD CHARTERED PLC S+1.93%<br>Q 06JUL2027 REGS             | -                       | 200,000   | 200,000   | -                         |
| STATE BANK OF INDIA/LONDON<br>4.875% S/A 5MAY2028              | -                       | 200,000   | 200,000   | -                         |



Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|--|----------------------------------|------------------|------------------|------------------------------------|
|  | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| VEDANTA RESOURCES FINANCE II<br>PLC 13.875% S/A 21JAN2027 REGS               | -                                | 400,000          | 400,000          | -                                  |
| VEDANTA RESOURCES FINANCE II<br>PLC 13.875% S/A 9DEC2028 REGS                | -                                | 200,000          | 200,000          | -                                  |
| <i>United States</i>   |                                  |                  |                  |                                    |
| Denominated in US\$  |                                  |                  |                  |                                    |
| BANK OF AMERICA CORP 5.872% S/A<br>15SEP2034                                 | -                                | 200,000          | 200,000          | -                                  |
| BOC AVIATION USA CORP 4.875% S/A<br>03MAY2033 REGS                           | -                                | 200,000          | 200,000          | -                                  |
| CITIGROUP GLOBAL MARKETS HLDGS<br>INC/USA CB 0% A 26FEB2026                  | -                                | 6,000,000        | 4,000,000        | 2,000,000                          |
| FORD MOTOR CO 6.95% S/A<br>06MAR2026   | -                                | 800,000          | 800,000          | -                                  |
| GENERAL MOTORS FINANCIAL CO<br>INC 6.1% S/A 07JAN2034                        | -                                | 200,000          | 200,000          | -                                  |
| HYUNDAI CAPITAL AMERICA 5.68%<br>S/A 26JUN2028 REGS                          | -                                | 100,000          | 100,000          | -                                  |
| JPMORGAN CHASE & CO 6.07% S/A<br>22OCT2027                                   | -                                | 120,000          | 120,000          | -                                  |
| KUBOTA CREDIT CORP USA 4.958%<br>S/A 31MAY2026                               | -                                | 200,000          | 200,000          | -                                  |
| MITSUBISHI HC FINANCE AMERICA<br>LLC 5.807% S/A 12SEP2028                    | -                                | 200,000          | 200,000          | -                                  |
| ORACLE CORP 4.9% S/A 6FEB2033  | -                                | 60,000           | 60,000           | -                                  |
| RESORTS WORLD LAS VEGAS<br>LLC/RWLV CAPITAL INC 4.625% S/A<br>06APR2031 REGS | -                                | 200,000          | 200,000          | -                                  |
| RESORTS WORLD LAS VEGAS<br>LLC/RWLV CAPITAL INC 4.625% S/A<br>16APR2029 REGS | -                                | 200,000          | 200,000          | -                                  |
| RESORTS WORLD LAS VEGAS<br>LLC/RWLV CAPITAL INC 8.45% S/A<br>27JUL203 REGS   | -                                | 200,000          | -                | 200,000                            |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 01AUG2023                     | -                                | 500,000          | 500,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 03OCT2023                     | -                                | 250,000          | 250,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 05DEC2023                     | -                                | 200,000          | 200,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 07MAR2023                     | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 07NOV2023                     | -                                | 100,000          | 100,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 10OCT2023                     | -                                | 500,000          | 500,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 11JUL2023                     | -                                | 600,000          | 600,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 12OCT2023                     | -                                | 500,000          | 500,000          | -                                  |
| UNITED STATES OF AMERICA<br>TREASURY BILL 0% A 12SEP2023                     | -                                | 600,000          | 600,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|                              | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|------------------------------|----------------------------------|------------------|------------------|------------------------------------|
|                              | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 13JUL2023 | -                                | 200,000          | 200,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 14MAR2023 | -                                | 150,000          | 150,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 14SEP2023 | -                                | 500,000          | 500,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 15AUG2023 | -                                | 200,000          | 200,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 17AUG2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 18APR2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 18JUL2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 18MAY2023 | -                                | 100,000          | 100,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 21MAR2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 21SEP2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 22AUG2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 23JUL2023 | -                                | 100,000          | 100,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 24AUG2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 26OCT2023 | -                                | 200,000          | 200,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 26SEP2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 28MAR2023 | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 28SEP2023 | -                                | 600,000          | 600,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 29AUG2023 | -                                | 200,000          | 200,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 2NOV2023  | -                                | 100,000          | 100,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 31AUG2023 | -                                | 600,000          | 600,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 5JUL2023  | -                                | 100,000          | 100,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 5SEP2023  | -                                | 500,000          | 500,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 7SEP2023  | -                                | 300,000          | 300,000          | -                                  |
