



## Fullgoal International Fund Series OFC

For the period from 21 December 2023 (date of  
incorporation) to 31 December 2024

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# Manager's report

## Investment review

In 2024, the market mainly focused on the timing and magnitude of the Fed's rate cuts, with significant fluctuations. After the rate cut in the third quarter, the 'Trump trade' became the focal point of market.

Regarding macro and interest rates, the overall U.S. economy showed small cyclical fluctuation, the Federal Reserve started a rate cut in Q3, while the 'Trump trade' dominated in Q4. At the beginning of the year, the market's expectations for interest rate cuts in 2024 reached up to seven times. However, the economic data in the first quarter was significantly better than expected, especially the strong labour market. In the first half of the year, the overall non-farm payrolls (NFP) was around 200,000 per month, with unemployment rate remained below 4%, rate cut was delayed as a result. However, since the mid of the year, the U.S. economy weakened significantly. Non-farm payrolls (NFP) from June to August was significantly lower than expected and the market worried the economy was heading into recession. Inflation continued to cool down, with 2.9% YOY growth in July, first reading below 3% since pandemic. The Fed finally started a rate cut cycle with a first cut of 50bps in September, beyond expectation, and then cut 25bps respectively in November and December. Entering the fourth quarter, the U.S. election became the focal point for the market. Trump's victory has triggered the 'Trump trade'. The market worried about re-inflation, and lowered its future rate cut expectation. As a whole, the U.S. Treasury yield fluctuate cyclically, breaking 4.7% in Q2, while hitting 3.6% in Q3, and closing at 4.56% at year end.

Credit market tells a different story. Credit spreads tightened significantly throughout the year. On one hand, the high interest rate environment provided better overall returns, and the market's risk appetite was higher in the hope of rate cuts. On the other hand, the stock market repeatedly set all-time highs, increasing market's allocation to credit bonds. Overall, U.S. investment grade credit spreads tightened 20bps in 2024, while Chinese investment grade credit spreads tightened 46bps.



Fullgoal Asset Management (HK) Limited

24 APR 2025

## Custodian's report to the shareholders of Fullgoal International Fund Series OFC (the "Company")

We hereby confirm that, in our opinion, the Manager of the Company and its Sub-fund has in all material respects managed the Company and its Sub-fund in accordance with the provisions of the Instrument of Incorporation, as amended and restated, during the period from 21 December 2023 (date of incorporation) to 31 December 2024.



For and on behalf of CMB Wing Lung (Trustee) Limited in its capacity as Custodian of Fullgoal International Fund Series OFC.

24 APR 2025



# Independent auditor's report to the shareholders of Fullgoal International Fund Series OFC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Fullgoal International Fund Series OFC and its Sub-fund (the "Company and its Sub-fund") set out on pages 7 to 35, which comprise the statement of assets and liabilities as at 31 December 2024, and the statement of comprehensive income, the statement of changes in net assets attributable to shareholders and statement of cash flows for the period from 21 December 2023 (date of incorporation) to 31 December 2024, and notes comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and its Sub-fund as at 31 December 2024, and of their financial performance and cash flows for the period from 21 December 2023 (date of incorporation) to 31 December 2024 in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and its Sub-fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Directors and the Manager of the Company and its Sub-fund are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent auditor's report to the shareholders of Fullgoal International Fund Series OFC (continued)

## Report on the Audit of the Financial Statements (continued)

### Responsibilities of Manager and Directors for the Financial Statements

The Directors and the Manager of the Company and its Sub-fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors and the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and the Manager of the Company and its Sub-fund are responsible for assessing the Company's and its Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Directors either intend to liquidate the Company and its Sub-fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Directors and the Manager of the Company and its Sub-fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Company's instrument of incorporation dated 21 December 2023, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code of Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company and its Sub-fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT code and Chapter 9 of the OFC Code.



## Independent auditor's report to the shareholders of Fullgoal International Fund Series OFC (continued)

### Report on the Audit of the Financial Statements (continued)

#### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its Sub-fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and the Manager.
- Conclude on the appropriateness of the Directors' and the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Company and its Sub-fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report to the shareholders of Fullgoal International Fund Series OFC (continued)

**Report on matters under the relevant disclosure provisions of the Company's instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT code and Chapter 9 of the OFC Code.

A handwritten signature in black ink, appearing to be 'Bing' or similar, written in a cursive style.

