

Bosera Global Exchange Traded Funds Series Open-ended Fund Company

Bosera HKD Money Market ETF (Unlisted Classes)

August 2023

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

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

## Quick facts

**Manager:** Bosera Asset Management (International) Co., Limited

**Custodian:** CMB Wing Lung (Trustee) Limited

**Ongoing charges over a year<sup>#</sup>:**

Class A Shares: estimated to be 0.35%
Class C Shares: estimated to be 0.55%
Class N Shares: estimated to be 0.80%
Class I Shares: estimated to be 0.30%
Class S Shares: estimated to be 0.20%

**Dealing frequency:** Daily (Hong Kong business days)

**Base currency:** Hong Kong dollars (HKD)

**Dividend policy:** The Manager has discretion as to whether or not the Sub-Fund will make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant class and may result in an immediate reduction of the Net Asset Value (“NAV”) per share of the Sub-Fund (“Share”).

All Shares will receive distributions in the base currency (HKD) only.

**Financial year end of the Sub-Fund:** 31 December

**Minimum initial investment:**

Class A HKD: HKD1
Class C HKD: HKD0.1
Class N HKD: HKD0.1
Class I HKD: HKD 1,000,000
Class S HKD: HKD1

**Minimum subsequent investment:**

Class A HKD: HKD0.1
Class C HKD: HKD0.1
Class N HKD: HKD0.1
Class I HKD: HKD0.1

# The ongoing charges figure is indicative only as the Sub-Fund is newly set up. It represents the sum of the estimated ongoing expenses over a 12-month period chargeable to the relevant class expressed as a percentage of the NAV of the relevant class. The actual figure may be different from this estimated figure and it may vary from year to year.

## What is this product?

Bosera HKD Money Market ETF (the “**Sub-Fund**”) is a sub-fund of the Bosera Global Exchange Traded Funds Series Open-Ended Fund Company (“**Company**”), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is an actively managed exchange traded fund under Chapter 8.2 and 8.10 of the Code on Unit Trusts and Mutual Funds (the “**Code**”).

**The Sub-Fund offers both listed class of Shares (the “Listed Class of Shares”) and unlisted classes of Shares (together the “Unlisted Classes of Shares”). This statement contains information about the offering of the Unlisted Classes of Shares, and unless otherwise specified references to “Shares” in this statement shall refer to the Unlisted Classes of Shares. Investors should refer to a separate statement for the offering of the Listed Class of Shares.**

**The purchase of a Share in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not guarantee repayment of principal and the Manager has no obligation to redeem the Shares at the offer value. The Sub-Fund does not have a constant NAV. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.**

## Objectives and Investment Strategy

### Objective

The Sub-Fund’s objective is to invest in short term deposits and high quality money market investments. The Sub-Fund seeks to achieve a return in HKD in line with prevailing money market rate. There can be no assurance that the Sub-Fund will achieve its investment objective.

### Strategy

The Sub-Fund seeks to achieve its investment objective by investing all of its assets in HKD-denominated short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, financial institutions and corporations.

### Short-term Deposits and High Quality Money Market Instruments

In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the instrument must be taken into account. High quality money market instruments include fixed income securities, commercial papers, certificates of deposits, short-term notes and commercial bills. The Sub-Fund may invest up to 100% of its NAV in fixed income securities, which may include but are not limited to government bonds, fixed and floating rate bonds.

The Sub-Fund will only invest in fixed income securities rated investment grade or above. For the purposes of the Sub-Fund, investment grade is defined as below based on the original maturity of a fixed income security:

- A long-term fixed income security which (or the issuer of which) is rated BBB- / Baa3 or above by an internationally recognised credit rating agency (such as Fitch’s, Moody’s and Standard & Poor’s). For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the Sub-Fund does not intend to invest in fixed income securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the Sub-Fund invests in fixed income securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund; and
- A short-term fixed income security which (or the issuer of which) is rated F3 / P-3 / A-3 or above by an internationally recognised credit rating agency (such as Fitch’s, Moody’s and Standard & Poor’s). For split credit ratings, the highest rating shall apply.

