

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

Financial statements  
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**

Federal Reserve continued to raise interest rates in 2023 to combat high inflation and maintain price stability. U.S. regional bank collapses, a debt ceiling stalemate, U.S. Treasury's financing strategy and ongoing geopolitical instability all sent shocks to the financial markets. Despite these challenges, the U.S. economy continued to demonstrate resilience, while treasury yields across the curve reached their peak in the current interest rate cycle in 2023.

As inflation eased throughout the latter half of 2023, the Fed pivoted decisively and guided for an interest rate cut in 2024. Looking ahead to 2024, we anticipate a slowdown in U.S. economic growth, further easing of inflation, and a gradual rise in the unemployment rate. Developed market central banks have mostly approached to the end of their hiking cycles. Consequently, the focus has now shifted towards the timing and pace of potential future rate cuts.

For fixed income market, given the uncertain global economic outlook and the potential of a soft landing scenario in the U.S. economy, we see the investment grade bonds as an attractive opportunity offering appealing yields.

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

### **GHG EMISSION DISCLOSURE**

As of 31 December 2023, the portfolio carbon footprint of the Fund is 7.70 tCO<sub>2</sub> per million dollar invested. The calculation of carbon footprint covered 56.32% of assets in the portfolio in terms of market value. 43.68% 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 - Short Term 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 - Short Term 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 Short Term 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 41, 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 ended 31 December 2023 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 ended 31 December 2023 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 ("HSAs") 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.

## Independent Auditor's Report to the Unitholders of China Life Franklin Global Fund - Short Term Bond Fund (continued)

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

### **Information Other than the Financial Statements and Auditor's Report Thereon (continued)**

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.

### **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.

## Independent Auditor's Report to the Unitholders of China Life Franklin Global Fund - Short Term 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)**

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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.

As part of an audit in accordance with HKSA's, 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.

## Independent Auditor's Report to the Unitholders of China Life Franklin Global Fund - Short Term 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)**

- 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.

### **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 USD	2022 USD
<b>Income</b>			
Interest income on financial assets at FVTPL		3,315,139	4,987,706
Other interest revenue		300,362	1,099,030
Other income		696	2,897
		<u>3,616,197</u>	<u>6,089,633</u>
<b>Expenses</b>			
Management fees	4,13	(14,219)	(88,090)
Transaction costs	4,13	(21,053)	(25,483)
Trustee fees	4,13	(59,839)	(69,806)
Custodian fees	4,13	(33,635)	(48,160)
Legal and professional fees		(8,792)	-
Audit fees		(14,013)	(12,735)
Other operating expenses		(13,052)	(7,472)
		<u>(164,603)</u>	<u>(251,746)</u>
Net gain before investments and exchange differences		<u>3,451,594</u>	<u>5,837,887</u>
<b>Investment and exchange differences</b>			
Net gain/(loss) on financial assets at fair value through profit or loss	5	1,888,797	(4,567,641)
Net foreign exchange differences		(40)	(194)
		<u>1,888,757</u>	<u>(4,567,835)</u>
Profit and total comprehensive income for the year		<u><u>5,340,351</u></u>	<u><u>1,270,052</u></u>

The notes on pages 16 to 41 form part of these financial statements.

## Statement of financial position at 31 December 2023

(Expressed in USD)

	Note	31 December 2023 USD	31 December 2022 USD
<b>Assets</b>			
Financial assets at fair value through profit or loss	5	102,633,443	66,261,728
Amounts due from brokers	7	157,022	497,743
Interest receivable		757,869	668,953
Prepaid expenses and other receivables		5	1,800
Cash and cash equivalents	8	519,944	31,289,160
<b>Total assets</b>		<u>104,068,283</u>	<u>98,719,384</u>
<b>Liabilities</b>			
Management fee payable	4,13	3,613	1,149
Trustee fee payable	4,13	4,677	4,838
Other accounts payable and accruals		62,045	64,636
<b>Total liabilities</b>		<u>70,335</u>	<u>70,623</u>
<b>Net assets attributable to shareholders</b>			
Financial liabilities	10	<u>103,997,948</u>	<u>98,648,761</u>
<b>Number of units in issue, Class A (HKD)</b>		32,349	35,348
<b>Number of units in issue, Class A (USD)</b>		472	499
<b>Number of units in issue, Class A2 (HKD)</b>		9,854	-
<b>Number of units in issue, Class A2 (USD)</b>		10	-
<b>Number of units in issue, Class B (USD)</b>		7,647,599	7,647,599
<b>Number of units in issue, Class I (USD)</b>		1,978,584	1,978,584
<b>Net asset value per unit, Class A (HKD)</b>		10.7011	10.1691
<b>Net asset value per unit, Class A (USD)</b>		10.6842	10.1513
<b>Net asset value per unit, Class A2 (HKD)</b>		10.2841	-
<b>Net asset value per unit, Class A2 (USD)</b>		10.2851	-
<b>Net asset value per unit, Class B (USD)</b>		10.8034	10.2472
<b>Net asset value per unit, Class I (USD)</b>		10.7729	10.2252

## Statement of financial position at 31 December 2023 (continued)

Approved by the Manager and the Trustee on

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China Life Franklin Asset Management  
Co., Limited

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BOCI-Prudential Trustee Limited

The notes on pages 16 to 41 form part of these financial statements.

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

	<u>2023</u>	
	<i>Number of units</i>	USD
At 1 January 2023	9,662,029	98,648,761
<b>Transaction with unitholders, recognised directly in equity</b>		
Subscription of units		
- Class A (HKD)	10	1,000
- Class A (USD)	98	13
- Class A2 (USD)	20	200
- Class A2 (HKD)	11,838	15,513
- Class B (USD)	-	-
- Class I (USD)	-	-
	<hr/>	<hr/>
	11,966	16,726
Redemption of units		
- Class A (HKD)	(3,008)	(3,925)
- Class A (USD)	(125)	(1,281)
- Class A2 (USD)	(10)	(101)
- Class A2 (HKD)	(1,984)	(2,583)
- Class B (USD)	-	-
- Class I (USD)	-	-
	<hr/>	<hr/>
	(5,127)	(7,890)
	<hr/> <hr/>	<hr/> <hr/>
	9,668,868	
<b>Profit and total comprehensive income for the year</b>		<hr/> 5,340,351
<b>Balance at the end of the year</b>		<hr/> <hr/> 103,997,948

The notes on pages 16 to 41 form part of these financial statements.

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

	<u>2022</u>	
	<i>Number of units</i>	USD
At 1 January 2022	41,199,631	414,575,465
<b>Transaction with unitholders, recognised directly in equity</b>		
Subscription of units		
- Class A (HKD)	270,012	347,597
- Class A (USD)	1,089	10,900
- Class B (USD)	-	-
- Class I (USD)	-	-
	<u>271,101</u>	<u>358,497</u>
Redemption of units		
- Class A (HKD)	(348,225)	(448,787)
- Class A (USD)	(2,089)	(20,894)
- Class B (USD)	(8,897,302)	(89,826,572)
- Class I (USD)	(22,561,087)	(227,259,000)
	<u>(31,808,703)</u>	<u>(317,555,253)</u>
	<u>9,662,029</u>	97,378,709
<b>Profit and total comprehensive income for the year</b>		<u>1,270,052</u>
<b>Balance at the end of the year</b>		<u>98,648,761</u>

The notes on pages 16 to 41 form part of these financial statements.

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

	Note	2023 USD	2022 USD
<b>Cash flows from operating activities</b>			
Profit and total comprehensive income for the year		5,340,351	1,270,052
Adjustments for:			
Interest income		(3,615,501)	(6,086,736)
Net change in unrealised gain on financial assets at fair value through profit or loss	5	(1,312,034)	(2,743,392)
Net realised (gain)/loss on financial assets at fair value through profit or loss	5	(576,763)	7,311,033
Purchase of financial assets at fair value through profit or loss		(559,251,266)	(597,208,172)
Proceeds from sale of financial assets at fair value through profit or loss		524,768,348	783,361,863
Decrease/(increase) in other receivables		1,795	(1,159)
Decrease in amount due from brokers		340,721	693,544
Increase/(decrease) in management fee payable		2,464	(13,185)
Decrease in trustee fee payable		(161)	(1,167)
Decrease in other accounts payable and accruals		(2,591)	(5)
		<u>(34,304,637)</u>	<u>186,582,676</u>
Interest received		<u>3,526,585</u>	<u>6,721,508</u>
<b>Net cash (used in)/generated from operating activities</b>		<u><u>(30,778,052)</u></u>	<u><u>193,304,184</u></u>

The notes on pages 16 to 41 form part of these financial statements.

