



**FULLGOAL INTERNATIONAL FUND SERIES OFC**  
**- Fullgoal Select Investment Grade Bond Fund**  
**(A sub-fund of a Hong Kong open-ended fund company authorised under**  
**section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)**

**Semi-Annual Report**  
**For the period from 15 February 2024 (date of commencement of operation)**  
**to 30 June 2024**  
**(Unaudited accounts)**

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**

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**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**

**ADMINISTRATION AND MANAGEMENT**

**Manager**

Fullgoal Asset Management (HK) Limited  
19/F, 33 Des Voeux Road Central  
Hong Kong

**Directors of the Company**

HUI Hon Wah  
ZHANG Lixin

**Custodian**

CMB Wing Lung (Trustee) Limited  
6/F, CMB Wing Lung Bank Building  
45 Des Voeux Road Central  
Hong Kong

**Directors of the Manager**

CHEN Ge  
CHOW Yuk Sing  
LI Xiaowei  
LIN Zhi Song  
LU Wenjia

MAK Constance Yuen Fan (resigned on 8 Apr 2024)  
ZHANG Feng  
ZHANG Lixin  
ZHANG Peng  
ZHU Shaoxing (appointed on 24 Apr 2024)

**Registrar**

CMB Wing Lung (Trustee) Limited  
6/F, CMB Wing Lung Bank Building  
45 Des Voeux Road Central  
Hong Kong

**Auditor**

KPMG  
8th Floor, Princes Building  
10 Chater Road, Central  
Hong Kong

**Legal Adviser as to matters of Hong Kong Law**

King & Wood Mallesons  
Level 13, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong SAR

## FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND REPORT OF MANAGER

### 1. Brief market review

In the first half of 2024, the global economic performance was overall better than expected, with the US economy remaining resilient in a high interest rate environment. Inflation in Europe has fallen due to improved supply chain. Monetary easing is on the way despite a slow economic recovery. Japan ended its negative interest rate policy in March, taking a milestone towards normalizing monetary policy.

Regarding macroeconomic and rates perspective, the focus of the market continued to be on the timing of Fed's rate cuts and the extent of interest rate cuts in the year. The real GDP of the United States grew at a 1.4% annual rate in the first quarter, slowed quarter-on-quarter. The core PCE rose to 3.7%, raised market concern about 'stagflation'. Some key economic data began to cool down in the second quarter. The United States CPI increased by 3% year-on-year in June, lower than that of 3.3% in May, setting the lowest growth rate since June 2023. The latest employment data in the United States indicated that the momentum of the labor market might have weakened, and the unemployment rate increased in June, providing basis for the Federal Reserve to start cutting interest rates. In the first half of 2024, U.S. treasury bond interest rates as a whole followed economic data and showed a high volatility, with the U.S. 10-year treasury yield rising from 3.9% at the beginning of the year to a high of 4.7% at the end of April, and then oscillating back down to near 4.3%. In Europe, improving inflation boosted consumer and investment confidence, and real GDP returned to positive growth. This enables the European Central Bank (ECB) and the Bank of England to focus on the timing of interest rate cuts. On June 6, the ECB announced its June interest rate resolution. As expected, it announced a 25bps cut, as one of the first central banks to cut rates. In Japan, the wages increase from 'Shunto' Wage negotiation hit an 11-year high, and the Bank of Japan exited negative interest rate policy and yield curve control (YCC) in March.

In the credit market, in the first half of 2024, U.S. rates continued to fluctuate at high levels, but with the advancement of interest rate cut expectations, credit spreads continued to narrow. U.S. investment-grade credit spreads narrowed from 99bps at the beginning of the year to 85bps. As the supply of Chinese dollar bonds is limited, China USD investment-grade credit spreads narrowed from 125bps at the beginning of the year to 79bps, setting a record low.

### 2. Main investment operations

In the first half of the year, the Fund was established and completed the build-up of positions. The Fund is mainly invested in U.S. Treasury bonds and high-grade credit bonds, with continuously adjusting and optimizing the portfolio based on actual market movement and achieved better returns. In addition, the Fund also sized the opportunities in both primary and secondary credit markets to enhance the Fund's return level.