For investment grade (either the security or its issuer) fixed income securities, the Manager will assess the credit risks of the fixed income security on an ongoing basis based on quantitative and qualitative fundamentals, including but not limited to the issuer’s leverage, operating margin, return on capital, interest coverage, operating cash flows, industry

## Bosera HKD Money Market ETF (Unlisted Classes)

outlook, the firm's competitive position and corporate governance etc. to ensure that the fixed income security that the Sub-Fund invests in is of sound credit quality.

The Manager will assess the liquidity profile of instruments based on, amongst other factors, time to cash, external liquidity classification, liquidation horizon, daily trading volume, price volatility and bid-ask spread of such instruments. Only instruments with sufficient liquidity will be included in the portfolio of the Sub-Fund.

The Sub-Fund may invest in aggregate up to 100% of its NAV in HKD-denominated short-term deposits and high quality money market instruments issued in Greater China (comprising offshore market of Mainland China, Hong Kong, Macau and Taiwan). The Sub-Fund will invest less than 20% of its NAV in HKD-denominated short-term deposits and high quality money market instruments issued in emerging markets other than Mainland China.

The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total NAV of the Sub-Fund except: (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities (as defined in the Prospectus), up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities.

The Sub-Fund will not invest in any convertible bonds or instruments with loss absorption features, or any urban investment bonds.

### **Sale and Repurchase Transactions, Borrowing and Other Investments**

The Sub-Fund may borrow up to 10% of its latest available NAV but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its NAV but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its NAV. Save as disclosed above, the Sub-Fund will not enter into any securities lending or reverse repurchase transactions or other similar over-the-counter transactions.

The Sub-Fund will enter into financial derivative instruments ("FDIs") (including interest rate swaps and currency swaps) for hedging purposes only.

### **Use of derivatives / Investment in derivatives**

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

### **What are the key risks?**

**Investment involves risks. Please refer to the Prospectus for details including the risk factors.**

#### **1. Investment risk**

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

#### **2. Active investment management risk**

- The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

#### **3. Risks associated with bank deposits**

## Bosera HKD Money Market ETF (Unlisted Classes)

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund may also place deposits in non-resident accounts (NRA) and offshore accounts (OSA), which are offshore deposits with offshore branches of Mainland Chinese banks. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

#### 4. Emerging market risk and concentration risk

- The Sub-Fund will invest in emerging markets such as Mainland China, which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, legal and taxation risks, settlement risk, custody risk and economic risk) and higher volatility than more developed markets.
- The Sub-Fund will invest all of its assets in HKD-denominated short-term deposits and high quality money market instruments (which may include fixed income securities). The Sub-Fund may also be concentrated in a particular market or region, including Greater China. The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the HKD money markets, or the market or region in which its investments are focused.

#### 5. Fixed income securities investment risk

- Short-term fixed income instruments risk - As the Sub-Fund invests all of its assets in HKD-denominated short-term deposits and high quality money market instruments, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term fixed income instruments may also increase which in turn may have a negative impact on the NAV of the Sub-Fund. The Sub-Fund's underlying fixed income securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.
- Credit / counterparty risk - The Sub-Fund is exposed to the credit/default risk of issuers of the fixed income securities it invests in.
- Volatility and liquidity risk - The fixed income securities in the Greater China markets (in particular Mainland China and Taiwan) and other emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuation. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- Interest rate risk - Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Credit rating risk - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- Downgrading risk - The credit rating of a fixed income instrument or its issuer may subsequently be downgraded. In such case, the Sub-Fund's investment value may be adversely affected. The Manager may or may not be able to dispose of the fixed income instruments that are being downgraded.
- Valuation risk - Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.
- Sovereign debt risk - The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

#### 6. Differences in dealing arrangements between Listed and Unlisted Classes of Shares

- Investors of Listed and Unlisted Classes of Shares are subject to different pricing and dealing arrangements. The NAV per Share of each of the Listed and Unlisted Classes of Shares may be different due to different fees and cost applicable to each class. The trading hours of The Stock Exchange of Hong Kong Limited applicable to the Listed Class of Shares in the secondary market and the dealing deadlines in respect of the Unlisted Classes of Shares are also different. For the avoidance of doubt, the dealing deadline applicable to the Listed Class of Shares in the primary market and the dealing deadlines in respect of the Unlisted Classes of Shares are the same.
- Shares of the Listed Class of Shares are traded on the stock exchange in the secondary market on an intraday basis at the prevailing market price (which may diverge from the corresponding NAV), while Shares of the Unlisted Classes of Shares are sold through intermediaries based on the dealing day-end NAV and are dealt at a single valuation point

## Bosera HKD Money Market ETF (Unlisted Classes)

with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Unlisted Classes of Shares may be at an advantage or disadvantage compared to investors of the Listed Class of Shares.