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

	Note	2023 USD	2022 USD
<b>Cash flows from financing activities</b>			
Proceeds from issue of units		16,726	365,576
Payment on redemptions of units		(7,890)	(317,565,613)
		<u>16,726</u>	<u>(317,565,613)</u>
<b>Net cash flows generated from/(used in) financing activities</b>		<u>8,836</u>	<u>(317,200,037)</u>
<b>Net decrease in cash and cash equivalents</b>		(30,769,216)	(123,895,853)
<b>Cash and cash equivalents at beginning of the year</b>		<u>31,289,160</u>	<u>155,185,013</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>519,944</u></u>	<u><u>31,289,160</u></u>

The notes on pages 16 to 41 form 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-Short Term Bond Fund (the “Sub-fund”) commenced its operation on 29 December 2020. As at 31 December 2023, there were two other sub-funds established by the Trust, namely Select High Yield Bond Fund and Global Growth Fund. Each of the sub-funds is constituted as a separate sub-fund of the Trust. The Sub-Fund is 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 is 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 achieve a return in excess of U.S. money markets by investing primarily in USD-denominated short-term debt securities.

### 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 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 accounting periods 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 developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

## 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, amounts due from brokers, interest receivable, prepaid expenses and other receivables.

#### 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 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 has no financial liabilities measured at FVPL as at 31 December 2023.

### 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 management fee payable, trustee fee payable, other accounts payable and accruals.

#### (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 earned or paid on these instruments are recorded separately in 'interest 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.

## 2.4 Material accounting policies (continued)

### (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.

#### 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

## 2.4 Material accounting policies (continued)

### (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.

### (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 shareholders

The Sub-Fund has six classes of redeemable units in issue - "Class A (HKD)", "Class A (USD)", "Class B (USD)", "Class I (USD)", "Class A2 (HKD)" and "Class A2 (USD)". These are the most subordinate classes of financial instruments in the Sub-Fund and rank *pari passu* in all material respects and have different terms and conditions. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' unit in the Sub-Fund's net assets at each redeemable date, and also in the event of the Sub-Fund's liquidation. The redeemable units classified as financial liabilities and are measured at the present value of the redemption amount as at 31 December 2023 and 2022.

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 retained earnings.

### (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.

For the purpose of the statement of cash flows, cash at bank as defined above, net of outstanding bank overdrafts when applicable.

### (g) **Interest income**

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

## 2.4 Material accounting policies (continued)

### (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;
  - (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

## 2.4 Material accounting policies (continued)

- (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 flow, 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 Significant 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 0.4% which can be increased to 1.2% maximum per annum with respect to the net asset value of Class A units, at a rate of 0.068% which can be increased to 0.6% maximum per annum with respect to the net asset value of Class I units and at a rate of 0.8% which can be increased to 1.2% maximum per annum with respect to the net asset value of Class A2. 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 USD14,219 (for the year ended 31 December 2022 was USD88,090) and USD3,613 (2022: USD1,149) was payable to the Manager as at 31 December 2023.

#### 4 Fees (continued)

##### 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 USD59,839 (the year ended 31 December 2022 was USD69,806) and USD4,677 (2022: USD4,838) 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.

The custodian fee for the year ended 31 December 2023 was USD33,635 (for the year ended 31 December 2022 was USD48,160) and USD nil (2022: USD nil) was payable to the Custodian as at 31 December 2023.

##### Transaction costs

	2023 USD	2022 USD
Brokerage commission	7,113	10,613
Other transaction handling fees	13,940	14,870
	<u>21,053</u>	<u>25,483</u>

#### 5 Financial assets at fair value through profit or loss

	2023 USD	2022 USD
Financial assets		
- listed debt securities	84,780,541	43,139,086
- unlisted quoted bonds	17,852,902	23,122,642
	<u>102,633,443</u>	<u>66,261,728</u>
Total financial assets at fair value through profit or loss	<u>102,633,443</u>	<u>66,261,728</u>

## 5 Financial assets at fair value through profit or loss (continued)

Net gain/(loss) on fair value of financial assets at fair value through profit or loss

	2023 USD	2022 USD
Held for trading		
- realised gains/(losses)	576,763	(7,311,033)
- change in unrealised gains	1,312,034	2,743,392
	<u>1,888,797</u>	<u>(4,567,641)</u>
Total net gains/(losses) on financial assets at fair value through profit or loss	<u>1,888,797</u>	<u>(4,567,641)</u>

## 6 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 at the place of origination.

## 7 Amounts due from brokers

	2023 USD	2022 USD
Amounts due from brokers		
- Cash held by brokers	157,022	497,743
	<u>157,022</u>	<u>497,743</u>

As at 31 December 2023 and 2022, the balances were expected to be recoverable on demand.

## 8 Cash and cash equivalents

As at 31 December 2023 and 2022, the balances include cash held with Shanghai Pudong Development Bank and Bank of China (Hong Kong). As at 31 December 2022, the short-term deposits were held with China Minsheng Bank, Industrial Bank and Shanghai Pudong Development Bank. The bank balances and short-term deposits are interest-bearing.

	2023 USD	2022 USD
Cash	519,944	789,160
Short-term deposits	-	30,500,000
	<u>519,944</u>	<u>31,289,160</u>

## 9 Units in issue

As at 31 December 2023, the Sub-Fund has offered six (2022: four) classes 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 a business day of the calendar year. Redemption requests received after such time will be deemed to have been received on the next business day.

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 year.

The number of units in issue and the net asset value per unit as at the end of the year are 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.

## 10 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 the 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 year amount is 2 years and the amounts unamortised was USD 18,603 (2022: 3 years and the amounts unamortised was USD27,794).

	2023 USD	2022 USD
Net assets attributable to unitholders as determined for the purposes of processing unit subscriptions and redemptions	104,016,551	98,676,555
Adjustment to preliminary expenses	<u>(18,603)</u>	<u>(27,794)</u>
Net assets attributable to unitholders (per financial statements)	<u>103,997,948</u>	<u>98,648,761</u>

## 11 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:

### **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 year to a reasonably possible change in interest rates, with all other variables held constant.

	<i>Change in basis points</i>	<i>Sensitivity of change in fair value of investments and net assets USD</i>
As at 31 December 2023		
- Debt securities	+/- 100bpss	-/+ 2,191,969
As at 31 December 2022		
- Debt securities	+/- 100bpss	-/+ 315,160

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

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.

### 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 HKD is the functional currency of the Sub-Fund. USD is linked with HKD and hence, the Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

### 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 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.

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.

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

As at 31 December 2023

	<i>Within 1 year</i> USD	<i>1 to 5 years</i> USD	<i>More than</i> <i>5 years</i> USD	<i>Non-interest</i> <i>bearing</i> USD	<i>Total</i> USD
<b>Financial assets</b>					
Cash and cash equivalents	519,944	-	-	-	519,944
Amounts due from brokers	157,022	-	-	-	157,022
Interest receivable	-	-	-	757,869	757,869
Prepaid expenses and other receivables	-	-	-	5	5
Financial assets at FVPL	102,633,443	-	-	-	102,633,443
<b>Total financial assets</b>	<b>103,310,409</b>	<b>-</b>	<b>-</b>	<b>757,874</b>	<b>104,068,283</b>
<b>Financial liabilities</b>					
Management fee payable	-	-	-	3,613	3,613
Trustee fee payable	-	-	-	4,677	4,677
Other accounts payable and accruals	-	-	-	62,045	62,045
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,335</b>	<b>70,335</b>

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

As at 31 December 2022

	Within 1 year USD	1 to 5 years USD	More than 5 years USD	Non-interest bearing USD	Total USD
<b>Financial assets</b>					
Cash and cash equivalents	31,289,160	-	-	-	31,289,160
Amounts due from brokers	497,743	-	-	-	497,743
Interest receivable	-	-	-	668,953	668,953
Prepaid expenses and other receivables	-	-	-	1,800	1,800
Financial assets at FVPL	66,261,728	-	-	-	66,261,728
<b>Total financial assets</b>	<b>98,048,631</b>	<b>-</b>	<b>-</b>	<b>670,753</b>	<b>98,719,384</b>

	Within 1 Year USD	1 to 5 years USD	More than 5 years USD	Non-interest bearing USD	Total USD
<b>Financial liabilities</b>					
Management fee payable	-	-	-	1,149	1,149
Trustee fee payable	-	-	-	4,838	4,838
Other accounts payable and accruals	-	-	-	64,636	64,636
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,623</b>	<b>70,623</b>

### **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.

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

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. The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank balances and investments held with the Custodian. The exposures and credit rating from Standard & Poor's ("S&P") are summarised below while certain numbers of the investments are not rated by S&P:

As at 31 December 2023

Custodian and brokers	Credit rating
Bank of China (Hong Kong)	A+
JP Morgan	A-
Morgan Stanley	A-
Shanghai Pudong Development Bank Co Ltd	BBB
China Minsheng Banking Corp Ltd Hong Kong Branch	BBB-
Industrial Bank Co Ltd	BBB

### Financial assets at FVPL

AAA	4,497,047
AA+	699,395
AA-	-
A+	15,358,523
A	11,867,711
A-	24,678,056
BBB+	23,085,442
BBB	9,266,193
BBB-	4,212,060
No rating	8,969,016
Total financial assets at FVPL	<u>102,633,443</u>

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

As at 31 December 2022

Custodian and brokers	Credit rating
Bank of China (Hong Kong)	A+
JP Morgan	A-
Morgan Stanley	A-
Shanghai Pudong Development Bank Co Ltd	BBB
China Minsheng Banking Corp Ltd Hong Kong Branch	BBB-
Industrial Bank Co Ltd	BBB

### Financial assets at FVPL

AA-	-
A+	9,019,851
A	8,002,817
A-	7,757,372
BBB+	10,158,497
BBB	4,346,500
BBB-	3,854,049
No rating	23,122,642
Total financial assets at FVPL	<u>66,261,728</u>

## 12 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.

## 12 Fair value information (continued)

- 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 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.