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

**24 APR 2025**

# Statement of assets and liabilities as at 31 December 2024 (Expressed in United States Dollars)

	Note	Fullgoal International Fund Series OFC 2024 \$	Fullgoal Select Investment Grade Bond Fund 2024 \$
<b>Assets</b>			
Financial assets at fair value through profit or loss	6	-	20,412,124
Interest receivables		-	209,394
Other receivables			25,152
Cash and cash equivalents	9	-	34,158
<b>Total assets</b>		-	20,680,828
<b>Liabilities</b>			
Management fee payable	7(a)	-	3,634
Administration and custodian fee payable	7(b)	-	15,381
Other payables and accrued expenses	10	-	57,367
<b>Total liabilities (excluding net assets attributable to shareholders)</b>		-	76,382
<b>Net assets attributable to shareholders</b>		-	20,604,446

Approved and authorised for issue by the Directors on 24 APR 2025 .

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes form an integral part of these financial statements.

# Statement of comprehensive income for the period from 21 December 2023 (date of incorporation) to 31 December 2024 (Expressed in United States Dollars)

	Note	Fullgoal International Fund Series OFC <sup>(1)</sup> 2024 \$	Fullgoal Select Investment Grade Bond Fund <sup>(2)</sup> 2024 \$
Net losses from financial assets at fair value through profit or loss	3	-	(181,130)
Interest from financial assets at fair value through profit or loss		-	239,673
Other income	4	-	37,734
<b>Total investment income</b>		-	96,277
Management fee	7(a)	-	(15,325)
Administration and custodian fee	7(b)	-	(16,899)
Auditor's remuneration		-	(17,000)
Professional fee		-	(120)
Set-up fee		-	(36,464)
Other operating expenses		-	(8,023)
<b>Total operating expenses</b>		-	(93,831)
<b>Income before taxation</b>		-	2,446
Taxation	5	-	-
<b>Increase in net assets attributable to shareholders and total comprehensive income for the period</b>		-	2,446

<sup>(1)</sup> The date of incorporation for Fullgoal International Fund Series OFC was 21 December 2023.

<sup>(2)</sup> The date of authorisation by Hong Kong Securities and Futures Commission (the "SFC") for the establishment of Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The sub-fund was launched on 15 February 2024.

The accompanying notes form an integral part of these financial statements.



# Statement of changes in net assets attributable to shareholders for the period from 21 December 2023 (date of incorporation) to 31 December 2024 (Expressed in United States Dollars)

	Fullgoal International Fund Series OFC <sup>(1)</sup> 2024 \$	Fullgoal Select Investment Grade Bond Fund <sup>(2)</sup> 2024 \$
<b>Balance at the beginning of the period</b>	-	-
Increase in net assets attributable to shareholders and total comprehensive income for the period	-	2,446
<b>Subscriptions and redemptions by shareholders</b>		
Subscriptions of shares	-	20,602,000
<b>Net subscription by shareholders</b>	-	20,602,000
<b>Balance at the end of the period</b>	-	20,604,446

<sup>(1)</sup> The date of incorporation for Fullgoal International Fund Series OFC was 21 December 2023.

<sup>(2)</sup> The date of authorisation by SFC for the establishment of Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The sub-fund was launched on 15 February 2024.

The accompanying notes form an integral part of these financial statements.



## Statement of changes in net assets attributable to shareholders for the period from 21 December 2023 (date of incorporation) to 31 December 2024 (continued) (Expressed in shares)

	Note	Fullgoal International Fund Series OFC <sup>(1)</sup> 2024 Shares	Fullgoal Select Investment Grade Bond Fund <sup>(2)</sup> 2024 Shares
<b>Class A USD (DIST)<sup>(3)</sup></b>			
Balance at the beginning of the period		-	-
Shares subscribed during the period		-	2
Balance at the end of the period		-	2
Net asset value per share	8	-	USD 1,026.2133
<b>Class S USD (DIST)<sup>(3)</sup></b>			
Balance at the beginning of the period		-	-
Shares subscribed during the period		-	19,762.565
Balance at the end of the period		-	19,762.565
Net asset value per share	8	-	USD 1,042.4959

<sup>(1)</sup> The date of incorporation for Fullgoal International Fund Series OFC was 21 December 2023.

<sup>(2)</sup> The date of authorisation by SFC for the establishment of Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The sub-fund was launched on 15 February 2024.

<sup>(3)</sup> DIST stands for distribution classes, of which the Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amounts of dividends. There is no guarantee of regular distribution, nor where distribution is made, the amount being distributed.

The accompanying notes form an integral part of these financial statements.