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**For the period from 15 February 2024 (date of commencement of operation) to 30 June 2024**

**For the period  
from 15 February 2024  
(date of commencement of  
operation)  
to 30 June 2024  
USD**

**INCOME**

Interest income on financial assets at fair value through profit or loss	67,107
Interest income on bank deposits	2,740
Other income	10,937
Realised gains on financial assets at fair value through profit or loss	14,270
Unrealised gains on financial assets at fair value through profit or loss	14,235

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109,289

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**EXPENSES**

Management fee	(3,688)
Administration fee	(1,106)
Custodian fee	(415)
Audit fee	(7,118)
License fee	(242)
Preliminary expenses	(36,464)
Other expenses	(2,942)
Investment handling fee	(2,060)
Legal & professional fee	(120)

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(54,155)

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**INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

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55,134

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**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**As at 30 June 2024**

	<b>As at</b>
	<b>30 June 2024</b>
	<b>USD</b>
<b>ASSETS</b>	
Financial assets at fair value through profit or loss	4,562,976
Interest receivable on financial assets at fair value through profit or loss	59,409
Cash and cash equivalents	473,400
Interest receivable on bank deposits	545
Amount due from broker	398,974
Other account receivable	10,937
<b>TOTAL ASSETS</b>	<u>5,506,241</u>
<b>LIABILITIES</b>	
Amounts due to brokers	398,758
Management fee payable	781
Administration fee payable	991
Custodian fee payable	389
Accrued expenses and other payables	48,188
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS</b>	
<b>ATTRIBUTABLE TO SHAREHOLDERS)</b>	<u>449,107</u>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<u>5,057,134</u>
<b>TOTAL LIABILITIES</b>	<u>5,506,241</u>
<b>NUMBER OF SHARES IN ISSUE</b>	Units
Class S USD (Dist)	5,000.000
Class A USD (Dist)	2.000
<b>NET ASSET VALUE PER SHARE</b>	
Class S USD (Dist)	USD 1,011.02
Class A USD (Dist)	USD 998.34

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (UNAUDITED)**  
For the period from 15 February 2024 (date of commencement of operation) to 30 June 2024

	Class S USD (Dist) USD	Class A USD (Dist) USD	Total USD
<b>As at 15 February 2024 (date of commencement of operation)</b>	-	-	-
Subscription proceeds from shares issued	5,000,000	2,000	5,002,000
Redemption of shares	-	-	-
	<u>5,000,000</u>	<u>2,000</u>	<u>5,002,000</u>
Increase in net assets attributable to shareholders from operations	55,138	(4)	55,134
<b>As at 30 June 2024</b>	<u><u>5,055,138</u></u>	<u><u>1,996</u></u>	<u><u>5,057,134</u></u>

	Class S USD (Dist) Shares in issue	Class A USD (Dist) Shares in issue
<b>As at 15 February 2024 (date of commencement of operation)</b>	-	-
Subscription of shares	5,000,000	2,000
Redemption of shares	-	-
<b>As at 30 June 2024</b>	<u><u>5,000,000</u></u>	<u><u>2,000</u></u>

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
For the period from 15 February 2024 (date of commencement of operation) to 30 June 2024

For the period  
from 15 February 2024  
(date of commencement of  
operation)  
to 30 June 2024  
USD

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets attributable to shareholders	55,134
Adjustment for:	
Interest Income	(69,847)
 Operating gain before working capital changes	 (14,713)
 Increase in financial assets at fair value through profit or loss	 (4,562,976)
Increase in amounts due from broker	(398,974)
Increase in other account receivable	(10,937)
Increase in amounts due to broker	398,758
Increase in management fee payable	781
Increase in administration fee payable	991
Increase in custodian fee payable	389
Increase in accrued expenses and other payables	48,188
 Cash flows used in operations	 (4,538,493)
 Interest received	 9,893
 <b>Net cash flows used in operations</b>	 <b>(4,528,600)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from subscription of shares	5,002,000
 <b>Net cash flows generated from financing activities</b>	 <b>5,002,000</b>
 <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	 <b>473,400</b>
 Cash and cash equivalents at the beginning of the period	 -
 Cash and cash equivalents at the end of the period	 <b>473,400</b>
 <b>Analysis of balances of cash and cash equivalents</b>	
Cash at bank	473,400



**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at 30 June 2024**

**Notes to the Financial Statements**

**1 THE SUB-FUND**

Fullgoal International Fund Series OFC (the "Company") is a public open-ended company with variable capital and segregated liability between Sub-Funds registered and incorporated under Part IVA of the Securities and Futures Ordinance. The Company incorporated in Hong Kong on 21 December 2023. As at 30 June 2024, the Company has one sub-fund which is Fullgoal Select Investment Grade Bond Fund (the "Sub-fund"). The date of inception of the Sub-fund was 15 February 2024. The Company has been authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "UT Code").

