

Bosera Global Exchange Traded Funds Series Open-ended Fund Company

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF

(Unlisted Classes)

August 2024

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:	Bank of Communications Trustee Limited
Index:	CSI China Reform Hong Kong Connect Central-SOEs High Dividend Yield Index
Ongoing charges over a year[#]:	Class A Shares: estimated to be 1.45% [#] Class C HKD Shares: estimated to be 1.65% [#] Class C USD Shares: estimated to be 1.65% [#] Class I Shares: estimated to be 1.15% [#] Class S Shares: estimated to be 0.65% [#]
Annual Tracking Difference [*]:	Class A Shares: estimated to be -1.45% [*] Class C HKD Shares: estimated to be -1.65% [*] Class C USD Shares: estimated to be -1.65% [*] Class I Shares: estimated to be -1.15% [*] Class S Shares: estimated to be -0.65% [*]
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	Hong Kong dollars (HKD)
Dividend policy:	Class A, Class I, Class S Shares: Semi-annually at the Manager's discretion (normally March and September in each year). Class C HKD, Class C USD Shares: Monthly at the Manager's discretions. 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 and, if distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class and

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

may result in an immediate reduction of the Net Asset Value (“NAV”) per share of the Sub-Fund (“Share”).

Financial year end of the Sub-Fund:	31 December
Minimum initial investment:	Class A HKD: HKD 1 Class C HKD: HKD 1 Class C USD: USD 1 Class I HKD: HKD 1,000,000 Class S HKD: HKD 1
Minimum subsequent investment:	Class A HKD: HKD 0.1 Class C HKD: HKD 0.1 Class C USD: USD 0.1 Class I HKD: HKD 0.1 Class S HKD: HKD 0.1

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 estimated average NAV of the relevant Class 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. 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 China Reform Hong Kong Central-SOEs High Dividend Yield Index 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 registered and incorporated under Part IVA of the Securities and Futures Ordinance (Cap. 571) (“SFO”). The Sub-Fund is a passively managed index exchange traded fund under Chapters 8.6 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.

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 CSI China Reform Hong Kong Connect Central-SOEs High Dividend Yield Index (the “Index”).

Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will use a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in securities listed on the Stock Exchange of Hong Kong (the “SEHK”) constituting the Index in substantially the same weightings as these constituent securities have in the Index. When a security ceases to be a constituent of the Index, rebalancing occurs which involves, inter alia, selling the outgoing constituent security and using the proceeds to invest in the incoming constituent security. The Manager will not use a representative sampling strategy other than in exceptional circumstances.

Under exceptional circumstances (e.g. due to restrictions, suspensions of trading or limited availability of certain constituent securities of the Index or it is not cost efficient, by reference to the Sub-Fund’s NAV, to use a full replication strategy), the Manager may also use a representative sampling strategy to invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index; and/or other collective investment schemes (CIS). “CIS” means an exchange traded fund and/or an unlisted index tracking fund which tracks an index that has a high correlation with the Index. The Sub-Fund’s ability to invest in other CIS may not exceed 10% of the NAV of the Sub-Fund and the Sub-Fund will not hold more than 10% of any units issued by any single CIS.

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

The Sub-Fund may switch between the full replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of investors.

In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3 percentage points or such other percentage points as determined by the Manager after consultation with the SFC.

In addition to disclosing the full portfolio of the Sub-Fund on a daily basis on the Manager's website, if the Sub-Fund holds any non-constituent of the Index and other CIS, for reasons other than Index rebalancing and Index related corporate action, the Manager will disclose the name and weighting of such non-constituent securities and other CIS on the Manager's website immediately after the purchase and it will be reported at least monthly until its disposal in order to enhance transparency.

Securities Lending Transactions

The manager may, on behalf of the Sub-Fund, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the Sub-Fund's NAV. The Manager may, on behalf of the Sub-Fund, recall the securities lent out at any time. All securities lending transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement.

Other Investment

The Sub-Fund may also invest not more than 5% of its NAV 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.

The Sub-Fund currently will not invest in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) 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 before the Manager engages in any such investments.

Index

The CSI China Reform Hong Kong Connect Central-SOEs High Dividend Yield Index selects the securities affiliated to the State owned Assets Supervision and Administration Commission of the State Council (the "SASAC"), with stable dividend and high dividend yield from the securities listed on the SEHK and eligible for trading via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect (the "Stock Connect") as the Index constituents. The Index is to reflect the overall performance of SEHK-listed securities affiliated to SASAC with high dividend yields under the Stock Connect.

Securities that meet certain minimum liquidity criteria will be eligible for inclusion in the Index subject to the following selection factors.