# Statement of cash flows

## for the period from 21 December 2023 (date of incorporation) to 31 December 2024

(Expressed in United States Dollars)

		Fullgoal International Fund Series OFC <sup>(1)</sup> 2024 \$	Fullgoal Select Investment Grade Bond Fund <sup>(2)</sup> 2024 \$
	Note		
<b>Operating activities</b>			
Increase in net assets attributable to shareholders and total comprehensive income for the period		-	2,446
Adjustments for:			
Interest income	4	-	(252,255)
Net losses from financial assets at fair value through profit or loss	3	-	181,130
<b>Operating losses before changes in working capital</b>		-	(68,679)
Purchase of financial assets at fair value through profit or loss		-	(56,646,653)
Proceeds from sale of financial assets at fair value through		-	36,053,399
Increase in other receivables		-	(25,152)
Increase in management fee payable		-	3,634
Increase in administration and custodian fee payable		-	15,381
Increase in other payables and accrued expenses		-	57,367
Interest received		-	42,861
<b>Net cash used in operating activities</b>		-	(20,567,842)

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows**  
**for the period from 21 December 2023 (date of**  
**incorporation) to 31 December 2024 (continued)**  
*(Expressed in United States Dollars)*

	<i>Note</i>	<i>Fullgoal International Fund Series OFC<sup>(1)</sup> 2024 \$</i>	<i>Fullgoal Select Investment Grade Bond Fund<sup>(2)</sup> 2024 \$</i>
<b>Financing activity</b>			
Proceeds from subscription of shares		-	20,602,000
<b>Net cash generated from financing activity</b>		-	20,602,000
<b>Net increase in cash and cash equivalents</b>			34,158
<b>Cash and cash equivalents at the beginning of the period</b>		-	-
<b>Cash and cash equivalents at the end of the period</b>	9	-	34,158

<sup>(1)</sup> The date of incorporation for Fullgoal International Fund Series OFC was 21 December 2023.

<sup>(2)</sup> The date of authorisation by SFC for the establishment of Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The sub-fund was launched on 15 February 2024.

The accompanying notes form an integral part of these financial statements.

# Notes to the financial statements

*(Expressed in United States dollar unless otherwise indicated)*

## 1 The Company

Fullgoal International Fund Series OFC (the “Company”) is an open-ended fund company with variable capital and limited liability regulated under the Hong Kong Securities and Futures Ordinance (“SFO”). The Company was incorporated pursuant to an Instrument of Incorporation filed to the Company Registry of Hong Kong on and effective as of 21 December 2023, with registration number OF234.

There was one sub-fund (the “Sub-fund”) created under the Company as at 31 December 2024. The Sub-Fund is authorised by the SFC under section 104 of the SFO. The registration date of Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The investment objective of Fullgoal Select Investment Grade Bond Fund is to maximise total return on investments, comprising both interest income and capital gains.

The Sub-fund is governed by the relevant provisions of the Securities and Futures (Open-ended Fund Companies) Rules (the “OFC Rules”), the Code on Open Ended Fund Companies (the “OFC Code”) and the Code on Unit Trusts and Mutual Funds (the “UT Code”) issued by the SFC.

The Company has appointed the Fullgoal Asset Management (HK) Limited (the “Manager”) to manage the assets of the Company and the Sub-fund (i.e. to carry out investment management functions), pursuant to the Investment Management Agreement. The Manager is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities), 9 (Asset Management) Regulated Activities under Part V of the SFO.

The Company has appointed CMB Wing Lung (Trustee) Limited (the “Custodian”), as the custodian for the Sub-fund. The Custodian shall act as custodian of the assets of the Sub-fund in respect of which it has been so appointed, pursuant to the Custody Agreement. The Custodian is responsible for the safekeeping of all the investments, cash and other assets forming part of the assets of the Sub-fund, and such assets will be dealt with pursuant to the terms in the Custody Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safekeeping of the relevant Sub-fund’s property entrusted to it.



## **2 Material accounting policies**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs"), and Interpretations issued by International Accounting Standards Board ("IASB"), Part 7 of the OFC rules, the relevant disclosure provisions of the OFC Code and the UT Code issued by the SFC. Material accounting policies adopted by the Sub-fund are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period. The Company and its Sub-fund have not applied any new standard or interpretation that is not yet effective for current accounting period (see note 16).

