ABF PAN ASIA BOND INDEX FUND

Annual Report 2008

For the period from 1st July 2007 to 30th June 2008

www.abf-paif.com

STATE STREET GLOBAL ADVISORS | SSgA

CONTENTS

	Page
Investment Manager's Report	1
Statement by the Manager	3
Report of the Trustee	4
Independent Auditor's Report to the Unitholders of ABF Pan Asia Bond Index Fund	5
Statement of Net Assets	7
Statement of Operations	8
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Investment Portfolio	35
Statement of Movements in Portfolio Holdings	47
Performance Record	48
Administration and Management	49

INVESTMENT MANAGER'S REPORT

ABOUT ABF PAN ASIA BOND INDEX FUND (PAIF)

ABF Pan Asia Bond Index Fund (PAIF) is a component of Asian Bond Fund 2 (ABF2), the second phase of the EMEAP (Executives' Meeting of East-Asia and Pacific Central Banks) Group's initiative to further develop the bond markets in Asia.

The PAIF is designed to track the performance of the iBoxx ABF Pan-Asia Index and invests in domestic currency-denominated government and quasi-government bonds issued in eight EMEAP markets, namely, China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand.

ABOUT THE IBOXX ABF PAN-ASIA INDEX

PAIF is benchmarked to the iBoxx ABF Pan-Asia Index, which is constructed and published by International Index Company Limited. The iBoxx ABF Pan-Asia Index is a benchmark for the investment returns of Asian currency denominated bonds issued by both government and quasi-government organizations in China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand.

Country weights were reviewed in October 2007 and changed effective 1st November 2007. The previous and current market weights of the index are:

Market	Current Weights	Previous Weights
	(%)	(%)
China	14.89	12.31
Hong Kong	20.20	18.56
Indonesia	6.43	6.06
Korea	17.05	20.96
Malaysia	10.81	10.37
Philippines	4.78	5.26
Singapore	15.64	17.92
Thailand	10.20	8.56

**Source:* International Index Company, SSgA (as of 30th June 2008).

INVESTMENT MANAGER'S REPORT *(Continued)*

PERFORMANCE SUMMARY

Periods Ended 30th June 2008	3 Months	6 Months	1 Year	3 Years	Annualized Since Inception[a]
ABF Pan Asia Bond Index Fund (PAIF)[b]	-4.60%	-0.86%	4.10%	6.84%	6.84%
iBoxx ABF Pan-Asia Index	-4.50%	-0.69%	4.59%	7.59%	7.59%

Notes:

(a) Performance inception date is from 29th June 2005 when the units of the Fund were first issued.

(b) The Fund's returns have been computed from Net Asset Values in USD terms including dividends.

PORTFOLIO AND MARKET REVIEW

Since inception, the annualized total return of the Fund, including dividends, was 6.84% compared to an index return of 7.59%. This is a difference of -0.75% and is principally attributable to an amount of -0.81% due to the estimated impact of certain relevant factors that are unavoidable in the performance of an indexed fund relative to its benchmark (the relevant factors are the permitted expenses under the Trust Deed, withholding tax, transaction costs and the valuations with different sources of FX rates); the balance of +0.06% is attributable to tracking difference resulting from the sampling approach used in the management of the Fund.

The iBoxx Pan-Asia Index performance on an unhedged basis was 7.59% since inception. This performance was generated from resilient bond markets (contributing 4.38% to returns) as well as strong Asian currencies (contributing 3.20%).

PORTFOLIO STRATEGY

The investment objective of PAIF is to provide investment results, before fees and expenses, which correspond closely to the total return of the underlying index. To achieve its objective, PAIF is passively managed.

The Manager employs stratified sampling approach to match the index's characteristics and returns through investing in a well diversified portfolio that represents the index. Full replication in a broad market index would either be impossible or not cost-effective in Asian fixed income markets as the cost of transacting in many bonds is high and some bonds may not be available as they are already held by other long-term investors.

STATEMENT BY THE MANAGER

MANAGER'S RESPONSIBILITIES

The Manager of ABF Pan Asia Bond Index Fund (the "Fund") is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 21st June 2005 (the "Trust Deed"), as amended, to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In respect of these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare or arrange for the preparation of the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

In the opinion of the Manager of the Fund, the accompanying financial statements set out on pages 7 to 34, comprising the Statement of Net Assets, Statement of Operations, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 30th June 2008, and the results of its operation for the year ended and have been properly prepared in accordance with International Financial Reporting Standards. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialize.