| UNITED STATES OF AMERICA     |                                  |                  |                  |                                    |
| TREASURY BILL 0% A 8AUG2023  | -                                | 250,000          | 250,000          | -                                  |
| US TREASURY N/B 3.375% S/A   |                                  |                  |                  |                                    |
| 15MAY2033                    | -                                | 800,000          | 800,000          | -                                  |
| US TREASURY N/B 3.5% S/A     |                                  |                  |                  |                                    |
| 15FEB2033                    | -                                | 450,000          | 450,000          | -                                  |
| US TREASURY N/B 3.625% S/A   |                                  |                  |                  |                                    |
| 15FEB2053                    | -                                | 550,000          | 550,000          | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|--|----------------------------------|------------------|------------------|------------------------------------|
|  | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| US TREASURY N/B 3.625% S/A<br>15MAY2053            | -                                | 150,000          | 150,000          | -                                  |
| US TREASURY N/B 3.625% S/A<br>31MAR2030            | -                                | 100,000          | 100,000          | -                                  |
| US TREASURY N/B 3.875% S/A<br>15AUG2033            | -                                | 3,465,000        | 3,465,000        | -                                  |
| US TREASURY N/B 3.875% S/A<br>15FEB2043            | -                                | 525,000          | 525,000          | -                                  |
| US TREASURY N/B 3.875% S/A<br>15MAY2043            | -                                | 1,100,000        | 1,100,000        | -                                  |
| US TREASURY N/B 4% S/A 29FEB2028                   | -                                | 300,000          | 300,000          | -                                  |
| US TREASURY N/B 4.125% S/A<br>15AUG2053            | -                                | 2,865,000        | 2,865,000        | -                                  |
| US TREASURY N/B 4.125% S/A<br>15NOV2032            | 300,000                          | -                | 300,000          | -                                  |
| US TREASURY N/B 4.375% S/A<br>15AUG2043            | -                                | 600,000          | 600,000          | -                                  |
| US TREASURY N/B 4.375% S/A<br>30NOV2030            | -                                | 100,000          | 100,000          | -                                  |
| US TREASURY N/B 4.5% S/A<br>15NOV2033              | -                                | 500,000          | 500,000          | -                                  |
| US TREASURY N/B 4.625% S/A<br>15OCT2026            | -                                | 150,000          | 150,000          | -                                  |
| US TREASURY N/B 4.625% S/A<br>30SEP2028            | -                                | 500,000          | 500,000          | -                                  |
| US TREASURY N/B 4.75% S/A<br>15NOV2043             | -                                | 725,000          | 475,000          | 250,000                            |
| US TREASURY N/B 4.875% S/A<br>31OCT2028            | -                                | 100,000          | 100,000          | -                                  |
| US TREASURY N/B 5% S/A 30SEP2025                   | -                                | 300,000          | 300,000          | -                                  |
| US TREASURY N/B 5% S/A 31AUG2025                   | -                                | 100,000          | 100,000          | -                                  |
| <i>VIRGIN ISL, BT</i>                              |                                  |                  |                  |                                    |
| Denominated in US\$                                |                                  |                  |                  |                                    |
| FRANSHION BRILLIANT LTD 4.25% S/A<br>23JUL2029     | -                                | 400,000          | 200,000          | 200,000                            |
| HUARONG FINANCE 2019 CO LTD<br>3.25% S/A 13NOV2024 | -                                | 200,000          | -                | 200,000                            |
| HUARONG FINANCE 2019 CO LTD<br>3.75% S/A 29MAY2024 | -                                | 600,000          | 200,000          | 400,000                            |
| <i>Other Countries</i>                             |                                  |                  |                  |                                    |
| Denominated in US\$                                |                                  |                  |                  |                                    |
| ANLLIAN CAPITAL LTD CB 0% S/A<br>5FEB2025          | 200,000                          | 1,200,000        | 1,400,000        | -                                  |
| <b>Futures</b>                                     |                                  |                  |                  |                                    |
| <i>Hong Kong</i>                                   |                                  |                  |                  |                                    |
| Denominated in US\$                                |                                  |                  |                  |                                    |
| USD/CNH FUTURE DEC2023                             | -                                | 14               | 14               | -                                  |
| USD/CNH FUTURE JUL2023                             | -                                | 6                | 6                | -                                  |
| USD/CNH FUTURE JUN2023                             | -                                | 3                | 3                | -                                  |
| USD/CNH FUTURE SEP2023                             | -                                | 61               | 61               | -                                  |