The fair value measurement of all of the financial assets at fair value through profit or loss held by the Sub-Fund as at 31 December 2023 and 2022 are as follow:

31 December 2023

	<i>Level 1</i> USD	<i>Level 2</i> USD	<i>Level 3</i> USD	<i>Total</i> USD
Financial assets:				
Debt securities	-	102,633,443	-	102,633,443
	<u>-</u>	<u>102,633,443</u>	<u>-</u>	<u>102,633,443</u>
	<u>-</u>	<u>102,633,443</u>	<u>-</u>	<u>102,633,443</u>

31 December 2022

	<i>Level 1</i> USD	<i>Level 2</i> USD	<i>Level 3</i> USD	<i>Total</i> USD
Financial assets:				
Debt securities	-	66,261,728	-	66,261,728
	<u>-</u>	<u>66,261,728</u>	<u>-</u>	<u>66,261,728</u>
	<u>-</u>	<u>66,261,728</u>	<u>-</u>	<u>66,261,728</u>

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

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

### 13 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 cost

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

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 USD400 (2022: USD4,225) and total transaction fee charged by the Trustee for securities transaction during the year was USD13,540 (2022: USD10,645).

#### Transactions with the Custodian

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

At 31 December 2023, bank balance with BOCHK was USD502,955 (2022: USD772,172), the interest revenue on the bank balance was USD6,690 (2022: USD7,208) and the bank charge was USD692 (2022: USD2,116).

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

#### Investments in securities issued by a connected person of the Trustee

The Sub-Fund invested in quoted debt securities issued by connected persons of the Trustee. The holding and the amount invested by the Sub-Fund as at 31 December 2023 were as follows:

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

31 December 2023

	<i>Holding as at 31 December 2023</i>	<i>Market value as at 31 December 2023 USD</i>	<i>% of NAV as at 31 December 2023</i>	<i>Purchase USD</i>	<i>Sales USD</i>	<i>Net gain/(loss) for the year USD</i>
BANK OF CHINA LTD/MACAU 5.38% A 23FEB2023 FXCD	-	-	-	-	5,046,252	1,864
BOC AVIATION LTD 3.5% S/A 31JAN2023	-	-	-	-	3,270,000	2,354
BOC AVIATION LTD 3.5% S/A 10OCT2024 REGS	200,000	196,940	0.19%	196,651	-	2,700
BOC AVIATION USA CORP 1.625% S/A 29APR2024 REGS	3,300,000	3,258,981	3.13%	6,748,578	3,570,914	110,057
BOC AVIATION USA CORP 4.875% S/A 03MAY2033 REGS	500,000	489,700	0.47%	3,431,448	2,983,179	42,379
BOC AVIATION USA CORP 5.75% S/A 09NOV2028	1,000,000	1,029,330	0.99%	3,020,787	1,990,780	6,830
BOC AVIATION LTD 4.5% S/A 23MAY2028	-	-	-	1,988,780	1,936,245	(78,285)
BOC AVIATION LTD 2.75% S/A 02DEC2023	-	-	-	1,508,276	1,517,750	5,120
BANK OF CHINA LTD/LODON SOFR+0.83% Q 7JUN2023	-	-	-	3,711,468	3,738,289	(2,734)
BANK OF CHINA LTD 5% S/A 13NOV2024 REGS	2,000,000	1,988,440	1.93%	1,996,033	-	3,740

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

31 December 2022

	<i>Holding as at 31 December 2022</i>	<i>Market value as at 31 December 2022 USD</i>	<i>% of NAV as at 31 December 2022</i>	<i>Purchase USD</i>	<i>Sales USD</i>	<i>Net gain/(loss) for the year USD</i>
BANK OF CHINA LTD 3M L+0.72% Q 17APR2022	-	-	-	3,500,368	3,500,000	(368)
BANK OF CHINA LTD 5.38% A 23FEB2023 FXCD	5,000,000	5,000,750	5.07	4,999,244	-	1,506
BOC AVIATION LTD 3% S/A 23MAY2022	-	-	-	1,406,640	1,400,000	(6,640)
BOC AVIATION USA CORP 1.625% S/A 29APR2024 REGS	-	-	-	3,495,936	3,402,910	(93,026)
BOC AVIATION LTD 3M L+1.125% Q 26SEP2023 REGS	-	-	-	1,280,634	7,978,935	(16,841)
BOC AVIATION LTD 3.5% S/A 31JAN2023	3,270,000	3,267,646	3.31	3,256,371	-	11,275

#### Holding in the Sub-Fund

As of 31 December 2023, China Life Insurance (Overseas) Company Limited, a fellow subsidiary of the Manager, holds 7,647,598.98 Class B (USD) units and 1,978,583.99 Class I (USD) units of the Sub-Fund.

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

2023

	<i>Units outstanding at 1 January 2023</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2023</i>
Class B (USD)				
China Life Insurance (Overseas) Company Limited	7,647,598.98	-	-	7,647,598.98
Class I (USD)				
China Life Insurance (Overseas) Company Limited	1,978,583.99	-	-	1,978,583.99

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

2022

	<i>Units outstanding at 1 January 2022</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2022</i>
Class B (USD)				
China Life Insurance (Overseas) Company Limited	16,144,901.01	-	(8,497,302.03)	7,647,598.98
China Life Franklin Asset Management	400,000	-	(400,000)	-
Class I (USD)				
China Life Insurance (Overseas) Company Limited	24,539,671.32	-	(22,561,087.33)	1,978,583.99

### 14 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.

### 15 Distribution to unitholders

There was no declared distribution for the year ended 31 December 2023 and 31 December 2022.

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.

## 16 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.

## 17 Subsequent events

The Manager has evaluated the effect of all subsequent events occurring till the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements other than those disclosed below.

Subsequent to the reporting date and up to the date of this report, there were subscriptions and redemptions of units of the Sub-Fund as follows:

	Unit	Amount
<b>Redemption</b>		
Class B (USD)	1,840,908.67	20,000,000
Class A (HKD)	6,929.65	9,509
Class A (USD)	89.72	967
Class A2 (USD)	1,320.67	1,002
Class A2 (HKD)	10,199.46	256
<b>Subscription</b>		
Class A (HKD)	92.06	128
Class A2 (USD)	2,579.16	26,717
Class A2 (HKD)	20,486.22	27,180