For and on behalf of the Manager

STATE STREET GLOBAL ADVISORS SINGAPORE LIMITED
24th September 2008

REPORT OF THE TRUSTEE

The Trustee of ABF Pan Asia Bond Index Fund (the "Fund") is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the Unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

The Trustee is under a duty to take into custody and hold the accounts of the Fund in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as sent out in the Trust Deed in each accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as International Financial Reporting Standards.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the period covered by these financial statements in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 21st June 2005, as amended, for the year ended 30th June 2008.

For and on behalf of the Trustee

HSBC Institutional Trust Services (Singapore) Limited
24th September 2008

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF ABF PAN ASIA BOND INDEX FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ABF Pan Asia Bond Index Fund (the "Fund") which comprise the Statement of Net Assets as of 30th June 2008, Statement of Operations, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustee and the Manager (the "Management") of the Fund are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 21st June 2005, as amended and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF ABF PAN ASIA BOND INDEX FUND *(Continued)*

OPINION

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as of 30th June 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 21st June 2005, as amended, and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for 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.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants
Singapore, 24th September 2008

STATEMENT OF NET ASSETS

As at 30th June 2008

	Notes	30th June 2008	30th June 2007
		US$	US$
Assets			
Investments	*9(b)*	1,716,672,006	1,563,735,650
Amounts due from brokers		36,611,992	17,536,203
Interest income receivable from bank deposits		298	3,533
Cash at banks	*7(e)*	8,586,176	6,849,204
Total assets		1,761,870,472	1,588,124,590
Liabilities			
Amounts due to brokers		44,767,029	23,918,084
Derivative financial instruments	*9(b), 11*	24,611	5,362
Audit fee payable		58,638	40,000
Trustee fee payable	*7(d)*	145,808	129,347
Management fee payable	*7(c)*	354,288	397,946
Index license fee payable	*8(a)*	75,196	114,612
Other payables		39,593	97,100
Liabilities (excluding net assets attributable to holders of redeemable units)		45,465,163	24,702,451
Net assets attributable to holders of redeemable units (before adjustments on formation expenses)	*3*	1,716,405,309	1,563,422,139
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	*3*	338,603	509,534
Net assets attributable to holders of redeemable units (after adjustments on formation expenses)	*3*	1,716,743,912	1,563,931,673

HSBC Institutional Trust Services (Singapore) Limited

State Street Global Advisors Singapore Limited

The notes on pages 11 to 34 form part of these financial statements.
Independent auditor's report – pages 5 and 6

STATEMENT OF OPERATIONS

For the year ended 30th June 2008

	Notes	For the year ended 30th June 2008	For the year ended 30th June 2007
		US$	US$
Income			
Interest income on bank deposits		98,103	82,422
Net gain on investments	*5*	25,846,173	118,861,509
Net foreign exchange gain		36,756,577	28,275,247
Other income	*4*	149,764	209,268
Total investment income		62,850,617	147,428,446
Expenses			
Management fee	*7(c)*	2,035,870	2,210,654
Trustee fee	*7(d)*	829,424	709,941
Index license fee	*8(a)*	256,338	307,288
Transaction costs		1,892,606	1,665,997
Publication and printing expenses		49,463	58,318
Audit fee		26,850	40,000
Processing agent fee	*8(b)*	11,016	12,570
Bank charges		62,970	36,303
Legal and professional fees		69,837	103,668
Annual insurance premium		43,500	45,213
SFC fee expenses		769	1,540
Other operating expenses		4,651	22,424
Total operating expenses		5,283,294	5,213,916
Net operating profit		57,567,323	142,214,530
Finance costs			
Distributions to holders of redeemable units	*12*	(59,630,655)	(54,413,160)
Profit before tax		(2,063,332)	87,801,370
Withholding taxes		(296,710)	(347,835)
Profit after tax		(2,360,042)	87,453,535
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	*3*	(170,931)	(169,535)
(Decrease)/increase in net assets attributable to holders of redeemable units		(2,530,973)	87,284,000

The notes on pages 11 to 34 form part of these financial statements.
Independent auditor's report – pages 5 and 6

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the year ended 30th June 2008

