

Bosera Global Exchange Traded Funds Series Open-ended Fund Company  
 Bosera 20+ Year US Treasury Bond ETF (Accumulating Listed Share Class)

February 2024

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

- ***This is a passive exchange traded fund.***
- ***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

<b>Stock codes:</b>	09107 – USD counter (Accumulating Listed Share Class)
<b>Trading lot size:</b>	1 Share – USD counter
<b>Manager:</b>	Bosera Asset Management (International) Co., Limited
<b>Custodian:</b>	BOCI-Prudential Trustee Limited
<b>Ongoing charges over a year<sup>#</sup>:</b>	estimated to be 0.30%
<b>Annual tracking difference*:</b>	estimated to be 0.50%
<b>Index:</b>	ICE US Treasury 20+ Year Bond Index
<b>Base currency:</b>	United States dollars (USD)
<b>Trading currency:</b>	United States dollars (USD)
<b>Dividend policy:</b>	No distribution of dividends to the Accumulating Listed Share Class. Income and capital gain will be reinvested and reflected in the Net Asset Value per Share of the Accumulating Listed Share Class.
<b>Financial year end of the Sub-Fund:</b>	31 December
<b>Website:</b>	<a href="http://www.bosera.com.hk/en-US/products/list/etf">http://www.bosera.com.hk/en-US/products/list/etf</a> (this website has not been reviewed by the SFC)

<sup>#</sup> 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 expressed as a percentage of the average Net Asset Value over the same period. The actual figure may be different from this estimated figure and it may vary from year to year.

\* This is an estimated annual tracking difference as the Sub-Fund is newly set up. Investors should refer to the website of the Sub-Fund for more up-to date information on actual tracking difference.

## What is this product?

Bosera 20+ Year US Treasury Bond 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, limited liability and segregated liability between sub-funds registered and incorporated under Part IVA of the Securities and Futures Ordinance (Cap. 571) (“**SFO**”). The listed class of shares of the Sub-Fund (“**Shares**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Shares are traded on SEHK like listed stocks. The Sub-Fund is a passively managed index tracking exchange traded fund under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the “**Code**”).

**The Sub-Fund offers both (i) accumulating listed class of Shares (the “Accumulating Listed Share Class”) and (ii) distributing listed class of Shares (the “Distributing Listed Share Class) (together, the “Listed Class of Shares”) and (iii) unlisted classes of Shares (the “Unlisted Classes of Shares”). This statement contains information about the offering of the Accumulating Listed Share Class, and unless otherwise specified references to “Shares” in this statement shall**

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refer to the “Listed Class of Shares”. Investors should refer to a separate statement for the offering of Distributing Listed Share Class and the Unlisted Classes of Shares.

### Objectives and Investment Strategy

#### Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the ICE US Treasury 20+ Year Bond Index (the “**Index**”).

#### Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will primarily use a representative sampling strategy and invest in a representative sample of the constituent securities of the Index (“**Index Securities**”) selected by the Manager that collectively reflects the investment characteristics of the Index. The Sub-Fund may or may not hold all Index Securities, and may hold US Treasury securities which are not included in the Index, provided that these securities collectively feature a high correlation with the Index.

The Sub-Fund may invest directly up to 100% of its Net Asset Value in Index Securities (i.e. US Treasury bonds). The Sub-Fund may from time to time hold US Treasury securities with maturities other than at least twenty years that are not included in the Index, which the Manager believes will help the Sub-Fund achieve its investment objective. It is intended that at least 80% of the Net Asset Value of the Sub-Fund will be invested in US Treasury securities with remaining maturity of at least of at least twenty years as constituent securities of the Index.

The Sub-Fund may also invest not more than 10% of its Net Asset Value in cash and cash equivalents (including money market funds which are authorised under Chapter 8.2 of the Code) or eligible schemes under Chapter 7.11A of the Code for cash management purposes.

There is no current intention for the Sub-Fund to engage in sale and repurchase transactions, reverse repurchase transactions and/or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month’s prior notice to Shareholders (or such shorter notice period as may be permitted under the applicable regulatory requirements) before the Sub-Fund engages in any such investments.

The Sub-Fund may enter into securities lending transactions for up to 50% of its Net Asset Value and the expected level of securities lending transactions is approximately 20% of the Sub-Fund’s Net Asset Value.