Statement of movements in portfolio holdings  
for the year ended 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | <i>Movement</i>                              |                  |                  | <i>At</i>                         |
|---|--|------------------|------------------|-----------------------------------|
|   | <i>At</i><br><i>1 January</i><br><i>2023</i> | <i>Additions</i> | <i>Disposals</i> | <i>31 December</i><br><i>2023</i> |
| <i>United States</i>  |  |                  |                  |                                   |
| Denominated in US\$   |  |                  |                  |                                   |
| 10-YEAR US TREASURY NOTE<br>FUTURE (CBT) DEC2023                | -  | 49               | 49               | -                                 |
| 10-YEAR US TREASURY NOTE<br>FUTURE (CBT) JUN2023                | -  | 16               | 16               | -                                 |
| 10-YEAR US TREASURY NOTE<br>FUTURE (CBT) MAR2023                | -  | 9                | 9                | -                                 |
| 10-YEAR US TREASURY NOTE<br>FUTURE (CBT) MAR2024                | -  | 8                | 8                | -                                 |
| 10-YEAR US TREASURY NOTE<br>FUTURE (CBT) SEP2023                | -  | 46               | 46               | -                                 |
| 2-YEAR US TREASURY NOTE FUTURE<br>(CBT) DEC2023                 | -  | 10               | 10               | -                                 |
| 2-YEAR US TREASURY NOTE FUTURE<br>(CBT) JUN2023                 | -  | 90               | 90               | -                                 |
| 2-YEAR US TREASURY NOTE FUTURE<br>(CBT) MAR2023                 | -  | 20               | 20               | -                                 |
| 2-YEAR US TREASURY NOTE FUTURE<br>(CBT) MAR2024                 | -  | -                | 6                | (6)                               |
| 2-YEAR US TREASURY NOTE FUTURE<br>(CBT) SEP2023                 | -  | 39               | 39               | -                                 |
| 5-YEAR US TREASURY NOTE FUTURE<br>(CBT) DEC2023                 | -  | 38               | 38               | -                                 |
| 5-YEAR US TREASURY NOTE FUTURE<br>(CBT) JUN2023                 | -  | 18               | 18               | -                                 |
| 5-YEAR US TREASURY NOTE FUTURE<br>(CBT) MAR2024                 | -  | 12               | 12               | -                                 |
| 5-YEAR US TREASURY NOTE FUTURE<br>(CBT) SEP2023                 | -  | 94               | 94               | -                                 |
| CME ULTRA LONG TERM US<br>TREASURY BOND FUTURE (CBT)<br>DEC2023 | -  | 14               | 14               | -                                 |
| CME ULTRA LONG TERM US<br>TREASURY BOND FUTURE (CBT)<br>MAR2023 | -  | 4                | 4                | -                                 |
| <b>Unlisted/Quoted Debt Securities</b>                          |  |                  |                  |                                   |
| <i>Cayman</i>   |  |                  |                  |                                   |
| Denominated in US\$   |  |                  |                  |                                   |
| PINDUODUO INC CB 0% A 01DEC2025                                 | 200,000                                      | -                | 200,000          | -                                 |
| <i>United States</i>  |  |                  |                  |                                   |
| Denominated in US\$   |  |                  |                  |                                   |
| US TREASURY N/B 4% S/A<br>15NOV2042                             | 600,000                                      | 175,000          | 775,000          | -                                 |
| US TREASURY N/B 4% S/A<br>15NOV2052                             | 650,000                                      | 350,000          | 1,000,000        | -                                 |

Statement of movements in portfolio holdings  
 for the year ended 31 December 2023 (Unaudited)  
 (continued)  
 (Expressed in USD)

|  | <i>Movement</i>                  |                  |                  | <i>At<br/>31 December<br/>2023</i> |
|--|----------------------------------|------------------|------------------|------------------------------------|
|  | <i>At<br/>1 January<br/>2023</i> | <i>Additions</i> | <i>Disposals</i> |                                    |
| <i>Virgin Islands (British)</i>                          |                                  |                  |                  |                                    |
| Denominated in US\$                                      |                                  |                  |                  |                                    |
| CHINA CINDA 2020 I MANAGEMENT<br>LTD 5.75% S/A 07FEB2027 | -                                | 200,000          | 200,000          | -                                  |
| STUDIO CITY FINANCE LTD 5% S/A<br>15JAN2029 REGS         | -                                | 400,000          | 200,000          | 200,000                            |
| STUDIO CITY FINANCE LTD 6.5% S/A<br>15JAN2028 REGS       | -                                | 400,000          | 400,000          | -                                  |
| WANDA PROPERTIES GLOBAL CO<br>LTD 11% S/A 20JAN2025      | -                                | 200,000          | 200,000          | -                                  |