### **(b) Basis of preparation of the financial statements**

The financial statements of the Company and the Sub-fund are presented in United States dollars ("USD") and rounded to the nearest dollar.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that financial instruments classified as designated at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **(c) Income and expenses**

Interest income is recognised as it accrues using effective interest method. Interest income on bank deposits is included in other income. All other income and expenses are accounted for on an accrual basis.

## 2 Material accounting policies (continued)

### (d) Investments

#### (i) Classification of financial assets

On initial recognition, the Sub-fund classifies financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Sub-fund are measured at FVTPL.

#### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-fund's continuing recognition of the assets.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (i) Classification of financial assets (continued)

The Sub-fund has determined that it has two business models.

- Held-to-collect business model: These financial assets are held to collect contractual cash flow.
- Other business model: These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

#### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-fund considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

The Sub-fund classifies their investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-fund classifies all their investments into financial assets at FVTPL category. Financial assets measured at amortised cost include cash and cash equivalents, interests and other receivables.

#### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-fund is to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.



## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

#### (iii) Recognition

The Sub-fund recognises financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of IFRS 9.

#### (iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities are measured at amortised cost using the effective interest rate method.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (v) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Sub-fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

#### (vi) Amortised cost measurement

The "amortised cost" of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (vii) Impairment

The Sub-fund recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Sub-fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-fund's historical experience and informed credit assessment and including forward-looking information.

The Sub-fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-fund in full, without recourse by the Sub-fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-fund consider this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-fund expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.



## 2 Material accounting policies (continued)

### (e) Related parties

- (a) A person, or a close member of that person's family, is related to the Sub-fund if that person:
  - (i) has control or joint control over the Sub-fund;
  - (ii) has significant influence over the Sub-fund; or
  - (iii) is a member of the key management personnel of the Sub-fund or the Sub-fund's parent.
- (b) An entity is related to the Sub-fund if any of the following conditions applies:
  - (i) The entity and the Sub-fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Sub-fund.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Sub-fund or to the Sub-fund's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## **2 Material accounting policies (continued)**

### **(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

### **(g) Taxation**

Taxation for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting year. Current tax also includes non-recoverable withholding taxes on investment income, capital gains and share dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable capital gains will be available against which the asset can be utilised, are recognised.

The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

### **(h) Shares in issue**

The Sub-fund classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. All redeemable shares issued by the Sub-fund provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding Sub-fund's net assets at each redemption date and also in the event of the corresponding Sub-fund's liquidation.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Sub-fund's net assets in the event of the Sub-fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.

## 2 Material accounting policies (continued)

### (h) Shares in issue (continued)

- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Sub-fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-fund over the life of the instrument.

In addition to the instrument having all the above features, the Sub-fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-fund; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

As at 31 December 2024, Fullgoal Select Investment Grade Bond Fund had multiple classes of redeemable shares in issue. All the classes of shares rank *pari passu* in all material respects but have different terms and conditions as set out in the Explanatory Memorandum. The redeemable shares provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Sub-fund's net assets at each redemption date and also in the event of the Sub-fund's liquidation. The redeemable shares of the Sub-fund are classified as financial liabilities.

The Manager continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Manager will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity. If the redeemable shares subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B and IAS 32, the Manager and the Custodian will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.



### 3 Net losses from financial assets at fair value through profit or loss

*Fullgoal Select  
Investment  
Grade Bond  
Fund  
2024  
\$*

#### Net losses from financial assets at FVTPL

Realised gains on investments	173,014
Net change in unrealised losses on investments	(354,144)
	<u>(181,130)</u>

### 4 Other income

*Fullgoal Select  
Investment  
Grade Bond  
Fund  
2024  
\$*

Bank interest income	12,582
Fee rebate	25,152
	<u>37,734</u>

### 5 Taxation

No provision for Hong Kong Profits tax has been made in the financial statements as the Sub-fund is exempted from taxation under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Capital gains and interest income received by the Sub-fund may be subject to non-recoverable withholding tax imposed on the country of origin. Capital gains and investment income are recorded gross of withholding tax in profit or loss.

### 6 Financial assets at fair value through profit or loss

*Fullgoal Select  
Investment  
Grade Bond  
Fund  
2024  
\$*

Quoted debt securities	<u>20,412,124</u>
------------------------	-------------------



## 7 Transactions with Manager, the Custodian and Connected Persons

The following is a summary of significant related party transactions or transactions, which were entered into during the period between the Sub-fund, the Manager, the Custodian and their Connected Persons. Connected Persons are those as defined in the UT Code issued by SFC.