- In a stressed market scenario, investors of the Unlisted Classes of Shares could redeem their Shares at NAV while investors of the Listed Class of Shares in the secondary market could only redeem at the prevailing market price (which may diverge from the corresponding NAV) and may have to exit the Sub-Fund at a significant discount. On the other hand, investors of the Listed Class of Shares could sell their Shares on the secondary market during the day thereby crystallising their positions while investors of the Unlisted Classes of Shares could not do so in a timely manner until the end of the day.

### 7. Distributions out of or effectively out of capital risk

- Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the NAV per Share of the Sub-Fund.

### 8. Termination risks

- The Sub-Fund may be terminated early under certain circumstances, for example, if the size of the Sub-Fund falls below USD10,000,000 (or equivalent). Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

## How has the Sub-Fund performed?

Since the Sub-Fund is newly set up, there is insufficient data to provide a useful indication of past performance to investors.

## Is there any guarantee?

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

## What are the fees and charges?

### Charges which may be payable by you

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

Fee	What you pay		
	Class A, Class C and Class I	Class N	Class S
<b>Subscription fee<sup>#</sup></b>	Up to 1% of the subscription amount	Up to 0.60% of the subscription amount	Nil
<b>Switching fee<sup>#</sup> (i.e. conversion fee)</b>	Up to 1%* of the redemption price for each Share converted	Up to 1%* of the redemption price for each Share converted	Nil
<b>Redemption fee<sup>#</sup></b>	Nil		

\* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the applicable redemption fee (if any).

### Ongoing fees payable by the Sub-Fund

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

Fee	Annual rate (as a % of the Sub-Fund's NAV)				
	Class A HKD	Class C HKD	Class N HKD	Class I HKD	Class S HKD
<b>Management fee<sup>#</sup></b>	0.15% per annum	0.35% per annum	0.60% per annum	0.10% per annum	Nil
<b>Performance fee</b>	Nil				
<b>Custodian fee</b>	0.05% per annum, subject to a minimum monthly fee of HKD5,000				

### Other fees

You may have to pay other fees when dealing in the Shares of the Sub-Fund.

# Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Shareholders. Please refer to the section headed "Expenses and Charges" in the Prospectus for further details of the fees and charges payable and the permitted maximum of such fee allowed, as well as other ongoing expenses that may be borne by the Sub-Fund.

### **Additional information**

You generally buy and redeem Shares at the Sub-Fund's next-determined NAV after the Custodian receives your request, directly or via a distributor, in good order at or before 12:00 p.m. (Hong Kong time), being the Sub-Fund's dealing cut-off time on each dealing day of the Sub-Fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time). The valuation point is at approximately 1:00 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each dealing day).

The Manager will publish important news and information in respect of the Sub-Fund, in both English and Chinese languages (unless otherwise specified) at the following website [www.bosera.com.hk](http://www.bosera.com.hk) (this website has not been reviewed by the SFC), including:

- the Prospectus and this Product Key Facts Statement (as amended and supplemented from time to time);
- the latest annual and semi-annual unaudited financial reports in English;
- any public announcements made by the Sub-Fund, including information in relation to the Sub-Fund, notices of suspension of the issue and redemption of Shares, suspension of the calculation of the NAV and changes in fees;
- any notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the offering documents and constitutive documents of the Sub-Fund;
- the last NAV and the last NAV per Share in HKD;
- full portfolio information of the Sub-Fund (updated on a daily basis);
- composition of distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months.

The NAV of the Sub-Fund is calculated and the prices of Unlisted Classes of Shares are published each business day on the website [www.bosera.com.hk](http://www.bosera.com.hk) (this website has not been reviewed by the SFC).

You may obtain information on the distributor(s) in respect of the Sub-Fund by contacting the Manager at 2537 6658.

### **Important**

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

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness. SFC registration and authorization do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company or the Sub-Fund or its performance. They do not mean the Company or the Sub-Fund is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.