- (1) Securities that are affiliated to the SASAC (i.e. listed securities included in the Directory of Central State-owned Enterprises published by the SASAC and the listed securities of companies with the SASAC having actual control or being the largest shareholder) are selected for the next step;
- (2) Among the above mentioned securities, the security with the highest average daily total market value in the past year in each of the financial industry and real estate industry is selected respectively, and all securities in other industries are selected for the next step;
- (3) Among the securities selected under step (2) above, securities which pay dividend in each of the last 3 years and the mean of payout ratio in last 3 years and payout ratio in last 1 year are both between 0 and 1 are shortlisted ("Shortlisted Securities");
- (4) Shortlisted Securities are ranked by the average dividend yield over the past 3 years in descending order and the top 50 securities are selected as the constituents of the Index. If there are less than 50 Shortlisted Securities, all Shortlisted Securities will be selected as the constituents of the Index.

The weight of each constituent is capped at 10%, and the weight of each constituent in the financial and real estate industry is capped at 2%.

CSI China Reform Hong Kong Connect Central-SOEs High Dividend Yield Index is compiled and calculated by China Securities Index Co., Ltd. ("Index Provider"). The Manager and its connected persons are independent of the Index Provider.

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

The Index is a net total return index which means that the performance of the Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Index is dividend-adjusted free float market capitalisation weighted. The Index is denominated and quoted in HKD. The Index was launched on 13 September 2023.

As at 31 May 2024, it comprised 48 constituent securities. The market capitalisation of the Index was approximately HKD 683.9 billion. The base date for the Index was 30 December 2016 with a base level of 1000 as of the base date.

The index is adjusted and rebalanced annually and the adjustment will be effective as of the next trading day after the 2nd Friday in December.

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://www.csindex.com.cn/#/indices/family/detail?indexCode=931722> (the contents of which has not been reviewed by the SFC).

Vendor codes

Bloomberg: C31722N4 Index

Use of derivatives / Investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

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. Equity market risk

- Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines, changes in investment sentiment, political and economic conditions and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

3. Mainland China investment risk

- Investing in Mainland China, involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, social, tax, economic, foreign exchange, liquidity and regulatory risks; exchange rate fluctuations and exchange control; less developed settlement system; governmental interference; the risk of nationalisation and expropriation of assets, and custody risk and high volatility risk.

4. Currency risk

- Classes of Share of a Sub-Fund may be designated in a currency other than the base currency of the Sub-Fund. The underlying investments of a Sub-Fund may include securities denominated in currencies other than the base currency of the Sub-Fund. The Net Asset Value of a Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Sub-Fund's base currency and by changes in exchange rate controls.

5. Concentration risk

- As the Index constituents concentrate in companies listed in Hong Kong which operate predominantly in Mainland China and are affiliated to the SASAC and may concentrate in certain sectors (e.g. the energy sector) from time to time, the investment of the Sub-Fund may be similarly concentrated. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Mainland China and Hong Kong markets or the relevant sector.

6. New index risk

- The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

7. Differences in dealing arrangements between Listed Class of Shares and Unlisted Classes of Shares

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

- Investors of Listed Class of Shares and Unlisted Classes of Shares are subject to different pricing and dealing arrangements. The NAV 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 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 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 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.
- 8. 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.
- 9. 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.
- 10. 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.
- 11. 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.
- 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 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 S

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

Subscription fee[#]	Up to 1% of the subscription amount	Nil
Switching fee[#] (i.e. conversion fee)	Up to 1%* of the total redemption proceeds for each Share converted	Nil
Redemption fee[#]	Nil	

* The switching fee will be deducted from the total 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	Class C	Class I	Class S
Management fee[#]	0.80% per annum	1.00% per annum	0.50% per annum	Nil
Performance fee	Nil			
Custodian fee and administration fee[#]	Currently: Up to 0.10% per annum of the Net Asset Value of the Sub-Fund, subject to a monthly minimum fee of up to HKD30,000			

Other fees

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

[#] Please note that these 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 2:00 p.m. (Hong Kong time), being the Sub-Fund's dealing cut-off time on each dealing day of the Unlisted Classes of Shares 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 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 (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, 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 of each Unlisted Classes of Shares in issue;
- the annual tracking difference and tracking error of the Sub-Fund;
- full portfolio information of the Sub-Fund (updated on a daily basis);
- the past performance information of each share class of the Sub-Fund;
- 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 price of the Unlisted Classes of Shares are published each business day on the Manager's website www.bosera.com.hk (this website has not been reviewed by the SFC).

Bosera China Reform Hong Kong Central-SOEs High Dividend Yield Index ETF (Unlisted Classes)

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