All transactions during the period between the Sub-fund, the Manager, the Custodian and their Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Manager, the Sub-fund did not have any other transactions with Connected Persons except for those disclosed below. The relevant receivables and payables are unsecured, interest free and repayable on demand.

### (a) Management fee

The Company has appointed Fullgoal Asset Management (HK) Limited to implement the investment strategy as specified in the Sub-fund's Explanatory Memorandum.

The Manager is entitled to receive a management fee in respect of each class of shares calculated as a percentage of the net asset value of that part of the Sub-fund relating to the relevant class of shares as follows:

	Class A % p.a.	Class S % p.a.
Fullgoal Select Investment Grade Bond Fund	0.8%	0.2%

The management fee is calculated and accrued on a daily basis and payable monthly in arrears. The management fee charged for the period for the Sub-fund is disclosed in the statement of comprehensive income. The fee may be increased up to a maximum of 3% per annum of the net asset value as set out in the Explanatory Memorandum by giving not less than one month's notice to Shareholders. As at 31 December 2024, the management fee payable for the Sub-fund is as below:

	2024 \$
Fullgoal Select Investment Grade Bond Fund	3,634

## 7 Transactions with Manager, the Custodian and Connected Persons (continued)

### (b) Administration and custodian fee

The administrator and custodian is CMB Wing Lung (Trustee) Limited (the "Administrator and Custodian"). The Administrator and Custodian is entitled to receive administration fee which is charged up to 0.12% per annum of the Sub-fund's net asset value, and custodian fee which is charged up to 0.1% per annum of the market value of the Sub-fund's investments in custody.

The administration fee and custodian fee maybe increased up to a maximum of 2% per annum of the net asset value and the market value of the investments in custody of the relevant Sub-fund respectively, as set out in the Explanatory Memorandum by giving not less than one month's notice to Shareholders.

The administration and custodian fee together are subject to a monthly minimum fee of \$3,000. The Administrator and Custodian has granted a waiver of the monthly minimum fee for the period from 16 February 2024 to 31 July 2024. During the period ended 31 December 2024, \$16,899 was charged to the Sub-fund's statement of comprehensive income, of which \$15,381 remained unsettled as of 31 December 2024.

### (c) Fee rebate

Fee rebate amounted to \$25,152 was earned from the Manager, which agreed to reimburse certain cost and expenses. The reimbursement includes the establishment cost and the operating fee expenses (including audit fee, Common Reporting Standard/ Foreign Account Tax Compliance Act reporting fee, financial statement fee, SFC annual fee, business registration fee, etc.) until the Sub-fund's assets under management reached \$30,000,000.

### (d) Transaction and transfer agency fee

The transaction and transfer agency fee amounted to \$2,776 was incurred for the services provided by the Administrator and Custodian. The transaction fee is charged per settlement instruction from the Sub-fund including amendment and cancellation while the transfer agency fee is charged for each subscription, redemption or unit transfer.

### (e) Bank balances

The bank accounts are maintained with CMB Wing Lung Bank Limited (the "Bank"). The bank balances as at period end date, interest income earned and bank charges incurred during the period are as below:

	<i>Fullgoal Select Investment Grade Bond Fund 2024 \$</i>
Bank balance as of period end	34,158
Interest income earned during the period	12,582
Bank charges incurred during the period	645

## 7 Transactions with Manager, the Custodian and Connected Persons (continued)

### (f) Holdings in the Sub-fund

During the period ended 31 December 2024, the following related parties/ Connected Persons had invested in the Sub-fund. Details of the transactions during the period and balance as at period end are shown below:

As at 31 December 2024

*Fullgoal Select  
Investment Grade  
Bond Fund*

#### **Related shareholders**

- A Director of the Company

Number of shares held as at period end	1
----------------------------------------	---

Market value of shares held as at period end	USD 1,026.21
----------------------------------------------	--------------

A Director of the Manager

Number of shares held as at period end	1
----------------------------------------	---

Market value of shares held as at period end	USD 1,026.21
----------------------------------------------	--------------

- Fullgoal Asset Management (HK) Limited

Number of shares held as at period end	17,292.562
----------------------------------------	------------

Market value of shares held as at period end	USD 18,027,425.64
----------------------------------------------	-------------------

- Shareholder of the Manager

Number of shares held as at period end	2,470.003
----------------------------------------	-----------

Market value of shares held as at period end	USD 2,574,968.09
----------------------------------------------	------------------



## 8 Capital management and shares in issue

There was no share issued by the Company other than the Sub-fund's shares during the period and as at the reporting date.