The investment objective of the Sub-Fund is to maximise total return on investments, comprising both interest income and capital gains.

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board ("IASB") and the relevant disclosure provisions of the Explanatory Memorandum ("EM") and its supplements, and the relevant disclosure provisions specified in Appendix E of 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 ("FVPL") that have been measured at fair value. The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates. The financial statements are presented in US dollars ("USD") and all values are rounded to the nearest USD except where otherwise indicated.

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND  
INVESTMENT PORTFOLIO (UNAUDITED)  
As at 30 June 2024**

	Nominal Value / Holding	Market Value USD	% of net asset
<b>LISTED DEBT SECURITIES</b>			
<b>Denominated in USD</b>			
<i>United States</i>			
US TREASURY N/B 4.500 31 May 29	500,000	502,734	9.94%
US TREASURY N/B 4.125 31 Mar 29	1,100,000	1,087,367	21.50%
US TREASURY N/B 4.000 15 Feb 34	900,000	871,945	17.24%
US TREASURY N/B 4.000 31 Jan 31	1,200,000	1,173,937	23.21%
US TREASURY N/B 4.000 31 Jan 29	300,000	295,020	5.83%
US TREASURY N/B 3.750 31 Dec 30	450,000	433,969	8.58%
TREASURY BILL TBILL 0.000 05 Sep 24	200,000	198,004	3.92%
		<u>4,562,976</u>	<u>90.22%</u>
Total investment portfolio		4,562,976	90.22%
Other net assets		494,158	9.78%
		<u>5,057,134</u>	<u>100.00%</u>
Total net assets		<u>5,057,134</u>	<u>100.00%</u>
Total investments, at cost		<u>4,548,742</u>	

Note: Investments are accounted for on a trade-date basis.

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND**  
**STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)**  
For the period from 15 February 2024 (date of commencement of operation) to 30 June 2024

**As at**  
**30 June 2024**  
**% of net asset value**

**LISTED DEBT SECURITIES**

**Denominated in USD**

<i>United States</i>	90.22%
Total listed / quoted investments	90.22%
Other net assets	9.78%
Net asset at 30 June 2024	100.00%

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND  
PERFORMANCE TABLE (UNAUDITED)  
For the period from 15 February 2024 (date of commencement of operation) to 30 June 2024**

Net assets attributable to shareholders

(Calculated in accordance with the Sub-Fund's EM)

	<b>Net asset value per share USD</b>	<b>Total net asset value USD</b>
As at 30 June 2024		
- Class S USD (Dist)	1,017.93	5,089,672.84
- Class A USD (Dist)	1,005.16	2,010.32

Highest issue price and lowest redemption price per share

(Calculated in accordance with the Sub-Fund's EM)

	<b>Highest issue price per share</b>	<b>Lowest redemption price per share</b>
Period ended 30 June 2024		
- Class S USD (Dist)	1,011.39	978.86
- Class A USD (Dist)	1,024.21	990.44

**FULLGOAL INTERNATIONAL FUND SERIES OFC - FULLGOAL SELECT INVESTMENT GRADE BOND FUND  
RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (UNAUDITED)  
As at 30 June 2024**

	<b>As at 30 June 2024 USD</b>
Net assets attributable to shareholders (Calculated in accordance with the IFRSs)	5,057,134
Adjustment for preliminary expenses	34,549
Net assets attributable to shareholders (Calculated in accordance with the Sub-Fund's EM)	<u>5,091,683</u>
Net asset value per share in unit denomination currency (Calculated in accordance with the IFRSs)	
- Class S USD (Dist)	USD 1,011.02
- Class A USD (Dist)	USD 998.34
Net asset value per share in unit denomination currency (Calculated in accordance with the Sub-Fund's EM)	
- Class S USD (Dist)	USD 1,017.93
- Class A USD (Dist)	USD 1,005.16