## Investment portfolio as at 31 December 2023 (Unaudited) (Expressed in USD)

| SECURITIES NAME  | Number of<br>shares/Nominals | Fair Value as of<br>31 December<br>2023<br>USD | % of Net Asset<br>Value<br>% |
|--|------------------------------|--|------------------------------|
| <b>Listed/Quoted Debt Securities</b>                                 |                              |  |                              |
| <b>CAYMAN ISLANDS</b>  |                              |  |                              |
| CATHAY PACIFIC FINANCE III LTD CB 2.75% S/A<br>05FEB2026             | 2,000,000                    | 268,309  | 2.72%                        |
| FWD LTD 5.5% S/A PERP  | 500,000                      | 439,045  | 4.45%                        |
| MGM CHINA HLDGS LTD 4.75% S/A 01FEB2027<br>REGS                      | 200,000                      | 190,652  | 1.93%                        |
|  |                              | 898,006  | 9.10%                        |
| <b>CHINA</b>   |                              |  |                              |
| CHINA CINDA ASSET MANAGEMENT CO LTD<br>4.4% A PERP                   | 200,000                      | 189,870  | 1.93%                        |
|  |                              | 189,870  | 1.93%                        |
| <b>FRANCE</b>  |                              |  |                              |
| SOCIETE GENERALE SA 9.375% S/A PERP                                  | 200,000                      | 209,990  | 2.13%                        |
| CREDIT AGRICOLE SA 7.875% Q PERP REGS                                | 200,000                      | 200,178  | 2.03%                        |
|  |                              | 410,168  | 4.16%                        |
| <b>GERMANY</b>   |                              |  |                              |
| DEUTSCHE BANK AG 7.5% A PERP   | 200,000                      | 194,964  | 1.98%                        |
|  |                              | 194,964  | 1.98%                        |
| <b>HONG KONG</b>   |                              |  |                              |
| AIA GROUP LTD 3.2% S/A 16SEP2040 REGS                                | 200,000                      | 201,174  | 2.04%                        |
| CATHAY PACIFIC MTN FINANCING HK LTD 4.875<br>S/A 17AUG2026           | 800,000                      | 781,528  | 7.93%                        |
| FAR EAST HORIZON LTD 3.375% S/A 18FEB2025                            | 200,000                      | 190,534  | 1.93%                        |
|  |                              | 1,173,236                                      | 11.90%                       |
| <b>INDIA</b>   |                              |  |                              |
| ADANI PORTS & SPECIAL ECONOMIC ZONE LTD<br>4.375% S/A 03JUL2029 REGS | 200,000                      | 172,822  | 1.75%                        |
| JSW STEEL LTD 5.95% S/A 18APR2024                                    | 400,000                      | 398,804  | 4.04%                        |
| JSW STEEL LTD 3.95% S/A 05APR2027 REGS                               | 200,000                      | 185,470  | 1.88%                        |
| SHRIRAM TRANSPORT FINANCE CO LTD 4.4%<br>S/A 13MAR2024 REGS          | 200,000                      | 198,742  | 2.02%                        |
|  |                              | 955,838  | 9.69%                        |