The Sub-fund's capital at the reporting date is represented by "net assets attributable to shareholders" in the statement of assets and liabilities. The Sub-fund's objective in managing the capital is to maximise total return on investments, comprising both interest income and capital gains, and to identify, monitor and manage the liquidity risk to meet redemption request. The Manager manages the capital of the Sub-fund in accordance with the Sub-fund's investment objectives and policies stated in the Sub-fund's Explanatory Memorandum.

There were no changes in the policies and procedures during the period with respect to the Sub-fund's approach to its capital management.

The amount and the movement of net assets attributable to shareholders are stated in the statement of changes in net assets attributable to shareholders. As the redeemable shares are redeemed on demand at the shareholders' option, the actual level of redemption may differ significantly from historic experience.

Different classes of shares may be offered for the Sub-fund. Each class of shares may be denominated in a different currency or may have different charging structure or class specific liabilities. As a result, the net asset value attributable to each class of shares of the Sub-fund may differ. In addition, each class of shares may be subject to different minimum initial subscription amount, minimum subsequent subscription amount, minimum holding amount and minimum redemption amount. At the end of the reporting period, the net asset value per share of each class is as follows:

### Fullgoal Select Investment Grade Bond Fund

	<i>Number of shares</i>	<i>Net asset value per share</i>
<i>Class A USD (DIST)</i>		
At the beginning of the period	-	USD -
At the end of the period	<u>2</u>	<u>USD 1,026.2133</u>
<i>Class S USD (DIST)</i>		
At the beginning of the period	-	USD -
At the end of the period	<u>19,762.565</u>	<u>USD 1,042.4959</u>

## 9 Cash and cash equivalents

*Fullgoal Select  
Investment  
Grade Bond  
Fund  
2024  
\$*

Cash at bank	34,158
--------------	--------

As at 31 December 2024, cash at bank bears interest at a floating rate based on daily bank deposit rates. The carrying amount of the cash at bank approximates to its fair value. As at 31 December 2024, there was no restriction in the use of cash and cash equivalents.

## 10 Other payables and accrued expenses

Other payables and accrued expenses are expected to be settled within one year or are repayable on demand.

## 11 Financial instruments and associated risks

The Sub-fund's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The Directors delegate the investment function of the Sub-fund to the Manager. The Manager have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Sub-fund.

The nature and extent of the financial instruments outstanding at the end of the reporting period and the risk management policies employed by the Sub-fund are discussed below.

### (a) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Custodian has received payments.

For purchase transactions, payments are made once securities have been received by the Custodian. The trade will fail if either party fails to meet their obligation. The Manager monitors the Sub-fund's credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

## 11 Financial instruments and associated risks (continued)

### (a) Credit risk (continued)

#### Amounts arising from ECL

Impairment on interests and other receivables and cash and cash equivalents have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-fund supplements this by reviewing changes in bond yields, where available and regulatory information about counterparties.

The Manager considers the probability of the counterparties not being able to pay is minimal as they have capacity to meet their contractual obligations in the near term and thus there is no impairment allowance recognised on interests and other receivables and cash and cash equivalents.

The Sub-fund's investments and cash are held by and deposited with the Custodian and Bank. Bankruptcy or insolvency of the Custodian and Bank may cause Sub-fund's execution of its rights with respect to the assets held by the Custodian and Bank to be delayed or limited. The Custodian does not have published credit rating but it is a wholly owned subsidiary of the Bank. The deposit ratings of the Bank as determined by Moody's as at period end are A3. The Manager monitors the credit rating of the Bank on an on-going basis.

#### *Credit rating category of debt securities*

As at 31 December 2024, the Sub-fund invested in debt securities with credit ratings available. The Sub-fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-fund considers this to be Baa3 or higher per Moody's, BBB- or higher per Standard & Poor's and BBB- or higher per Fitch. As at 31 December 2024, all debt securities held by the Sub-fund are categorised as investment grade.

### (b) Liquidity risk

Liquidity risk arises from the risk that the Sub-fund may not be able to convert investments into cash to meet liquidity needs in a timely manner.

The Sub-fund's policies are to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions and/or from other group companies to meet its liquidity requirements in the short and longer term.

The Sub-fund invests the majority of assets in investments that are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-fund's liquidity position on a regular basis.



## 11 Financial instruments and associated risks (continued)

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following tables illustrates the interest rate risk exposure of the Sub-fund. It includes the Sub-fund's interest rate sensitivity gaps and the period in which the interest bearing assets and liabilities reprice (the earlier of contractual re-pricing or maturity) as at period end.