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Listed/Quoted Debt Securities</b>				
<i>British Virgin Islands</i>				
BAIC FINANCE INVESTMENT CO LTD 2% S/A 16MAR2024	-	5,896,000	5,896,000	-
BLUESTAR FINANCE HLDGS LTD 3.1% S/A PERP	200,000	-	200,000	-
CHINA CINDA 2020 I MANAGEMENT LTD 1.25% S/A 20JAN2024	3,750,000	3,000,000	6,750,000	-
CHINA CINDA FINANCE 2017 I LTD 3.875% S/A 08FEB2023	700,000	-	700,000	-
CHINA HUANENG GROUP HONG KONG TREASURY MANAGEMENT HLDG LTD 2.85% S/A PERP	3,000,000	-	-	3,000,000
CICC HONG KONG FINANCE 2016 MTN LTD 3M L+0.9% Q 18FEB2023	3,300,000	-	3,300,000	-
CMHI FINANCE BVI CO LTD 3.5% S/A PERP	2,000,000	1,000,000	3,000,000	-
FRANSHION BRILLIANT LTD 4% S/A PERP(CALLED)	785,000	-	785,000	-
FRANSHION BRILLIANT LTD 4.25% S/A 23JUL2029	530,000	400,000	930,000	-
GUANGZHOU METRO INVESTMENT FINANCE BVI LTD 2.609% S/A 14NOV2024	200,000	1,250,000	-	1,450,000
SINOCHEM OFFSHORE CAPITAL CO LTD 3% S/A PERP	3,000,000	-	-	3,000,000
SINOPEC CAPITAL 2013 LTD 3.125% S/A 24APR2023 REGS	2,000,000	1,237,000	3,237,000	-
CHINA CINDA 2020 I MANAGEMENT LTD 5.75% S/A 07FEB2027	-	3,000,000	3,000,000	-
CHINA HUADIAN OVERSEAS DEVELOPMENT 2018 LTD 3.875% S/A 17MAY2023	-	6,400,000	6,400,000	-
CHINA HUADIAN OVERSEAS DEVELOPMENT MANAGEMENT CO LTD 4% S/A PERP	-	3,300,000	-	3,300,000
CHINA HUANENG GROUP HONG KONG TREASURY MANAGEMENT HLDG LTD 2.85% S/A PERP (CALLED)	-	1,000,000	4,000,000	(3,000,000)
CHINA HUANENG GROUP HONG KONG TREASURY MANAGEMENT HLDGS LTD 3.08% S/A PERP	-	2,320,000	-	2,320,000
CICC HONG KONG FINANCE 2016 MTN LTD 1.625% S/A 26JAN2024	-	1,750,000	1,750,000	-
CICC HONG KONG FINANCE 2016 MTN LTD 1.75% S/A 10AUG2023	-	2,600,000	2,600,000	-
CICC HONG KONG FINANCE 2016 MTN LTD 5.442% S/A 18JUL2026	-	6,000,000	6,000,000	-
CICC HONG KONG FINANCE 2016 MTN LTD 5.493% S/A 01MAR2026	-	4,000,000	4,000,000	-
CMHI FINANCE BVI CO LTD 3.875% S/A PERP	-	1,000,000	-	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 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
DIANJIAN HAIYU LTD 3.45% S/A PERP	-	1,000,000	-	1,000,000
DIANJIAN HAIYU LTD 4.3% S/A PERP	-	2,000,000	2,000,000	-
EASTERN CREATION II INVESTMENT HLDGS LTD 1% S/A 10SEP2023	-	2,000,000	2,000,000	-
EASTERN CREATION II INVESTMENT HLDGS LTD 1.35% S/A 20OCT2024	-	600,000	-	600,000
FRANSHION BRILLIANT LTD 3.2% S/A 09APR2026	-	2,100,000	2,100,000	-
GUANGZHOU METRO INVESTMENT FINANCE BVI LTD 1.507% S/A 17SEP2025	-	500,000	-	500,000
JIC ZHIXIN LTD 2.125% S/A 27AUG2030	-	1,000,000	-	1,000,000
LEVC FINANCE LTD 1.375% S/A 25MAR2024	-	2,000,000	-	2,000,000
MINMETALS BOUNTEOUS FINANCE BVI LTD 3.375% S/A PERP	-	4,400,000	-	4,400,000
POLY REAL ESTATE FINANCE LTD 3.875% S/A 25MAR2024	-	4,000,000	4,000,000	-
POLY REAL ESTATE FINANCE LTD 4.75% S/A 17SEP2023	-	5,000,000	5,000,000	-
POWERCHINA ROADBRIDGE GROUP BRITISH VIRGIN ISLANDS LTD 3.08% S/A PERP	-	2,762,000	-	2,762,000
PROSPEROUS RAY LTD 4.625% S/A 12NOV2023	-	4,888,000	4,888,000	-
RONGSHI INTL FINANCE LTD 3.25% S/A 21MAY2024	-	200,000	200,000	-
SEPCO VIRGIN LTD 3.55% S/A PERP	-	1,000,000	-	1,000,000
SINOCHEM OFFSHORE CAPITAL CO LTD 1% S/A 23SEP2024	-	3,500,000	-	3,500,000
SINOCHEM OFFSHORE CAPITAL CO LTD 1.5% S/A 24NOV2024	-	1,520,000	-	1,520,000
SINOCHEM OFFSHORE CAPITAL CO LTD 3% S/A PERP (CALLED)	-	2,000,000	5,000,000	(3,000,000)
SINOPEC GROUP OVERSEAS DEVELOPMENT 2013 LTD 4.375% S/A 17OCT2023 REGS	-	500,000	500,000	-
SINOPEC GROUP OVERSEAS DEVELOPMENT 2018 LTD 3.75% S/A 12SEP2023 REGS	-	1,000,000	1,000,000	-
STATE GRID OVERSEAS INVESTMENT 2013 LTD 3.125% S/A 22MAY2023 REGS	-	4,000,000	4,000,000	-
STATE GRID OVERSEAS INVESTMENT 2014 LTD 4.125% S/A 07MAY2024 REGS	-	2,500,000	2,500,000	-
XINGSHENG BVI CO LTD 1.375% S/A 25AUG2024	-	4,200,000	-	4,200,000

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>AUSTRALIA</i>				
MACQUARIE BANK LTD 5.208% S/A 15JUN2026 REGS	-	3,000,000	3,000,000	-
<i>CANADA</i>				
BANK OF MONTREAL 5.717% S/A 20SEP2028	-	2,000,000	2,000,000	-
TORONTO-DOMINION BANK 5.532% S/A 17APR2026	-	1,000,000	1,000,000	-
<i>Cayman Islands</i>				
BAIDU INC 3.875% S/A 29SEP2023	1,000,000	-	1,000,000	-
CHINA OVERSEAS FINANCE CAYMAN III LTD 5.375% S/A 29OCT2023	200,000	4,030,000	4,230,000	-
CHINA RESOURCES LAND LTD 3.75% S/A PERP	2,500,000	7,200,000	8,700,000	1,000,000
TENCENT HLDGS LTD 3M L+0.605% Q 19JAN2023 REGS	4,840,000	-	4,840,000	-
ALIBABA GROUP HLDG LTD 2.8% S/A 06JUN2023	-	1,000,000	1,000,000	-
ALIBABA GROUP HLDG LTD 3.6% S/A 28NOV2024	-	5,000,000	3,000,000	2,000,000
CHINA OVERSEAS FINANCE CAYMAN VI LTD 5.95% S/A 08MAY2024	-	4,253,000	-	4,253,000
CHINA RESOURCES LAND LTD 3.75% S/A 26AUG2024	-	1,100,000	500,000	600,000
CHINA RESOURCES LAND LTD 6% S/A 27FEB2024	-	3,300,000	-	3,300,000
CHINA STATE CONSTRUCTION FINANCE CAYMAN I LTD 3.4% S/A PERP	-	4,000,000	1,000,000	3,000,000
CHINA STATE CONSTRUCTION FINANCE CAYMAN III LTD 4% S/A PERP	-	3,000,000	2,000,000	1,000,000
CK HUTCHISON INTL 23 LTD 4.75% S/A 21APR2028 REGS	-	2,000,000	2,000,000	-
CK HUTCHISON INTL 23 LTD 4.875% S/A 21APR2033 REGS	-	3,500,000	3,500,000	-
HONGKONG LAND FINANCE CAYMAN ISLAND CO LTD 5.25% S/A 14JUL2033	-	3,000,000	3,000,000	-
KSA SUKUK LTD 4.511% S/A 22MAY2033 REGS	-	500,000	500,000	-
SOAR WISE LTD 6.125% S/A PERP	-	400,000	-	400,000
TENCENT HLDGS LTD 1.81% S/A 26JAN2026 REGS	-	500,000	-	500,000