Investment portfolio as at 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|  | Number of<br>shares/Nominals | Fair Value as of<br>31 December<br>2023<br>USD | % of Net Asset<br>Value<br>% |
|--|------------------------------|--|------------------------------|
| <b>INDONESIA</b>   |                              |  |                              |
| ADARO INDONESIA 4.25% S/A 31OCT2024 REGS                       | 750,000                      | 733,058  | 7.43%                        |
|  |                              | <u>733,058</u>                                 | <u>7.43%</u>                 |
| <b>MALAYSIA</b>  |                              |  |                              |
| KHAZANAH CAPITAL LTD 4.876% S/A 1JUN2033                       | 200,000                      | 201,064  | 2.04%                        |
|  |                              | <u>201,064</u>                                 | <u>2.04%</u>                 |
| <b>MAURITUS</b>  |                              |  |                              |
| NETWORK I2I LTD 5.65% S/A PERP REGS                            | 400,000                      | 394,916  | 4.00%                        |
| GREENKO SOLAR MAURITIUS LTD 5.55% S/A<br>29JAN2025 REGS        | 200,000                      | 196,722  | 2.00%                        |
| GREENKO SOLAR MAURITIUS LTD 5.95% S/A<br>29JUL2026 REGS        | 200,000                      | 194,524  | 1.97%                        |
|  |                              | <u>786,162</u>                                 | <u>7.97%</u>                 |
| <b>SINGAPORE</b>   |                              |  |                              |
| ABJA INVESTMENT CO PTE LTD 5.95% S/A<br>31JUL2024              | 400,000                      | 399,036  | 4.05%                        |
| INDIKA ENERGY CAPITAL IV PTE LTD 8.25% S/A<br>22OCT2025 REGS   | 200,000                      | 201,050  | 2.04%                        |
| MEDCO OAK TREE PTE LTD 7.375% S/A<br>14MAY2026 REGS            | 200,000                      | 199,370  | 2.02%                        |
| SINGAPORE AIRLINES LTD 3% S/A 20JUL2026                        | 600,000                      | 571,872  | 5.80%                        |
|  |                              | <u>1,371,328</u>                               | <u>13.91%</u>                |
| <b>SWITZERLAND</b>   |                              |  |                              |
| UBS GROUP FUNDING SWITZERLAND AG 7% S/A<br>PERP                | 200,000                      | 200,072  | 2.03%                        |
| UBS GROUP FUNDING SWITZERLAND AG 9.5%<br>S/A PERP              | 200,000                      | 215,712  | 2.19%                        |
|  |                              | <u>415,784</u>                                 | <u>4.22%</u>                 |
| <b>UNITED ARAB EMIRATES</b>                                    |                              |  |                              |
| ABU DHABI NATIONAL ENERGY CO PJSC 4.375%<br>S/A 24JAN2029 REGS | 200,000                      | 199,104  | 2.02%                        |
|  |                              | <u>199,104</u>                                 | <u>2.02%</u>                 |

Investment portfolio as at 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | Number of<br>shares/Nominals | Fair Value as of<br>31 December<br>2023<br>USD | % of Net Asset<br>Value<br>% |
|---|------------------------------|--|------------------------------|
| <b>UNITED STATES</b>  |                              |  |                              |
| CITIGROUP GLOBAL MARKETS HLDGS<br>INC/USA CB 0% A 26FEB2026             | 2,000,000                    | 237,431  | 2.41%                        |
| RESORTS WORLD LAS VEGAS LLC/RWLV<br>CAPITAL INC 8.45% S/A 27JUL203 REGS | 200,000                      | 205,442  | 2.08%                        |
| US TREASURY N/B 4.75% S/A 15NOV2043                                     | 250,000                      | 268,633  | 2.72%                        |
|   |                              | <u>711,506</u>                                 | <u>7.21%</u>                 |
| <b>VIRGIN ISL, BT</b>   |                              |  |                              |
| FRANSHION BRILLIANT LTD 4.25% S/A<br>23JUL2029                          | 200,000                      | 131,430  | 1.33%                        |
| HUARONG FINANCE 2019 CO LTD 3.75% S/A<br>29MAY2024                      | 400,000                      | 395,080  | 4.01%                        |
| HUARONG FINANCE 2019 CO LTD 3.25% S/A<br>13NOV2024                      | 200,000                      | 193,894  | 1.97%                        |
|   |                              | <u>720,404</u>                                 | <u>7.31%</u>                 |
| <b>Unlisted/Quoted Debt Securities</b>                                  |                              |  |                              |
| <b>CAYMAN ISLANDS</b>   |                              |  |                              |
| MGM CHINA HLDGS LTD 5.375% S/A<br>15MAY2024 REGS                        | 400,000                      | 398,896  | 4.04%                        |
|   |                              | <u>398,896</u>                                 | <u>4.04%</u>                 |
| <b>VIRGIN ISL, BT</b>   |                              |  |                              |
| STUDIO CITY FINANCE LTD 5% S/A 15JAN2029<br>REGS                        | 200,000                      | 168,270  | 1.71%                        |
|   |                              | <u>168,270</u>                                 | <u>1.71%</u>                 |



