

Issuer: Bosera Asset Management Co., Ltd

- ***This is a Mainland fund authorised for public offering in Hong Kong pursuant to Mainland-Hong Kong Mutual Recognition of Funds arrangement.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Fund's offering document.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	Bosera Asset Management Co., Ltd
Custodian:	Industrial and Commercial Bank of China Limited
Ongoing charges over a year[#]:	Class R Units: 1.05%
Dealing frequency:	Each Hong Kong Dealing Day (i.e. a business day in both Mainland China and Hong Kong)
Base currency:	RMB
Dividend policy:	Dividends (if any) will be declared and paid up to 12 times a year at the discretion of the Manager. Class R Units only distribute cash dividend. Distributions will not be paid out of capital or effectively out of capital of the Fund.
Financial year end of this fund:	31 December
Minimum initial investment:	Class R Units: RMB500
Minimum subsequent investment:	Class R Units: RMB100

[#] *The ongoing charges figure is based on expenses for the year ended 31 December 2017. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the relevant class expressed as a percentage of the average Net Asset Value of such class during the relevant period.*

What is this product?

- Bosera Credit Market Bond Fund (the "Fund") is a fund constituted under the laws of the Mainland China and its home regulator is the China Securities Regulatory Commission (the "CSRC").

Objective and Investment Strategy

Objective

The investment objective of the Fund is to achieve an investment income which is higher than the performance benchmark under the premise of prudent investment. The performance benchmark is 90% x China Bond Composite Index + 10% x CSI 300 Index. For details relating to the benchmark, please refer to page 99 of the Prospectus.

Strategy

The Fund primarily invests in credit market bonds including corporate bonds, enterprise bonds, policy bank bonds,

commercial papers, government agency bonds, asset-backed securities, convertible bonds and detachable convertible bonds, together with repurchases and other financial instruments in which funds are permitted to invest in by the Laws and Regulations and the CSRC.

In particular, investments in credit market bonds shall not be less than 80% of the assets of the Fund; and investments in credit bonds rated above BB+ by a Mainland China credit rating agency shall not be less than 80% of the credit market bonds of the Fund. Investments in cash or government bonds with a maturity of less than one year shall not be less than 5% of the net asset value of the Fund.

The Fund may also participate in the purchase of new stocks in the primary market and may invest in equity securities such as stocks in the secondary market. The Fund's investment in equity securities shall not exceed 20% of the assets of the Fund.

The Fund may invest in urban investment bonds which are issued by local government financing vehicles ("LGFVs") or asset-backed securities (including asset-backed commercial papers).

Provided that the minimum investment requirements for meeting the Fund's investment objectives and strategy and the other applicable regulatory requirements are complied with, the Fund may enter into repurchase transactions on the interbank bond market and on the exchange in Mainland China for up to 40% of its net asset value. The maximum leverage of the Fund shall not exceed 40% of its net asset value and will be by way of borrowing, margin facilities/financing and repurchase transactions only. Applicable regulatory approval from relevant regulatory authorities will be sought and at least one month's prior notice to investors will be given should there be any change of such policies.

Notwithstanding the disclosure in the Prospectus that the Fund may invest in warrants or financial derivative instruments, the Fund does not currently use warrants or other financial derivative instruments. The Fund currently does not intend to engage in securities lending, reverse repurchase transactions or other similar over-the-counter transactions. Prior regulatory approval will be sought and at least one month's prior notice will be given to Unitholders in Hong Kong if there is a change in this policy.

What are the key risks?

Investment involves risks and there is no guarantee of the repayment of principal. Please refer to the offering document for details including the risk factors.

1. Investment risk

- The Fund is an investment fund. There is no guarantee of the repayment of principal or payment of dividend or distributions. Furthermore, there is no guarantee that the Fund will be able to achieve its investment objective and there is no assurance that the stated strategies can be successfully implemented.

2. Risks associated with the Mainland-Hong Kong Mutual Recognition of Funds ("MRF") arrangement

- *Quota restrictions:* The MRF scheme is subject to an overall quota restriction. Subscription of units in the Fund may be suspended at any time if such quota is used up.
- *Failure to meet eligibility requirements:* If the Fund ceases to meet any of the eligibility requirements under the MRF, it may not be allowed to accept new subscriptions or continue to be marketed in Hong Kong. In the worst scenario, the SFC may even withdraw its authorisation for the Fund to be publicly offered in Hong Kong for breach of eligibility requirements. There is no assurance that the Fund can satisfy these requirements on a continuous basis.
- *Mainland China tax risk:* Currently, certain tax concessions and exemptions are available to the Fund and/or its corporate and individual investors in Hong Kong under the MRF regime. There is no assurance that such concessions and exemptions or Mainland tax laws and regulations will not change. Any change to the existing concessions and exemptions as well as the relevant laws and regulations may adversely affect the Fund and/or its investors and they may suffer substantial losses as a result.
- *Different market practices:* Market practices in the Mainland China and Hong Kong may be different. In addition, operational arrangements of the Fund and other public funds offered in Hong Kong may be different in certain ways. For example, subscription or redemption of units of the Fund may only be processed on a day when both Mainland China and Hong Kong markets are open, or it may have different cut-off times or dealing day arrangements versus other SFC-authorized funds. Investors should ensure that they understand these

differences and their implications.

3. Concentration risk / Mainland China market risk

- The Fund invests only in securities related to the Mainland China market and may be subject to additional concentration risk. Investing in the Mainland China market may give rise to different risks including political, policy, tax, economic, foreign exchange, legal, regulatory and liquidity risks.

4. RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- Investors may not receive RMB upon redemption of investments and/or dividend payment or such payment may be delayed due to the exchange controls and restrictions applicable to RMB.

5. Mainland China debt securities risk

- *Volatility and liquidity risks:* The Mainland China debt securities 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 fluctuations.
- *Counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
- *Interest rate risk:* Investment in the Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- *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 Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- *Credit rating agency risk:* The credit appraisal system in the Mainland China and the rating methodologies employed in the Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.
- *Risk associated with debt securities rated BB+ or below by a Mainland China credit rating agency or unrated:* The Fund may invest in debt securities rated BB+ or below by a Mainland China credit rating agency or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- *Sovereign debt risk:* The Fund may invest in sovereign debt securities. The 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 fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.
- *Risk associated with urban investment bonds:* The Fund may invest in urban investment bonds which are issued by local government financing vehicles ("LGFVs"). Such bonds are typically not guaranteed by local governments or the central government of the Mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Fund could suffer substantial loss and the net asset value of the Fund could be adversely affected.
- *Risk associated with asset-backed securities:* The Fund may invest in asset-backed securities (including asset-backed commercial papers) which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

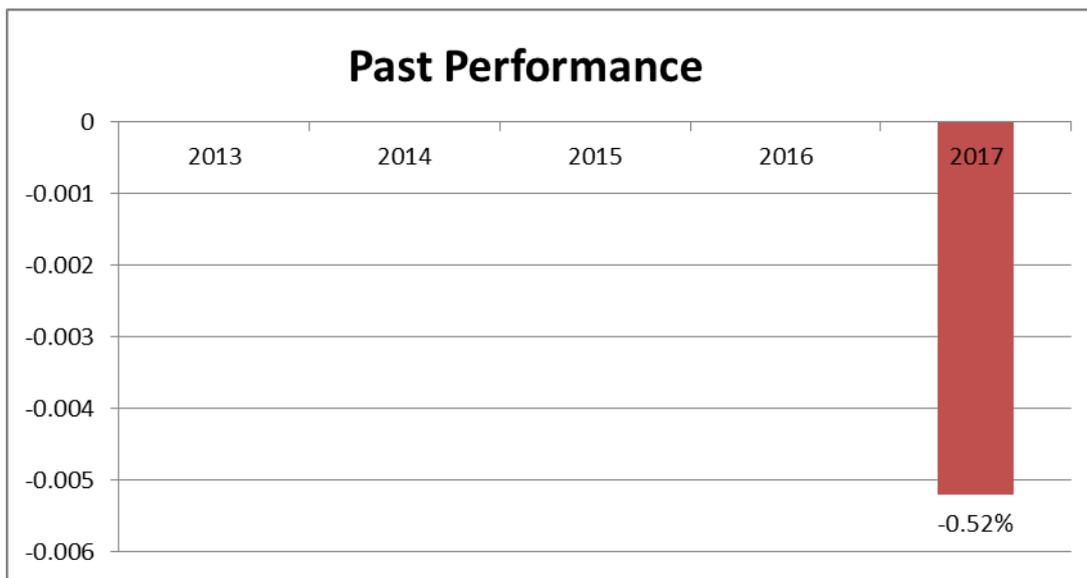
6. Mainland China equity risk

- *Market risk:* The Fund’s investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- *Volatility risk:* High market volatility and potential settlement difficulties in the Mainland China equity markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- *Policy risk:* Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.
- *High valuation risk:* The stocks listed on the Mainland stock exchanges may have a higher price-earnings ratio. Such high valuation may not be sustainable.
- *Liquidity risk:* Securities markets in Mainland China may be less liquid than other developed markets. The Fund may suffer substantial losses if it is not able to dispose of investments at a time it desires.

7. Risks associated with repurchase transaction

- The Manager may enter into repurchase transactions for the account of the Fund. The Fund may suffer substantial loss as there may be delays and difficulties in recovering the collateral pledged with the counterparty or the cash originally received may be less than the collateral pledged with the counterparty due to inaccurate and inadequate valuation of the collateral and market movements upon default of the counterparty.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class R Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2009
- Class R Units launch date: 2016

Is there any guarantee?

The 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 Class R Units of the Fund.

Fee	What you pay
Subscription fee	Up to 5% of the subscription amount
Switching fee (i.e. conversion fee)	N/A as switching of Class R Units is not permitted
Redemption fee	0.025% of the total redemption amount

Ongoing fees payable by the Fund

The following expenses will be paid out of Class R Units of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of Class R Units' net asset value)
Management fee	0.70%
Performance fee	N/A
Custodian fee	0.20%
Administration fee	N/A

Please refer to the section of the Prospectus entitled "Fees and Tax of the Fund" for information on other ongoing expenses that may be borne by the Fund.

Other fees

You may have to pay other fees when dealing in the units of the Fund.

Additional information

- You generally buy and redeem units at the Fund's next-determined net asset value after your request is received by an authorised distributor in good order at or before 3 p.m. (Hong Kong time) being the dealing cut-off time. Certain authorised distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Investors should check with the relevant authorised distributor accordingly. If any event occurs that causes disruption to the Mainland securities market, the dealing and cut-off time arrangements may be adjusted. Investors should inquire with the relevant authorised distributor for the related dealing and cut-off time arrangements in these circumstances.
- The net asset value of Class R Units is calculated and published on each Hong Kong Dealing Day.
- The Fund's net asset value, the latest subscription and redemption prices of units (which are updated on each Hong Kong Dealing Day) and the latest notices relating to the Fund are available on the Hong Kong Representative's website <http://www.bosera.com.hk> (This website has not been reviewed by the SFC).

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.