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
TENCENT HLDGS LTD 2.39% S/A 03JUN2030 REGS	-	1,000,000	1,000,000	-
TENCENT HLDGS LTD 3.28% S/A 11APR2024 REGS	-	1,592,000	1,200,000	392,000
TENCENT HLDGS LTD 3.595% S/A 19JAN2028 REGS	-	500,000	-	500,000
TENCENT HLDGS LTD 3.8% S/A 11FEB2025 REGS	-	1,000,000	-	1,000,000
 <i>CHILE</i>				
CORP NACIONAL DEL COBRE DE CHILE 5.125% S/A 02FEB2033 REGS	-	500,000	500,000	-
 <i>China</i>				
CHINA RAILWAY RESOURCES HUITUNG LTD 3.85% S/A 05FEB2023	200,000	-	200,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/DUBAI 3M L+0.85% Q 05MAR2023	2,000,000	-	2,000,000	-
BANK OF CHINA LTD 5% S/A 13NOV2024 REGS	-	2,000,000	-	2,000,000
BANK OF CHINA LTD/LODON SOFR+0.83% Q 7JUN2023	-	3,700,000	3,700,000	-
CHINA CONSTRUCTION BANK CORP/HONG KONG 1% S/A 04AUG2023	-	2,000,000	2,000,000	-
CHINA CONSTRUCTION BANK CORP/SYDNEY 4.5% S/A 31MAY2026	-	3,000,000	3,000,000	-
EXPORT-IMPORT BANK OF CHINA 3.625% S/A 31JUL2024	-	1,000,000	500,000	500,000
WUHAN METRO GROUP CO LTD 1.58% S/A 03NOV2024	-	1,000,000	-	1,000,000
 <i>FRANCE</i>				
CREDIT AGRICOLE SA 5.514% S/A 05JUL2033 REGS	-	2,000,000	2,000,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>Germany</i>				
ALLIANZ SE 6.35% S/A 06SEP2053	-	4,600,000	4,600,000	-
DEUTSCHE BANK AG/NEW YORK 6.819% S/A 20NOV2029	-	1,260,000	1,260,000	-
<i>Hong Kong</i>				
AIRPORT AUTHORITY HONG KONG 4.75% S/A 12JAN2028 REGS	-	2,000,000	2,000,000	-
BANK OF EAST ASIA LTD 6.75% S/A 15MAR2027	-	2,000,000	2,000,000	-
BLOSSOM JOY LTD 3.1% S/A PERP	-	7,300,000	4,000,000	3,300,000
CHINA CITIC BANK INTL LTD 6% S/A 05DEC2023	-	2,500,000	1,500,000	1,000,000
CHINA EVERBRIGHT BANK/HONG KONG 0.929% S/A 11MAR2024	-	700,000	700,000	-
CHINA TAIPING NEW HORIZON LTD 6% S/A 18OCT2023	-	5,700,000	5,700,000	-
CITIC LTD 6.8% S/A 17JAN2023 REGS	3,300,000	-	3,300,000	-
CNAC HK FINBRIDGE CO LTD 2% S/A 22SEP2025	-	700,000	-	700,000
CNAC HK FINBRIDGE CO LTD 3.35% S/A PERP	2,000,000	-	2,000,000	-
CNAC HK FINBRIDGE CO LTD 4.625% S/A 14MAR2023	1,000,000	-	1,000,000	-
CNAC HK FINBRIDGE CO LTD 4.875% S/A 14MAR2025	-	3,500,000	3,500,000	-
HYD INTERNATIONAL HOLDING LTD 3.1% S/A 28APR2026	-	1,400,000	-	1,400,000
ICBCIL FINANCE CO LTD 1.25% S/A 02AUG2024	-	1,000,000	-	1,000,000
ICBCIL FINANCE CO LTD 1.75% S/A 25AUG2025	-	200,000	-	200,000
ICBCIL FINANCE CO LTD 2.125% S/A 27JAN2025	-	1,540,000	-	1,540,000
ICBCIL FINANCE CO LTD 3.75% S/A 05MAR2024	-	2,834,000	1,000,000	1,834,000
ICBCIL FINANCE CO LTD 3M L+1.1% Q 15MAY2023	500,000	1,000,000	1,500,000	-
KING POWER CAPITAL LTD 5.625% S/A 03NOV2024	-	3,550,000	-	3,550,000
LEADER GOAL INTL LTD 4.25% S/A PERP	3,000,000	-	3,000,000	-
LEADING AFFLUENCE LTD 4.5% S/A 24JAN2023	500,000	-	500,000	-
WESTWOOD GROUP HLDGS LTD 3.8% S/A 20JAN2031	-	700,000	200,000	500,000
WESTWOOD GROUP HLDGS LTD 5.375% S/A 19OCT2023	-	9,125,000	9,125,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>Ireland</i>				
SMBC AVIATION CAPITAL FINANCE DAC 5.7% S/A 25JUL2033 REGS	-	4,000,000	4,000,000	-
<i>Japan</i>				
ASAHI MUTUAL LIFE INSURANCE CO 6.9% S/A PERP	-	5,500,000	5,500,000	-
FUKOKU MUTUAL LIFE INSURANCE CO 6.8% S/A PERP	-	3,500,000	3,500,000	-
MITSUBISHI UFJ FINANCIAL GROUP INC 3.761% S/A 26JUL2023	-	2,000,000	2,000,000	-
MITSUBISHI UFJ FINANCIAL GROUP INC 4.788% S/A 18JUL2025	-	1,000,000	-	1,000,000
MITSUBISHI UFJ FINANCIAL GROUP INC 5.541% S/A 17APR2026	-	2,000,000	-	2,000,000
MITSUBISHI UFJ FINANCIAL GROUP INC 5.719% S/A 20FEB2026	-	6,190,000	6,190,000	-
NIPPON LIFE INSURANCE CO 6.25% S/A 13SEP2053 REGS	-	1,000,000	-	1,000,000
SUMI MITSUI FIN S+1.3% Q 13JUL2026	-	4,000,000	4,000,000	-
SUMITOMO CORP 5.5% S/A 9MAR2028	-	4,000,000	4,000,000	-
SUMITOMO MITSUI FINANCIAL GROUP INC 0.508% S/A 12JAN2024	-	1,250,000	1,250,000	-
SUMITOMO MITSUI FINANCIAL GROUP INC 5.716% S/A 14SEP2028	-	3,000,000	3,000,000	-
SUMITOMO MITSUI FINANCIAL GROUP INC 5.776% S/A 13JUL2033	-	2,000,000	2,000,000	-
SUMITOMO MITSUI FINANCIAL GROUP INC 5.808% S/A 14SEP2033	-	2,000,000	2,000,000	-
SUMITOMO MITSUI FINANCIAL GROUP INC 5.88% S/A 13JUL2026	-	2,000,000	1,500,000	500,000
SUMITOMO MITSUI FINIANACIAL GROUP INC 3M L+0.86% Q 19JUL2023	-	1,500,000	1,500,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>South Korea</i>				
AVOLON HOLDINGS FUNDING LTD 6.375% S/A 04MAY2028	-	1,000,000	1,000,000	-
KOREA DEVELOPMENT BANK 4.375% S/A 15FEB2028	-	4,000,000	4,000,000	-
KOREA DEVELOPMENT BANK 4.375% S/A 15FEB2033	-	4,000,000	4,000,000	-
KOREA EAST-WEST POWER CO LTD 4.875% S/A 12JUL2028	-	6,000,000	6,000,000	-
KOREA ELECTRIC POWER CORP 3.75% S/A 31JUL2026 REGS	-	5,000,000	5,000,000	-
KOREA LAND & HOUSING CORP 5.75% S/A 06OCT2025	-	4,000,000	4,000,000	-
KOREA NATIONAL OIL CORP 5.25% S/A 14NOV2026 REGS	-	5,000,000	5,000,000	-
KOREA OCEAN BUSINESS CORP 4.5% S/A 3MAY2028	-	2,000,000	2,000,000	-
KOREA SOUTH-EAST POWER CO LTD 5.375% S/A 21SEP2026	-	2,000,000	2,000,000	-
POSCO 5.625% S/A 17JAN2026 REGS	-	2,000,000	2,000,000	-
POSCO 5.75% S/A 17JAN2028 REGS	-	3,500,000	3,500,000	-
SK BROADBAND CO LTD 4.875% S/A 28JUN2028	-	1,000,000	1,000,000	-
SK HYNIX INC 6.375% S/A 17JAN2028 REGS	-	2,000,000	2,000,000	-
SK HYNIX INC 6.5% S/A 17JAN2033 REGS	-	2,000,000	2,000,000	-
SK ON CO LTD 5.375% S/A 11MAY2026	-	2,000,000	2,000,000	-
<i>LUXEMBOURG</i>				
TMS ISSUER SARL 5.78% S/A 23AUG2032	-	1,000,000	1,000,000	-
<i>MALAYSIA</i>				
KHAZANAH GLOBAL SUKUK BHD 4.687% S/A 01JUN2028	-	1,500,000	1,500,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>SAUDI ARABIA</i>				
SAUDI ARABIAN OIL CO 1.25% S/A 24NOV2023 REGS	-	700,000	700,000	-
SAUDI GOVERNMENT INTL BOND 4.75% S/A 18JAN2028 REGS	-	2,000,000	2,000,000	-
SAUDI GOVERNMENT INTL BOND 5% S/A 18JAN2053 REGS	-	4,500,000	4,500,000	-
<i>SINGAPORE</i>				
BOC AVIATION LTD 3.5% S/A 31JAN2023 BAYFRONT INFRASTRUCTURE MANAGEMENT PTE LTD 4.257% S/A 16MAY2026	3,270,000	-	3,270,000	-
BOC AVIATION LTD 2.75% S/A 02DEC2023	-	3,000,000	3,000,000	-
BOC AVIATION LTD 3.5% S/A 10OCT2024 REGS	-	1,500,000	1,500,000	-
	-	200,000	-	200,000
<i>SPAIN</i>				
BANCO SANTANDER SA 5.588% S/A 08AUG2028	-	1,000,000	1,000,000	-
<i>SWITZERLAND</i>				
UBS GROUP AG 2.1936% S/A 05JUN2026 REGS	-	400,000	-	400,000
UBS GROUP AG 4.751% S/A 12MAY2028 REGS	-	500,000	-	500,000
UBS GROUP FUNDING SWITZERLAND AG 4.253% S/A 23MAR2028 REGS	-	1,000,000	1,000,000	-
<i>UAE</i>				
FIRST ABU DHABI BANK PJSC 4.375% S/A 24APR2028	-	9,000,000	9,000,000	-
MDGH GMTN RSC LTD 5.084% S/A 22MAY2053 REGS	-	300,000	300,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>United Kingdom</i>				
BP CAPITAL MARKETS PLC 4.812% S/A 13FEB2033	-	500,000	500,000	-
HSBC HLDGS PLC 0.976% S/A 24MAY2025	-	500,000	-	500,000
HSBC HLDGS PLC 3M S+1.57% Q 14AUG2027	-	2,000,000	2,000,000	-
NATIONWIDE BUILDING SOCIETY 0.55% S/A 22JAN2024 REGS	-	1,000,000	1,000,000	-
NATWEST GROUP PLC 5.847% S/A 02MAR2027	-	2,000,000	2,000,000	-
STANDARD CHARTERED PLC S+1.93% Q 06JUL2027 REGS	-	3,000,000	3,000,000	-
<i>United States</i>				
BANK OF AMERICA CORP 3M S+0.78% Q 18AUG2025	-	2,000,000	2,000,000	-
BANK OF AMERICA CORP 3M S+1.02% Q 18AUG2026	-	4,000,000	4,000,000	-
BANK OF AMERICA CORP 3M S+1.35% Q 15SEP2027	-	4,000,000	4,000,000	-
BANK OF AMERICA CORP 5.933% S/A 15SEP2027	-	2,000,000	2,000,000	-
BOC AVIATION LTD 4.5% S/A 23MAY2028	-	2,000,000	2,000,000	-
BOC AVIATION LTD 5.75% S/A 09NOV2028	-	3,000,000	2,000,000	1,000,000
BOC AVIATION USA CORP 1.625% S/A 29APR2024 REGS	-	7,000,000	3,700,000	3,300,000
BOC AVIATION USA CORP 4.875% S/A 03MAY2033 REGS	-	3,500,000	3,000,000	500,000
CARRIER GLOBAL CORP 5.8% S/A 30NOV2025	-	290,000	290,000	-
GENERAL MOTORS FINANCIAL CO INC 5.8% S/A 07JAN2029	-	2,000,000	-	2,000,000
GENERAL MOTORS FINANCIAL CO INC 6.1% S/A 07JAN2034	-	2,000,000	2,000,000	-
GOLDMAN SACHS GROUP INC 1.757% S/A 24JAN2025	-	500,000	-	500,000
HYUNDAI CAPITAL AMERICA 6.25% S/A 03NOV2025 REGS	-	1,500,000	1,500,000	-
HYUNDAI CAPITAL AMERICA 6.5% S/A 16JAN2029 REGS	-	2,000,000	2,000,000	-
JPMORGAN CHASE & CO 6.07% S/A 22OCT2027	-	3,000,000	1,000,000	2,000,000