The Sub-Fund may invest no more than 10% of the Sub-Fund’s Net Asset Value in financial derivative instruments for investment and hedging purposes, such as US Treasury bond futures, options or interest rate swaps, where the Manager believes such investments will help the Sub-Fund achieve its investment objective. The futures in which the Sub-Fund may invest will be index futures that exhibit high correlation with the Index in order to manage the Sub-Fund’s exposure to the Index constituents.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of the Prospectus. Notwithstanding the investment and borrowing restrictions set out in Part 1 of the Prospectus, the Sub-Fund shall not invest in units or shares of other collective investment schemes, with the exception of money market funds that are either authorised by the SFC or eligible schemes as determined by the SFC.

#### Index

ICE US Treasury 20+ Year Bond Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Constituent securities are investment grade, must have a minimum term to maturity of at least twenty years as of the rebalancing date, a fixed coupon schedule and an adjusted amount outstanding of at least USD300 million, excluding amounts held by the Federal Reserve System Open Market Account (SOMA). Treasury bills, inflation-linked debt securities and original issue zero-coupon securities that have been stripped from coupon-paying bonds are excluded from the Index; however, the outstanding amount of coupon-paying constituent securities remain unaffected or unadjusted by the amounts that have been stripped. Agency debt with or without a US government guarantee and securities issued or marketed primarily to retail investors also do not qualify for inclusion in the Index.

The Index is a total return market capitalization weighted index which captures the actual rate of return of its constituent securities, which include US Treasury securities, by taking into account capital gains, dividends, and distributions realized over a period of time. The constituents and their respective weightings will be rebalanced on a monthly basis.

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The Index methodology was developed by ICE Data Services (“ICE” or the “Index Provider”), who is responsible for the calculation and dissemination of the Index. The Manager and its connected persons are independent of the Index Provider.

The Index is denominated and quoted in USD. The index was launched on 31 December 2015. The constituents of the Index and their respective weightings are published at <https://indices.ice.com/> (the contents of which has not been reviewed by the SFC).

As at 31 January 2024, it comprised 40 constituent securities. The market capitalisation of the Index was approximately USD 1.34 trillion. The base date for the Index was 31 December 2004 with a base level of 100 as of the base date.

You can obtain the most updated list of constituents of the Index, their respective weightings, the last closing index level and additional information of the Index including important news from the website of the Index Provider at <https://indices.ice.com/> (the contents of which has not been reviewed by the SFC).

### Vendor codes

Bloomberg: IDCOT20 Index

## Use of derivatives / Investment in derivatives

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

## What are the key risks?

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

### 1. General investment risk

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

### 2. Concentration risk / Single issuer risk

- The Sub-Fund’s investments are concentrated in a single country, namely the US and in bonds of a single issuer. The Sub-Fund’s value may be more volatile than that of a fund having a more diverse portfolio and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market. The Sub-Fund’s investment in US Treasury securities is not subject to US withholding, income or capital gains tax.
- The Sub-Fund may invest up to 100% of its Net Asset Value in debt securities issued and/or guaranteed by the US government as a single sovereign issuer. Such investments are based on the reference to the Index. Please note the ratings of the US government as a sovereign issuer may change from time to time.

### 3. Fixed income securities investment risk

- **Income Risk** - The Sub-Fund’s income may decline when interest rates fall. This decline can occur because the debt instruments held by the Sub-Fund will have floating, or variable, interest rates.
- **Interest rate risk** – Investment in the Sub-Fund is subject to interest rate risk. In general, the price of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in heightened market volatility and detract from the Sub-Fund’s performance to the extent the Sub-Fund is exposed to such interest rates. As the Sub-Fund invests in US Treasury bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the US (including monetary policy and fiscal policy) may have an influence over the US capital markets and affect the pricing of the bonds in the Sub-Fund’s portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling interest rates can lead to a decline in income for the Sub-Fund. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.
- **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 Net Asset Value calculation of the Sub-Fund.

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- ***Credit risk and sovereign debt risk*** – The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that the Sub-Fund may invest in. The financial condition of an issuer of a debt security or other instrument may cause such issuer to default, become unable to pay interest or principal due or otherwise fail to honour its obligations or cause such issuer to be perceived as being in such situation. Further, the Sub-Fund’s investment in securities issued or guaranteed by governments (e.g. US government) 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 in sovereign debt issuers.
- ***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 debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

#### **4. Differences in dealing arrangements between Listed Class of Shares and Unlisted Classes of Shares**

- Investors of Listed Class of Shares and Unlisted Classes of Shares are subject to different pricing and dealing arrangements. The Net Asset Value per Share of each of the Listed Class of Shares and Unlisted Classes of Shares may be different due to different fees and cost applicable to each class. The trading hours of the SEHK 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 on an intraday basis at the prevailing market price (which may diverge from the corresponding Net Asset Value), while shares of the Unlisted Classes of Shares are sold through intermediaries based on the dealing day-end Net Asset Value and are dealt at a single valuation point with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Listed Class of Shares may be at an advantage or disadvantage compared to investors of the Unlisted Classes of Shares.
- In a stressed market scenario, investors of the Unlisted Classes of Shares could redeem their Shares at Net Asset Value 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 Net Asset Value) 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.