	For the year ended 30th June 2008	For the year ended 30th June 2007
	US$	US$
Balance at beginning of the year	1,563,931,673	1,198,619,313
Issue of units	255,395,684	309,125,960
Redemption of units	(100,052,472)	(31,097,600)
Net issue of units	155,343,212	278,028,360
(Decrease)/increase in net assets attributable to holders of redeemable units	(2,530,973)	87,284,000
Balance at the end of the year	1,716,743,912	1,563,931,673

The notes on pages 11 to 34 form part of these financial statements.
Independent auditor's report – pages 5 and 6

STATEMENT OF CASH FLOWS

For the year ended 30th June 2008

	For the year ended 30th June 2008	For the year ended 30th June 2007
	US$	US$
(Decrease)/increase in net assets attributable to holders of redeemable units from operations	(2,530,973)	87,284,000
Adjustment for:		
Interest income on bank deposits	(98,103)	(82,422)
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	170,931	169,535
Operating (loss)/profit before working capital changes	(2,458,145)	87,371,113
Net (increase) in investments and derivative financial instruments	(152,917,107)	(366,784,016)
Net (increase)/decrease in amounts due from brokers	(19,075,789)	6,777,001
Net increase/(decrease) in amounts due to brokers	20,848,945	(1,461,257)
Net (decrease)/increase in accounts payable and accrued expenses	(105,482)	269,148
Cash used in operations	(153,707,578)	(273,828,011)
Interest income on bank deposits received	101,338	82,764
Net cash used in operating activities	(153,606,240)	(273,745,247)
Cash flows from financing activities		
Issue of units	255,395,684	309,125,960
Redemption of units	(100,052,472)	(31,097,600)
Net cash generated from financing activities	155,343,212	278,028,360
Net increase in cash and cash equivalents	1,736,972	4,283,113
Cash and cash equivalents at the beginning of the year	6,849,204	2,566,091
Cash and cash equivalents at the end of the year	8,586,176	6,849,204
Analysis of balance of cash and cash equivalents:		
Cash at banks	8,586,176	6,849,204

The notes on pages 11 to 34 form part of these financial statements.
Independent auditor's report – pages 5 and 6

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ABF Pan Asia Bond Index Fund (the "Fund") is a Singapore unit trust authorized under Section 286 of the Securities and Futures Act (Cap. 289) of Singapore and Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The Fund was constituted by a Trust Deed dated 21st June 2005 between State Street Global Advisors Singapore Limited and HSBC Institutional Trust Services (Singapore) Limited. The Trust Deed was amended and restated by an Amending and Restating Deed on 28th June 2006, a Second Amending and Restating Deed dated 28th June 2007 and a supplemental deed dated 27th June 2008. The Trust Deed and all supplement deeds are governed in accordance with the laws of Singapore. The Fund is also listed on The Stock Exchange of Hong Kong Limited. The date of commencement of operation of the Fund was on 29th June 2005.

The investment objective of the Fund is to seek to provide investment results that correspond closely to the total return of the iBoxx ABF Pan-Asia Index (the "Underlying Index"), before fees and expenses. The Underlying Index is determined and composed by International Index Company Limited (the "Index Provider"). The Underlying Index is an indicator of investment returns of Asian Currency denominated debt obligations issued or guaranteed by an Asian Government or by an agency or instrumentality of an Asian Government in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the Trustee and Manager to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Standards and amendments to standards effective in current period

IFRS 7, "Financial Instruments: Disclosures" (effective for periods beginning on or after 1st January 2007) introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces the disclosure requirements in IAS 32, "Financial Instruments: Disclosures and Presentation". This Standard does not have any impact on the classification and valuation of the Fund's financial instruments.

Amendment to IAS 1, "Presentation of Financial Statements – Capital Disclosures" (effective for periods beginning on or after 1st January 2007) introduces disclosures on the Fund's objectives and policies for its capital, which is represented by the net assets attributable to holders of redeemable units. There is no impact on the classification and measurement of the Fund's capital.

Amendments to standards that are not yet effective and have not been early adopted by the Fund

IAS 1 (Revised), "Presentation of Financial Statements" (effective for periods beginning on or after 1st January 2009). IAS 1 (Revised) requires changes made to the presentation of the financial statements. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS. The Fund will apply IAS 1 (Revised) from 1st July 2009.

IAS 32 and IAS 1 Amendments "Puttable Financial Instruments and Obligations Arising on Liquidation" (effective from 1st January 2009). The amendment requires some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Fund will apply IAS 32 and IAS 1 Amendments from 1st July 2009.