#### As at 31 December 2024

	1 year or less \$	Over 1 year to 5 years \$	Over 5 years \$	Non- interest bearing \$	Total \$
<b>Assets</b>					
Financial assets at fair value through profit or loss	2,109,353	2,679,984	15,622,787	-	20,412,124
Interest receivables	-	-	-	209,394	209,394
Other receivables	-	-	-	25,152	25,152
Cash and cash equivalents	34,158	-	-	-	34,158
<b>Total assets</b>	<b>2,143,511</b>	<b>2,679,984</b>	<b>15,622,787</b>	<b>234,546</b>	<b>20,680,828</b>
<b>Liabilities</b>					
Management fee payable	-	-	-	3,634	3,634
Administration and custodian fee payable	-	-	-	15,381	15,381
Other payables and accrued expenses	-	-	-	57,367	57,367
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,382</b>	<b>76,382</b>
<b>Total interest sensitivity gap</b>	<b>2,143,511</b>	<b>2,679,984</b>	<b>15,622,787</b>		

The Sub-fund has invested in debt securities whose values are driven significantly by changes in interest rates. When interest rates rise, the value of debt securities will normally fall because new debt securities will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the debt securities will normally rise.



## 11 Financial instruments and associated risks (continued)

### (c) Interest rate risk (continued)

The Manager regularly assesses the economic condition and monitor changes in interest rates outlook to control the impact of interest rate risk. At period end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to shareholders and the change in net assets attributable to shareholders from operations for the period are shown in the table below:

	<i>Fullgoal Select Investment Grade Bond Fund \$</i>
Estimated increase in net assets if interest rate had decreased by 100 basis point	1,176,386
Estimated decrease in net assets if interest rate had increased by 100 basis point	<u>(1,176,386)</u>

The Sub-fund also has interest-bearing bank deposits which the interest rates movement will not have fair value impact on the net asset value and therefore no sensitivity analysis on bank deposits is presented.

### (d) Currency risk

The Sub-fund's functional currency is USD. The Sub-fund is not exposed to significant currency risk as only minimal expenses are denominated in Hong Kong dollars (HKD). As the Hong Kong dollar (HKD) is pegged to the USD, the Sub-fund considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

### (e) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices other than those arising from interest rate risk or currency risk, whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The Sub-fund's exposure to other price risk is limited as it only invests in debt instruments.

## 12 Fair value information

The Sub-fund's financial instruments are measured at fair value at the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For other financial instruments, the carrying amounts approximate fair values due to the immediate or short-term nature of these financial instruments.

### **Valuation of financial instruments**

The Sub-fund's accounting policy on fair value measurements is detailed in material accounting information in note 2(d)(v).

The Sub-fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

When fair values of listed and quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When fair values of fixed income instruments at the reporting date represent quoted prices on markets that are considered less than active, those fixed income instruments are included within Level 2 of the hierarchy.

The following analyses financial instruments at fair value the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised.

## 12 Fair value information (continued)

### *Valuation of financial instruments (continued)*

**As at 31 December 2024**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	\$	\$	\$	\$
<b>Financial assets</b>				
Quoted debt securities	-	20,412,124	-	20,412,124

During the period ended 31 December 2024, there were no transfers between Level 2, or transfers into or out of Level 1 and Level 3.

## 13 Critical accounting estimates and assumptions

The Manager makes estimates and assumptions concerning the Company and the Sub-fund. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### **Fair value of investments**

The Sub-fund holds a number of quoted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Manager exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fairly value the investments may be indicative only and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of 31 December 2024. Actual transacted prices may differ from the quotes provided by the brokers. The Manager considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

## 14 Soft dollar commission

As regards to the Sub-fund, the Manager has not entered into any soft dollar commission arrangements during the period ended 31 December 2024.