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
MITSUBISHI HC FINANCE AMERICA LLC 5.807% S/A 12SEP2028	-	1,000,000	1,000,000	-
MORGAN STANLEY S+0.78% Q 16JUL2025	-	4,000,000	4,000,000	-
ORACLE CORP 5.55% S/A 06FEB2053	-	1,000,000	1,000,000	-
REPUBLIC SERVICES INC 5% S/A 15DEC2033	-	2,000,000	1,500,000	500,000
US TREASURY N/B 3.375% S/A 15MAY2033	-	1,900,000	1,900,000	-
US TREASURY N/B 3.625% S/A 15MAY2053	-	1,250,000	1,250,000	-
US TREASURY N/B 3.875% S/A 15AUG2033	-	4,500,000	4,500,000	-
US TREASURY N/B 4% S/A 30JUN2028	-	1,000,000	1,000,000	-
US TREASURY N/B 4.125% S/A 15AUG2053	-	400,000	400,000	-
US TREASURY N/B 4.125% S/A 31JUL2028	-	1,500,000	1,500,000	-
US TREASURY N/B 4.5% S/A 15NOV2033	-	6,400,000	3,400,000	3,000,000
US TREASURY N/B 4.625% S/A 15SEP2026	-	2,000,000	2,000,000	-
US TREASURY N/B 4.75% S/A 15NOV2043	-	300,000	-	300,000
US TREASURY N/B 4.75% S/A 31JUL2025	-	1,500,000	1,500,000	-
US TREASURY N/B 4.875% S/A 31OCT2028	-	3,500,000	3,500,000	-
US TREASURY N/B 5% S/A 31AUG2025	-	1,000,000	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 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Unlisted/Quoted Debt Securities</b>				
<i>Australia</i>				
AUST & NZ BANK GP S+0.75% Q 03JUL2025 REGS	-	2,000,000	2,000,000	-
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD 5.375% S/A 03JUL2025	-	1,000,000	1,000,000	-
COMMONWEALTH BANK OF AUSTRALIA 5.316% S/A 13MAR2026	-	2,000,000	2,000,000	-
MACQUARIE GROUP LTD6.255% S/A 07DEC2034 REGS	-	2,000,000	1,000,000	1,000,000
NATL AUST BK S+0.76% Q 13MAY2025 REGS	-	2,000,000	2,000,000	-
<i>British Virgin Islands</i>				
SINOPEC GROUP OVERSEAS DEVELOPMENT 2014 LTD 4.375% S/A 10APR2024 REGS	-	2,370,000	2,370,000	-
<i>Canada</i>				
BANK OF NOVA SCOTIA 5.65% S/A 01FEB2034	-	500,000	500,000	-
BK OF MONTREAL S+0.95% Q 25SEP2025	-	2,000,000	2,000,000	-
ROYAL BANK OF CANADA 5.2% S/A 01AUG2028	-	2,000,000	2,000,000	-
TORONTO-DOMINION BANK S+1.08% Q 17JUL2026	-	3,000,000	3,000,000	-
<b>CHILE</b>				
CORP NACIONAL DEL COBRE DE CHILE 5.95% S/A 08JAN2034 REGS	-	2,000,000	2,000,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>China</i>				
AGRICULTURAL BANK OF CHINA LTD/SINGAPORE 0% A 09FEB2024 FXCD	-	2,000,000	-	2,000,000
AGRICULTURAL BANK OF CHINA LTD/SINGAPORE 0% A 15JUN2023	2,000,000	-	2,000,000	-
AGRICULTURAL BANK OF CHINA LTD/SINGAPORE 5.39% A 07MAR2023 FXCD	3,000,000	-	3,000,000	-
AGRICULTURAL BANK OF CHINA LTD/SYDNEY 0% A 8JUN2023 FXCD	3,000,000	-	3,000,000	-
BANK OF CHINA LTD/MACAU 5.38% A 23FEB2023 FXCD	5,000,000	-	5,000,000	-
BANK OF COMMUNICATIONS CO LTD/HONG KONG 5.37% A 17FEB2023 FXCD	4,000,000	-	4,000,000	-
BANK OF COMMUNICATIONS CO LTD/TOKYO 0% A 14JUL2023 CD	2,000,000	-	2,000,000	-
CHINA CONSTRUCTION BANK CORP/SYDNEY 5% A 02JUN2023	3,000,000	-	3,000,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/MACAU 0% 23FEB2023 CD	1,300,000	-	1,300,000	-
BANK OF COMMUNICATIONS CO LTD/TOKYO 0% 19NOV2024 CD	-	1,100,000	-	1,100,000
BK OF CHINA/MACAU CD 0% A 18APR2024	-	2,000,000	-	2,000,000
CHINA CONSTRUCTION BANK/HONG KONG 5% A 08MAY2024 FXCD	-	3,000,000	3,000,000	-
ICBC/LU 0% 11MAR2024 CD	-	100,000	-	100,000
ICBC/LU 0% 12NOV2024 CD	-	600,000	-	600,000
ICBC/LU 0% 20NOV2024 CD	-	1,000,000	-	1,000,000
ICBC/TOKYO 0% 13NOV2024 CD	-	1,000,000	-	1,000,000
ICBC/TOKYO 0% 14NOV2024 CD	-	400,000	-	400,000
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/HONG KONG 5.89% S/A 20FEB2024	-	2,000,000	2,000,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/LUXEMBOURG 5.39% A 06NOV2023 FXCD	-	3,000,000	3,000,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LUX LTD 5.2% A 27OCT2023 FXCD	-	2,000,000	2,000,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA MACAU LTD 5.6% A 01NOV2024 FXCD	-	1,000,000	-	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 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>France</i>				
BANQUE FEDERATIVE DU CREDIT MUTUEL SA S+1.4% Q 13JUL2026 REGS	-	3,000,000	3,000,000	-
BNP PARIBAS SA 5.335% S/A 12JUN2029 REGS	-	3,000,000	3,000,000	-
CREDIT AGRICOLE SA 5.589% S/A 05JUL2026 REGS	-	3,000,000	3,000,000	-
CREDIT AGRICOLE SA S+1.29% Q 05JUL2026 REGS	-	3,000,000	3,000,000	-
<i>NETHERLANDS</i>				
CREDIT AGRICOLE SA S+1.78% Q 18SEP2027 REGS	-	1,000,000	1,000,000	-
ING GROEP NV 6.114% S/A 11SEP2034	-	2,000,000	2,000,000	-
ING GROEP NV S+1.56% Q 11SEP2027	-	4,000,000	4,000,000	-
<i>Spain</i>				
BANCO SANTANDER SA 6.607% S/A 07NOV2028	-	3,000,000	3,000,000	-
<i>Sweden</i>				
SWEDBANK AB S+1.38% Q 15JUN2026 REGS	-	3,000,000	3,000,000	-
<i>Switzerland</i>				
CREDIT SUISSE GROUP AG 6.537% S/A 12AUG2033	-	1,000,000	1,000,000	-
UBS AG/LONDON S+0.93% Q 11SEP2025	-	3,000,000	3,000,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<i>United Kingdom</i>				
HSBC HLDGS PLC 5.887% S/A 14AUG2027	-	7,000,000	7,000,000	-
STANDARD CHARTERED PLC 6.17% S/A 09JAN2027	-	5,000,000	5,000,000	-
STANDARD CHARTERED PLC 6.187% S/A 6JUL2027 REGS	-	3,500,000	1,000,000	2,500,000
STANDARD CHARTERED PLC 6.296% S/A 06JUL2034 REGS	-	4,000,000	4,000,000	-
WELLS FARGO & CO 3M S+0.8% Q 01AUG2025	-	1,000,000	1,000,000	-
WELLS FARGO & CO 3M S+1.06% Q 07AUG2026	-	2,000,000	2,000,000	-
<i>United States</i>				
AMERICAN EXPRESS CO 6.489% S/A 30OCT2031	-	1,000,000	1,000,000	-
BAYER US FINANCE LLC 6.125% S/A 21NOV2026 REGS	-	2,000,000	2,000,000	-
BAYER US FINANCE LLC 6.25% S/A 21JAN2029 REGS	-	2,000,000	2,000,000	-
BAYER US FINANCE LLC 6.5% S/A 21NOV2033 REGS	-	2,000,000	2,000,000	-
CARRIER GLOBAL CORP 5.9% S/A 15MAR2034	-	860,000	860,000	-
CITIBANK NA 5.488% S/A 04DEC2026	-	3,000,000	1,000,000	2,000,000
CITIBANK NA S+0.4% Q 12NOV2024	-	2,000,000	2,000,000	-
CONSOLIDATED EDISON CO OF NEW YORK INC 5.5% S/A 15MAR2034	-	2,000,000	2,000,000	-
GLENCORE FUNDING LLC 6.5% S/A 06OCT2033 REGS	-	1,000,000	1,000,000	-
MORGAN STANLEY 5.449% S/A 20JUL2029	-	2,000,000	1,000,000	1,000,000
MORGAN STANLEY 5.479% S/A 16JUL2025	-	3,000,000	3,000,000	-
NESTLE HLDGS INC 5% S/A 12SEP2028	-	3,000,000	3,000,000	-
NEXTERA ENERGY CAPITAL HLDGS INC 5.25% S/A 28FEB2053	-	500,000	500,000	-
NEXTERA ENERGY CAPITAL HLDGS INC 5.749% S/A 01SEP2025	-	2,000,000	2,000,000	-
ORACLE CORP 4.65% S/A 6MAY2030	-	2,000,000	2,000,000	-
ORACLE CORP 4.9% S/A 6FEB2033	-	1,000,000	1,000,000	-
PFIZER INVESTMENT ENTERPRISES PTE LTD 4.75% S/A 19MAY2033	-	500,000	500,000	-
S&P GLOBAL INC 5.25% S/A 15SEP2033 REGS	-	3,000,000	3,000,000	-
TAPESTRY INC 7.05% S/A 27NOV2025	-	140,000	140,000	-