The Statement of Net Assets presents assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items. All the Fund's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

(b) Investments

The Fund invests in debt securities which are designated by the Manager as financial assets at fair value through profit and loss. Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the Statement of Operations in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices. Investments which are not listed on an exchange are valued by using quotes from brokers. The investments are fair valued based on quoted prices inclusive of accrued interests.

Foreign exchange contracts are valued at the difference between forward rates ruling at the valuation date and the contract rates. Realized and unrealized gains and losses on foreign exchange contracts are recognized in the Statement of Operations.

(c) Income

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method. Interest income on investments is accounted for as part of net gain/loss on investments in the Statement of Operations. Other income is accounted for in the Statement of Operations on an accrual basis.

(d) Expenses

All expenses are accounted for in the Statement of Operations on an accrual basis.

(e) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise bank deposits with original maturities of three months or less.

(f) Amounts due from/to brokers

Amounts due from/to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

(g) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in United States dollars, which is the Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the Statement of Operations.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund for cash equal to a proportionate share of the Fund's net asset value. The redeemable unit is carried at the redemption amount that is payable at the year end date if the holder exercises the right to put the unit back to the Fund. In accordance with the Fund's Trust Deed, the minimum redemption unit is 20,000 units.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net assets value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units.

(j) Formation expenses

Expenditures incurred in the formation of the Fund are recognised as expenses of the Fund in the period in which they arise. Refer to note 3.

(k) Segmental information

In the opinion of the Manager, all activities of the Fund is in a single business of investment activities conducted mainly in Asia Pacific region. Geographical information is provided in note 9(b).

3. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS AND NUMBER OF UNITS IN ISSUE

Net assets attributable to holders of redeemable units

The Fund's capital is represented by the units in the Fund, and is shown as net assets attributable to holders of redeemable units in the Statement of Net Assets. In accordance with the Fund's Trust Deed, the minimum redemption unit is 20,000 units. Subscriptions and redemptions of units during the year are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the investments policies as outlined in note 9(a), whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

In accordance with the provisions of the Fund's Trust Deed dated 21st June 2005, as amended, the formation expenses (including costs for setting up, authorization and listing of the Fund) or costs incidental to the establishment of the Fund will be paid out of the assets of the Fund and amortised over the first 5 financial years. However, as stated in note 2(j), the accounting policy of the Fund for the purpose of compliance with IAS 38 – Intangible Assets and for reporting purpose is to expense the costs incurred in the formation of the Fund in the period in which they arose. As at 30th June 2008, the expensing of the unamortized formation expenses as stated in the financial statements resulted in a decrease in the Fund's other assets by US$338,603 (2007: US$509,534) compared with using the methodology indicated in the Fund's Trust Deed.

Net assets attributable to holders of redeemable units represent a liability in the Statement of Net Assets, carried at the redemption amount that would be payable at the Statement of Net Assets date if the holders of redeemable units exercised the right to redeem units in the Fund. Consequently, the movement in the differences of US$170,931 (2007: US$169,535) as described above is recognized in the Statements of Operations. The cumulative differences are included as "Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units" on the Statement of Net Assets.

Number of units in issue

	2008	2007
	units	units
Units in issue at the beginning of the year	14,183,790	11,574,670
Issue of units	2,245,060	2,889,120
Redemption of units	(900,000)	(280,000)
Units in issue at the end of the year	15,528,850	14,183,790
	US$	US$
Net assets attributable to holders of redeemable units	1,716,743,912	1,563,931,673
Net assets attributable to holders of redeemable units (per unit)	110.55	110.26
Net asset value per Creation unit (1 Creation unit is equivalent to 20,000 units)	2,211,038	2,205,238

4. OTHER INCOME

For each application for the creation of units or for the redemption of units, the Fund is entitled to receive a transaction fee of HK$1,000 (approximately US$128) per application and 0.125% for dilution charges.

5. NET GAIN ON INVESTMENTS

	2008	2007
	US$	US$
Change in unrealized (loss)/gain in value of investments	(42,459,259)	63,866,846
Realized gain on sale of investments	68,305,432	54,994,663
	25,846,173	118,861,509

6. TAXATION

No provision for Hong Kong profits tax has been made as the interest income and realized gains on disposal of investments of the Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

The Fund is also a designated unit trust in Singapore and therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

(a) gains or profits derived from Singapore or elsewhere from the disposal of securities;

(b) interest (other than interest for which tax has been deducted under section 4d of the Income Tax Act); and

(c) dividends derived from outside Singapore and received in Singapore.

7. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). The Manager and the Trustee of the Fund are State Street Global Advisors Singapore Limited and HSBC Institutional Trust Services (Singapore) Limited respectively. State Street Global Advisors Singapore Limited is a subsidiary of State Street Corporation. HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings plc. All transactions entered into during the year between the Fund and the related parties including Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms.

(a) Foreign currency transactions with connected person of the Manager

During the year, the Manager transacted US$204,934,072 (2007: US$63,589,930) in foreign currency transactions through its affiliated party, State Street Global Markets for the Fund's investments and settlement purpose. The amount represents 22.02% (2007: 10.86%) of all the Fund's transactions during the year.

Name of company	Aggregate value of foreign currency transactions	Total commission paid	% of the Fund's total commission paid in the year	Average commission rate
	US$	US$	%	%
2008				
State Street Global Markets	204,934,072	-	-	-
2007				
State Street Global Markets	63,589,930	-	-	-

(b) As at 30th June 2008, the directors and officers of the Manager together did not hold units in the Fund (2007: Nil).

(c) Management fee

The Fund will pay the Manager a management fee, monthly in arrears and accrued daily, determined on the average daily net assets of the Fund at the rate as follows:

	Prior to 30th June 2007	With effect from 30th June 2007
For first US$1 billion	0.16%	0.13%
For next US$250 million	0.15%	0.12%
For next US$250 million	0.14%	0.11%
Thereafter	0.13%	0.10%
	Up to a maximum of 0.25% per annum of the Fund	Up to a maximum of 0.25% per annum of the Fund

(d) Trustee fee

The Fund will pay the Trustee a trustee fee, monthly in arrears and accrued daily, of 0.05% per annum of the average daily net assets of the Fund.

(e) Bank balances

The bank balance of the Fund held with a related party of the Trustee is:

	As at 30th June 2008	As at 30th June 2007
	US$	US$
HSBC Institutional Trust Services (Asia) Limited	8,570,525	6,825,330

8. OTHER EXPENSES

(a) Index license fee

The index license fee is paid to the Index Provider of the Underlying Index. The index license fee is calculated at the rate of 0.023% per annum on the daily average net asset value of the Fund, subject to a minimum of US$230,000 per annum. The index license fee is accrued daily and is payable quarterly in arrears.

(b) Processing agent fee

The processing agent fee is paid to Hong Kong Conversion Agency Services Limited. The processing agent performs through Hong Kong Clearing, certain of its services in connection with the creation and redemption of Units by authorized participants including facilitating the deposit of units into CCASS upon creation of units and the withdrawal of units from CCASS upon redemption.

A monthly retainer fee of HK$5,000 will also be charged to the Fund.

9. FINANCIAL RISK MANAGEMENT

(a) Strategy in using financial instruments

The investment objective of the Fund is to seek to provide investment results that correspond closely to the total return of the iBoxx ABF Pan-Asia Index (the "Underlying Index"), before fees and expenses. The Underlying Index is determined and composed by International Index Company Limited (the "Index Provider"). The Underlying Index is an indicator of investment returns of Asian Currency denominated debt obligations issued or guaranteed by an Asian Government or by an agency or instrumentality of an Asian Government in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and emerging market risk.

The risks and the respective risk management policies employed by the Fund to manage these risks are discussed below:

(b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Fund's fixed income securities are susceptible to market price risk arising from uncertainties about future price of the securities. The Fund's market price risk is managed through diversification of investment portfolio. As at year end, the overall market exposures were as follows:

	2008			2007		
	Fair value US$	Cost US$	% of net assets	Fair value US$	Cost US$	% of net assets
Held for trading:						
Debt securities	1,716,672,006	1,668,927,840	99.99	1,563,735,650	1,473,532,214	99.99
Derivative financial instruments *(Note 11)*	(24,611)	-	(0.00)	(5,362)	-	(0.00)
	1,716,647,395	1,668,927,840	99.99	1,563,730,288	1,473,532,214	99.99

Net market exposures

The following table shows the net market exposure the Fund has to various markets, incorporating the underlying market risk through all financial assets and liabilities held by the Fund.