## 15 Reconciliation of net asset values

The Manager would like to highlight that the principles for calculating the published share price as set out in the Explanatory Memorandum ("dealing net asset value") are different from those required for calculating the net assets attributable to shareholders and hence the corresponding net asset value per unit for financial reporting purposes under IFRSs. The net assets attributable to shareholders as reported in the financial statements are therefore different from the dealing net asset value at the reporting date. The reconciliation between the net assets attributable to shareholders as reported in the financial statements and the dealing net asset value for valuation purposes is shown as follows:

	<i>Fullgoal Select Investment Grade Bond Fund 2024 \$</i>
<b>Net assets (valued in accordance with the Explanatory Memorandum)</b>	20,635,801
Adjustment of unamortised establishment costs	(31,355)
<b>Net assets as reported in the financial statements (valued in accordance with IFRS)</b>	<u>20,604,446</u>

## 16 Possible impact of amendments, new standards and interpretations issued but not yet effective for the period ended 31 December 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards which are not yet effective for the period ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Company and its Sub-fund.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates – Lack of exchangeability</i>	1 January 2025
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027



**16 Possible impact of amendments, new standards and interpretations issued but not yet effective for the period ended 31 December 2024 (continued)**

The Company and its Sub-fund are in the process of making an assessment of what the impact of these amendments and interpretations is expected to be in the year of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

**17 Subsequent events**

Except as disclosed elsewhere in this financial statement, there were no other significant events subsequent to the period end which require disclosure in the financial statements.

## Investment portfolio as at 31 December 2024 (Unaudited)

(Expressed in United States Dollars)

### Fullgoal Select Investment Grade Bond Fund

Securities name	Number of holdings	Fair value USD	% of net assets value
<b>Quoted debt securities</b>			
Jingzhou Municipal Urban Development Holding Group Co Ltd 6.4% 29/08/2027	300,000	305,445	1.48
United States Treasury 0% 20/02/2025	1,580,000	1,570,694	7.62
United States Treasury 0% 21/01/2025	540,000	538,659	2.61
United States Treasury 4% 31/01/2031	1,480,000	1,444,734	7.01
United States Treasury 4% 15/02/2034	900,000	862,314	4.19
United States Treasury 4.125% 31/03/2029	700,000	693,465	3.37
United States Treasury 4.375% 15/05/2034	900,000	886,992	4.31
United States Treasury 1.875% 15/07/2034	500,000	487,669	2.37
United States Treasury 3.625% 30/09/2031	4,200,000	3,993,609	19.38
United States Treasury 4.125% 31/10/2029	1,700,000	1,681,074	8.16
United States Treasury 4.125% 31/10/2031	1,700,000	1,664,938	8.08
United States Treasury 4.25% 15/11/2034	1,300,000	1,266,992	6.15
United States Treasury 3.875% 15/08/2034	5,300,000	5,015,539	24.34
<b>Total debt securities</b>		<b>20,412,124</b>	<b>99.07</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>20,412,124</b>	<b>99.07</b>
<b>Total quoted debt securities</b> (Total cost of investments - USD 20,766,268)		<b>20,412,124</b>	<b>99.07</b>
<b>Other net assets</b>		<b>192,322</b>	<b>0.93</b>
<b>Total net assets attributable to shareholders</b>		<b>20,604,446</b>	<b>100.00</b>

## Statement of movement in portfolio holdings for the period from 21 December 2023 (date of incorporation) to 31 December 2024 (Unaudited)

### Fullgoal Select Investment Grade Bond Fund

	<i>% of net assets At 31 December 2024</i>	<i>% of net assets At inception<sup>(1)</sup></i>
<b>Quoted debt securities</b>	99.07	-
<b>Other net assets</b>	0.93	-
	<hr/>	<hr/>
<b>Total net assets</b>	100.00	-
	<hr/>	<hr/>

<sup>(1)</sup> The date of establishment for Fullgoal Select Investment Grade Bond Fund was 2 February 2024. The sub-fund was launched on 15 February 2024.

## Performance record (Unaudited)

(Expressed in United States Dollars)

**(a) Total net asset value**

2024

Fullgoal Select Investment Grade Bond Fund	\$20,604,446
--------------------------------------------	--------------

**(b) Net asset value per share**

2024

Fullgoal Select Investment Grade Bond Fund	
Class – A (DIST)	\$1,026.21
Class – S (DIST)	\$1,042.49

**(c) Highest and lowest price record (dealing net asset value per share)**

	<i>Highest net asset value per share</i>	<i>Lowest net asset value per share</i>
Fullgoal Select Investment Grade Bond Fund		
Class – A (DIST)	\$1,055.17	\$978.86
Class – S (DIST)	\$1,070.02	\$990.44



## Administration

### Investment Manager

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

### Directors of the Company

HUI Hon Wah  
Zhang Lixin

### Director of the Investment 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)

### Custodian, Administrator and Registrar

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

### Auditor

KPMG  
8th Floor, Prince's Building  
10 Chater Road, Central  
Hong Kong

### Legal Adviser

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