#### **5. Securities lending transactions risk**

- Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

#### **6. Passive investments risk**

- The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

#### **7. Tracking error risk**

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used and/or fees and expenses. The Manager will monitor and seek to manage such risk and minimise tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

#### **8. Trading risk**

- Generally, retail investors can only buy or sell Shares on the SEHK. The trading price of Shares on the SEHK is driven by market factors such as the demand and supply of Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund’s Net Asset Value. As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

#### **9. Trading hours differences risk**

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As the trading platforms on which the constituents of the Index are traded may be open when Shares in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Differences in trading hours between the trading platforms on which constituents of the Index are traded and the SEHK may also increase the level of premium or discount of the Share price to the Sub-Fund's Net Asset Value.

### 10. Difference in Distribution Policies

- The Manager will pay distributions to Shareholders of the Distributing Listed Share Class and may pay distribution to Shareholders of the Unlisted Classes of Shares but not to Shareholders of the Accumulating Listed Share Class. Distributions made in respect of the Distributing Listed Share Class and Unlisted Classes of Shares may result in an immediate reduction in their respective Net Asset Value per Share. All income and capital gain received in the Accumulating Listed Share Class will be reinvested and reflected in the Net Asset Value per Share. The difference in the distribution policies of the classes will lead to difference in the Net Asset Value between the classes.

### 11. Reliance on market maker risk

- Although the Manager will ensure that at least one market maker will maintain a market for the Shares traded on SEHK, and that at least one market maker gives not less than 3 months' notice prior to terminating the market making arrangement under the relevant market maker agreement, liquidity in the market for Shares may be adversely affected if there is no or only one market maker for the USD traded class. There is no guarantee that any market making activity will be effective.

### 12. Termination risk

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or 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 incurred when trading the fund on SEHK

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

Fee	What you pay
Brokerage fee	At each broker's discretion
Transaction levy	0.0027% of the trading price of the Shares <sup>1</sup>
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% of the trading price of the Shares <sup>2</sup>
SEHK Trading fee	0.00565% of the trading price of the Shares <sup>3</sup>
Stamp duty	Nil

<sup>1</sup> Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.

<sup>2</sup> AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.

<sup>3</sup> SEHK trading fee of 0.00565% of the trading price of the Shares, payable by each of the buyer and the seller.

### 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.

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Fee	Annual rate (as a % of the Sub-Fund's value)
Management fee*	0.15%
Performance fee	Nil
Administration and Custodian fee*	Currently: Up to 0.10% per annum, subject to a minimum monthly fee of USD4,500

### Other fees

You may have to pay other fees when dealing in the Shares of the Sub-Fund. Please refer to the Prospectus for details of other fees and expenses applicable to the creation or redemption, or dealing in shares, or extraordinary items such as litigation expenses. You should also check with your intermediaries on the payment process including the currency that you should use for settling such fees and how they set the exchange rate to be used if any currency conversion is required in the transaction.

\* 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**

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 audited financial reports and semi-annual unaudited financial reports (in English only);
- any public announcements made by the Sub-Fund, including information in relation to the Sub-Fund and the Index, notices of suspension of the creation and redemption of Shares, suspension of the calculation of the Net Asset Value, changes in fees and suspension and resumption of trading in Shares;
- 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 Net Asset Value in the Sub-Fund's base currency (USD) and the last Net Asset Value per Share in each trading currency of the Sub-Fund (USD and HKD);
- the real time or near real time indicative Net Asset Value per Share in each trading currency of the Sub-Fund (USD and HKD) (updated every 15 seconds during trading hours throughout each dealing date);
- the past performance information of each share class of the Sub-Fund;
- the annual tracking difference and tracking error of the Sub-Fund;
- latest list of participating dealers and market makers;
- full portfolio of the Sub-Fund (updated on a daily basis).

The near real-time indicative Net Asset Value per Share of the Accumulating Listed Share Class in USD is indicative and for reference only and is updated every 15 seconds during SEHK trading hours.

The last Net Asset Value per Share in USD will remain unchanged when the underlying bond markets are closed for normal trading. Please refer to the Prospectus for details.

### **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.