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 05OCT2023	-	2,000,000	2,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 17OCT2023	-	2,000,000	2,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 03OCT2023	-	1,000,000	1,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 04JAN2024	-	1,000,000	300,000	700,000
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 05DEC2023	-	1,000,000	1,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 07NOV2023	-	3,000,000	3,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 14DEC2023	-	1,000,000	1,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 16MAR2023	-	2,000,000	2,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 16NOV2023	-	3,000,000	3,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 26SEP2023	-	2,000,000	2,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 28MAR2023	-	2,000,000	2,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 29AUG2023	-	1,000,000	1,000,000	-
UNITED STATES OF AMERICA				
TREASURY BILL 0% A 5SEP2023	-	2,400,000	2,400,000	-
US TREASURY N/B 4.375% S/A				
30NOV2028	-	2,200,000	1,200,000	1,000,000
WELLS FARGO & CO 5.557% S/A				
25JUL2034	-	500,000	500,000	-
WELLS FARGO & CO 5.574% S/A				
25JUL2029	-	500,000	-	500,000

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

	<i>Movement</i>			<i>At 31 December 2023</i>
	<i>At 1 January 2023</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Futures</b>				
<b>United States</b>				
10-YEAR US TREASURY NOTE FUTURE (CBT) DEC2023	-	(13)	13	-
10-YEAR US TREASURY NOTE FUTURE (CBT) SEP2023	-	(115)	115	-
2-YEAR US TREASURY NOTE FUTURE (CBT) DEC2023	-	(20)	20	-
2-YEAR US TREASURY NOTE FUTURE (CBT) JUN2023	-	(10)	10	-
2-YEAR US TREASURY NOTE FUTURE (CBT) MAR2023	-	(14)	14	-
5-YEAR US TREASURY NOTE FUTURE (CBT) DEC2023	-	(60)	60	-
5-YEAR US TREASURY NOTE FUTURE (CBT) JUN2023	-	(140)	140	-
5-YEAR US TREASURY NOTE FUTURE (CBT) MAR2023	-	(85)	85	-
5-YEAR US TREASURY NOTE FUTURE (CBT) SEP2023	-	(155)	155	-
ULTRA 10-YEAR US TREASURY NOTE FUTURE (CBT) DEC2023	-	35	(35)	-
ULTRA 10-YEAR US TREASURY NOTE FUTURE (CBT) SEP2023	-	(26)	26	-
US TREASURY LONG BOND FUTURE (CBT) SEP2023	-	(5)	5	-

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

Securities name	Number of shares/ Nominals	Fair Value as of 31 December 2023 USD	% of Net Asset Value
<b>Listed/Quoted Debt Securities</b>			
<b>Cayman Islands</b>			
ALIBABA GROUP HLDG LTD 3.6% S/A 28NOV2024	2,000,000	1,966,180	1.89%
CHINA OVERSEAS FINANCE CAYMAN VI LTD 5.95% S/A 08MAY2024	4,253,000	4,254,446	4.09%
CHINA RESOURCES LAND LTD 3.75% S/A 26AUG2024	600,000	591,984	0.57%
CHINA 22RESOURCES LAND LTD 3.75% S/A PERP	1,000,000	976,730	0.94%
CHINA RESOURCES LAND LTD 6% S/A 27FEB2024	3,300,000	3,299,736	3.17%
CHINA STATE CONSTRUCTION FINANCE CAYMAN I LTD 3.4% S/A PERP	3,000,000	2,837,880	2.73%
CHINA STATE CONSTRUCTION FINANCE CAYMAN III LTD 4% S/A PERP	1,000,000	984,220	0.95%
SOAR WISE LTD 6.125% S/A PERP	400,000	401,752	0.39%
TENCENT HLDGS LTD 1.81% S/A 26JAN2026 REGS	500,000	468,925	0.45%
TENCENT HLDGS LTD 3.28% S/A 11APR2024 REGS	392,000	389,746	0.37%
TENCENT HLDGS LTD 3.595% S/A 19JAN2028 REGS	500,000	475,660	0.46%
TENCENT HLDGS LTD 3.8% S/A 11FEB2025 REGS	1,000,000	985,420	0.95%
		17,632,679	16.96%
<b>China</b>			
BANK OF CHINA LTD 5% S/A 13NOV2024 REGS	2,000,000	1,988,940	1.91%
EXPORT-IMPORT BANK OF CHINA 3.625% S/A 31JUL2024	500,000	495,525	0.48%
WUHAN METRO GROUP CO LTD 1.58% S/A 03NOV2024	1,000,000	964,390	0.93%
		3,448,855	3.32%

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

	<i>Number of shares/ Nominals</i>	<i>Fair Value as of 31 December 2023 USD</i>	<i>% of Net Asset Value</i>
<b>Hong Kong</b>			
BLOSSOM JOY LTD 3.1% S/A PERP	3,300,000	3,172,323	3.05%
CHINA CITIC BANK INTL LTD 6% S/A 05DEC2023	1,000,000	1,025,970	0.99%
CNAC HK FINBRIDGE CO LTD 2% S/A 22SEP2025	700,000	660,870	0.64%
HYD INTERNATIONAL HOLDING LTD 3.1% S/A 28APR2026	1,400,000	1,313,340	1.26%
ICBCIL FINANCE CO LTD 1.25% S/A 02AUG2024	1,000,000	975,970	0.94%
ICBCIL FINANCE CO LTD 1.75% S/A 25AUG2025	200,000	188,964	0.18%
ICBCIL FINANCE CO LTD 2.125% S/A 27JAN2025	1,540,000	1,489,488	1.43%
ICBCIL FINANCE CO LTD 3.75% S/A 05MAR2024	1,834,000	1,828,113	1.76%
KING POWER CAPITAL LTD 5.625% S/A 03NOV2024	3,550,000	3,558,697	3.42%
WESTWOOD GROUP HLDGS LTD 3.8% S/A 20JAN2031	500,000	389,960	0.37%
		<u>14,603,695</u>	<u>14.04%</u>
<b>Japan</b>			
MITSUBISHI UFJ FINANCIAL GROUP INC 4.788% S/A 18JUL2025	1,000,000	995,480	0.96%
MITSUBISHI UFJ FINANCIAL GROUP INC 5.541% S/A 17APR2026	2,000,000	2,004,660	1.93%
NIPPON LIFE INSURANCE CO 6.25% S/A 13SEP2053 REGS	1,000,000	1,054,940	1.01%
SUMITOMO MITSUI FINANCIAL GROUP INC 5.88% S/A 13JUL2026	500,000	510,325	0.49%
		<u>4,565,405</u>	<u>4.39%</u>
<b>Singapore</b>			
BOC AVIATION LTD 3.5% S/A 10OCT2024 REGS	200,000	196,940	0.19%
		<u>196,940</u>	<u>0.19%</u>