Investment portfolio as at 31 December 2023 (Unaudited)  
(continued)  
(Expressed in USD)

|   | Number of<br>shares/Nominals | Fair Value as of<br>31 December<br>2023<br>USD | % of Net Asset<br>Value<br>% |
|---|------------------------------|--|------------------------------|
| <b>Future</b>   |                              |  |                              |
| <b>UNITED STATES</b>  |                              |  |                              |
| 2-YEAR US TREASURY NOTE FUTURE (CBT)<br>MAR2024   | (6)                          | (2,446)  | -0.02%                       |
|   |                              | <u>(2,446)</u>                                 | <u>-0.02%</u>                |
| <b>Total financial assets and liabilities at fair value<br/>through profit and loss</b> |                              | 9,525,212                                      | 96.60%                       |
| <b>Other net assets</b>   |                              | <u>335,240</u>                                 | <u>3.40%</u>                 |
| <b>Net assets as at 31 December 2022</b>  |                              | <u>9,860,452</u>                               | <u>100%</u>                  |
| <b>Total cost of investments</b>  |                              | <u>9,522,681</u>                               |                              |

The details of future contracts held by the Sub-Fund as at 31 December 2023 are as follows:

| <i>Underlying</i>                                     | <i>Number of<br/>contracts</i> | <i>Contract<br/>price</i> | <i>Multiplier</i> | <i>Counterparty</i> | <i>Maturity</i> | <i>Fair value<br/>(liabilities)<br/>USD</i> |
|---|--------------------------------|---------------------------|-------------------|---------------------|-----------------|---|
| 2-YEAR US<br>TREASURY NOTE<br>FUTURE (CBT)<br>MAR2024 | (6)                            | 102.75                    | 2,000             | Morgan<br>Stanley   | March 2024      | (2,446)                                     |

## Financial derivative instruments for the year ended 31 December 2023 (Unaudited)

The lowest, highest and average exposure arising from the net and gross of financial derivative instruments during the year ended 31 December 2023.

### Gross derivative exposure

|         | <i>% of net assets<br/>for the year<br/>ended 31<br/>December 2023</i> | <i>% of net assets<br/>for the year<br/>ended 31<br/>December 2022</i> |
|---------|--|--|
| Lowest  | 0.00%  | 0.00%  |
| Highest | 51.25%   | 46.93%   |
| Average | 8.20%  | 10.06%   |

### Net derivative exposure

|         | <i>% of net assets<br/>for the year<br/>ended 31<br/>December 2023</i> | <i>% of net assets<br/>for the year<br/>ended 31<br/>December 2022</i> |
|---------|--|--|
| Lowest  | 0.00%  | 0.00%  |
| Highest | 51.25%   | 44.68%   |
| Average | 8.20%  | 8.30%  |

## Performance record (Unaudited)

Net asset value attributable to unitholders (dealing net asset value)

|                        | <i>Net asset value<br/>per unit<br/>USD</i> | <i>Total net asset<br/>value<br/>USD</i> |
|------------------------|---|--|
| As at 31 December 2023 |   |  |
| - Class B (USD)        | -   | -  |
| - Class I (USD)        | 9.6333                                      | 9,883,863                                |
| As at 31 December 2022 |   |  |
| - Class B (USD)        | 9.2002                                      | 2,472,320                                |
| - Class I (USD)        | 9.2420                                      | 9,482,301                                |
| As at 31 December 2021 |   |  |
| - Class B (USD)        | 9.8686                                      | 5,921,188                                |
| - Class I (USD)        | 9.9630                                      | 10,222,085                               |

Highest issue price and lowest redemption price per unit

|  | <i>Highest<br/>issue price<br/>per unit</i> |         | <i>Lowest<br/>redemption<br/>price per unit</i> |        |
|--|---|---------|---|--------|
| For the year ended 31 December 2023  |   |         |   |        |
| - Class B (USD)  | USD   | 9.3764  | USD   | 9.2228 |
| - Class I (USD)  | USD   | 9.6336  | USD   | 9.2294 |
| For the year ended 31 December 2022  |   |         |   |        |
| - Class B (USD)  | USD   | 9.8978  | USD   | 8.7814 |
| - Class I (USD)  | USD   | 9.9920  | USD   | 8.8282 |
| For the period from 20 September 2021<br>(commencement date) to 31 December 2021 |   |         |   |        |
| - Class B (USD)  | USD   | 10.0190 | USD   | 9.7195 |
| - Class I (USD)  | USD   | 10.0000 | USD   | 9.9568 |