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

	<i>Number of shares/ Nominals</i>	<i>Fair Value as of 31 December 2023 USD</i>	<i>% of Net Asset Value</i>
<b>Switzerland</b>			
UBS GROUP AG 2.1936% S/A 05JUN2026 REGS	400,000	380,692	0.37%
UBS GROUP AG 4.751% S/A 12MAY2028 REGS	500,000	492,985	0.47%
		<u>873,677</u>	<u>0.84%</u>
<b>United Kingdom</b>			
HSBC HLDGS PLC 0.976% S/A 24MAY2025	500,000	490,200	0.47%
		<u>490,200</u>	<u>0.47%</u>
<b>United States</b>			
BOC AVIATION USA CORP 5.75% S/A 09NOV2028	1,000,000	1,029,330	1%
BOC AVIATION USA CORP 1.625% S/A 29APR2024 REGS	3,300,000	3,258,981	3.13%
BOC AVIATION USA CORP 4.875% S/A 03MAY2033 REGS	500,000	489,700	0.47%
GENERAL MOTORS FINANCIAL CO INC 5.8% S/A 07JAN2029	2,000,000	2,047,800	1.97%
GOLDMAN SACHS GROUP INC 1.757% S/A 24JAN2025	500,000	498,690	0.48%
JPMORGAN CHASE & CO 6.07% S/A 22OCT2027	2,000,000	2,058,080	1.98%
REPUBLIC SERVICES INC 5% S/A 15DEC2033	500,000	510,180	0.49%
US TREASURY N/B 4.5% S/A 15NOV2033	3,000,000	3,151,172	3.03%
US TREASURY N/B 4.75% S/A 15NOV2043	300,000	322,359	0.31%
		<u>13,366,292</u>	<u>12.86%</u>

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

	<i>Number of shares/ Nominals</i>	<i>Fair Value as of 31 December 2023 USD</i>	<i>% of Net Asset Value</i>
<b>Virgin Island</b>			
CHINA HUADIAN OVERSEAS DEVELOPMENT MANAGEMENT CO LTD 4% S/A PERP	3,300,000	3,277,065	3.15%
CHINA HUANENG GROUP HONG KONG TREASURY MANAGEMENT HLDGS LTD 3.08% S/A PERP	2,320,000	2,214,162	2.14%
CMHI FINANCE BVI CO LTD 3.875% S/A PERP	1,000,000	971,220	0.93%
DIANJIAN HAIYU LTD 3.45% S/A PERP	1,000,000	963,680	0.93%
EASTERN CREATION II INVESTMENT HLDGS LTD 1.35% S/A 20OCT2024	600,000	581,166	0.56%
GUANGZHOU METRO INVESTMENT FINANCE BVI LTD 1.507% S/A 17SEP2025	500,000	469,620	0.45%
GUANGZHOU METRO INVESTMENT FINANCE BVI LTD 2.609% S/A 14NOV2024	1,450,000	1,416,229	1.36%
JIC ZHIXIN LTD 2.125% S/A 27AUG2030	1,000,000	844,760	0.81%
LEVC FINANCE LTD 1.375% S/A 25MAR2024	2,000,000	1,980,940	1.90%
MINMETALS BOUNTEOUS FINANCE BVI LTD 3.375% S/A PERP	4,400,000	4,331,316	4.16%
POWERCHINA ROADBRIDGE GROUP BRITISH VIRGIN ISLANDS LTD 3.08% S/A PERP	2,762,000	2,619,923	2.52%
SEPCO VIRGIN LTD 3.55% S/A PERP	1,000,000	982,250	0.94%
SINOCHEM OFFSHORE CAPITAL CO LTD 1% S/A 23SEP2024	3,500,000	3,390,310	3.26%
SINOCHEM OFFSHORE CAPITAL CO LTD 1.5% S/A 24NOV2024	1,520,000	1,468,685	1.41%
XINGSHENG BVI CO LTD 1.375% S/A 25AUG2024	4,200,000	4,091,472	3.93%
		<hr/>	
		29,602,798	28.45%
		<hr/>	
<b>Total Listed/Quoted Debt Securities</b>		84,780,541	81.52%

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

	<i>Number of shares/ Nominals</i>	<i>Fair Value as of 31 December 2023 USD</i>	<i>% of Net Asset Value</i>
<b>Unlisted/Quoted Debt Securities</b>			
<b>Australia</b>			
MACQUARIE GROUP LTD6.255% S/A 07DEC2034 REGS	1,000,000	1,049,190	1.01%
		<u>1,049,190</u>	<u>1.01%</u>
<b>China</b>			
AGRICULTURAL BANK OF CHINA LTD/SINGAPORE 0% A 09FEB2024 FXCD	2,000,000	1,988,440	1.91%
BANK OF COMMUNICATIONS CO LTD/TOKYO 0% 19NOV2024 CD	1,100,000	1,048,773	1.01%
BK OF CHINA/MACAU CD 0% A 18APR2024	2,000,000	1,968,240	1.89%
ICBC/LU 0% 11MAR2024 CD	100,000	100,007	0.10%
ICBC/LU 0% 12NOV2024 CD	600,000	573,114	0.55%
ICBC/LU 0% 20NOV2024 CD	1,000,000	953,820	0.92%
ICBC/TOKYO 0% 13NOV2024 CD	1,000,000	955,270	0.92%
ICBC/TOKYO 0% 14NOV2024 CD	400,000	381,892	0.37%
INDUSTRIAL & COMMERCIAL BANK OF CHINA MACAU LTD 5.6% A 01NOV2024 FXCD	1,000,000	999,460	0.96%
		<u>8,969,016</u>	<u>8.63%</u>
<b>United Kingdom</b>			
STANDARD CHARTERED PLC 6.187% S/A 6JUL2027 REGS	2,500,000	2,542,825	2.45%
		<u>2,542,825</u>	<u>2.45%</u>

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

	<i>Number of shares/ Nominals</i>	<i>Fair Value as of 31 December 2023 USD</i>	<i>% of Net Asset Value</i>
<b>United States</b>			
CITIBANK NA 5.488% S/A 04DEC2026	2,000,000	2,037,640	1.96%
MORGAN STANLEY 5.449% S/A 20JUL2029	1,000,000	1,020,320	0.98%
UNITED STATES OF AMERICA TREASURY BILL 0% A 04JAN2024	700,000	699,395	0.67%
US TREASURY N/B 4.375% S/A 30NOV2028	1,000,000	1,023,516	0.98%
WELLS FARGO & CO 5.574% S/A 25JUL2029	500,000	511,000	0.49%
		<u>5,291,871</u>	<u>5.08%</u>
<b>Total Unlisted/Quoted Debt Securities</b>		<u>17,852,902</u>	<u>17.17%</u>
<b>Total investments</b>		102,633,443	98.69%
<b>Other net assets</b>		<u>1,364,505</u>	<u>1.31%</u>
<b>Total net assets</b>		<u><u>103,997,948</u></u>	<u><u>100%</u></u>

## Financial derivative Instrument 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

	2023	2022
Lowest	0%	0%
Highest	17.66%	12.33%
Average	1.58%	3.11%

### Net derivative exposure

	2023	2022
Lowest	0%	0%
Highest	17.66%	12.33%
Average	1.58%	3.11%

## Performance record (Unaudited)

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

	<i>Net asset value per unit</i>	<i>Total net asset value USD</i>
As at 31 December 2023		
- Class A (HKD)	HKD 10.7031	44,325
- Class A (USD)	USD 10.6861	5,045
- Class A2 (HKD)	HKD 10.2859	12,976
- Class A2 (USD)	USD 10.2870	103
- Class I (USD)	USD 10.7748	21,319,026
- Class B (USD)	USD 10.8053	82,635,076
As at 31 December 2022		
- Class A (HKD)	HKD 10.1721	46,118
- Class A (USD)	USD 10.1542	5,068
- Class I (USD)	USD 10.2281	20,237,114
- Class B (USD)	USD 10.2500	78,388,255
For the period from 29 December 2020 (commencement date) to 31 December 2021		
- Class A (HKD)	HKD 10.0723	146,525
- Class A (USD)	USD 10.0602	15,033
- Class I (USD)	USD 10.0994	247,403,767
- Class B (USD)	USD 10.1122	167,047,125

## Performance record (Unaudited) (continued)

Highest issue price and lowest redemption price per unit

	<i>Highest issue price per unit</i>	<i>Lowest redemption price per unit</i>
For the year ended 31 December 2023		
- Class A (HKD)	HKD 10.7060	HKD 10.1990
- Class A (USD)	USD 10.6861	USD 10.1607
- Class A2 (HKD)	HKD 10.2889	HKD 10.0000
- Class A2 (USD)	USD 10.2870	USD 9.9940
- Class I (USD)	USD 10.7748	USD 10.2351
- Class B (USD)	USD 10.8053	USD 10.2571
For the year ended 31 December 2022		
- Class A (HKD)	HKD 10.1755	HKD 10.0104
- Class A (USD)	USD 10.1541	USD 9.9516
- Class I (USD)	USD 10.2280	USD 10.0067
- Class B (USD)	USD 10.2500	USD 10.0228
For the period from 29 December 2020 (commencement date) to 31 December 2021		
- Class A (HKD)	HKD 10.0723	HKD 9.9598
- Class A (USD)	USD 10.0602	USD 9.9753
- Class I (USD)	USD 10.0994	USD 9.9875
- Class B (USD)	USD 10.1122	USD 9.9888