	2008	2007
	US$ equivalent	**US$ equivalent**
Markets exposed to		
China	256,439,777	192,717,524
Hong Kong	346,902,056	289,754,071
Indonesia	109,466,933	94,377,000
Korea	289,484,580	327,326,672
Malaysia	185,551,119	162,863,618
Philippines	81,308,222	80,426,117
Singapore	271,590,417	282,466,470
Thailand	175,928,902	133,804,178
	1,716,672,006	1,563,735,650
Derivative financial instruments *(Note 11)*	(24,611)	(5,362)
	1,716,647,395	1,563,730,288

There are no individual investments with market value exceeding 10% of the Fund's net asset value at 30th June 2008 and 30th June 2007.

The table below summarizes the impact on net assets attributable to holders of redeemable units as a result of increases/decreases of the key index to which the Fund is exposed. The analysis is based on the assumption that the index had increased/decreased by the respective percentage with all other variables held constant and the Fund's investments moved according to the historical correlation with the index.

	2008		2007	
	Change in market index % +/–	Impact US$ +/–	Change in market index % +/–	Impact US$ +/–
iBoxx ABF Pan-Asia Index in US$	8	137,331,792	8	125,098,423

Assumption: 8% change is based on annualized return of 8.08% from 2001 to 2008.

The Investment Manager has used their view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on management's current view of market volatility and other relevant factors.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Fund's financial assets and liabilities are interest bearing; as a result, the Fund is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarizes the Fund's exposure to interest rate risk. It includes the Fund's assets and liabilities at fair values, categorized by the earlier of contractual repricing or maturity dates.

As at 30th June 2008

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
	US$	US$	US$	US$	US$
Assets					
Investments	40,016,758	1,016,011,932	654,189,059	6,454,257	1,716,672,006
Cash at banks	8,586,176	-	-	-	8,586,176
Other assets	-	-	-	36,612,290	36,612,290
Total assets	48,602,934	1,016,011,932	654,189,059	43,066,547	1,761,870,472
Liabilities					
Amounts due to brokers	-	-	-	(44,767,029)	(44,767,029)
Other liabilities	-	-	-	(698,134)	(698,134)
Liabilities (excluding net assets attributable to holders of redeemable units)	-	-	-	(45,465,163)	(45,465,163)
Total interest sensitivity gap	48,602,934	1,016,011,932	654,189,059		

As at 30th June 2007

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
	US$	US$	US$	US$	US$
Assets					
Investments	-	995,431,553	564,867,558	3,436,539	1,563,735,650
Cash at banks	6,849,204	-	-	-	6,849,204
Other assets	-	-	-	17,539,736	17,539,736
Total assets	6,849,204	995,431,553	564,867,558	20,976,275	1,588,124,590
Liabilities					
Amounts due to brokers	-	-	-	(23,918,084)	(23,918,084)
Other liabilities	-	-	-	(784,367)	(784,367)
Liabilities (excluding net assets attributable to holders of redeemable units)	-	-	-	(24,702,451)	(24,702,451)
Total interest sensitivity gap	6,849,204	995,431,553	564,867,558		

At 30th June 2008, should interest rates have lowered/risen by 50 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to holders of redeemable units for the year would amount to approximately US$36,717,998 and US$35,143,998 respectively (2007: US$33,457,234 and US$32,050,154), arising substantially from the increase/decrease in market values of debt securities.

(d) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund's financial assets which are potentially subject to concentration of credit risk consist principally of bank deposits and assets held with the custodians.

The table below summarizes the assets placed with banks and custodians at 30th June 2008 and 2007:

As at 30th June 2008

	US$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	1,696,318,279	Aa2	Moody's
Brown Brothers Harriman Co NY	15,651	N/A	N/A
Euroclear Bank Brussels	28,924,252	N/A	N/A

As at 30th June 2007

	US$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	1,550,354,138	Aa2	Moody's
Brown Brothers Harriman Co NY	24,652	N/A	N/A
Euroclear Bank Brussels	20,206,064	N/A	N/A

All derivative financial instruments represent outstanding forward foreign exchange contracts as disclosed in note 11. The counterparty of these forward foreign exchange contracts is The Hongkong and Shanghai Banking Corporation Limited, Singapore. The credit rating issued by Moody's is Aa2 (2007: Aa2).

The table below summarizes the credit rating of the investment portfolio by Moody's:

Portfolio by rating category

Rating	2008	2007
	%	%
AAA	15	18
AA	20	17
A+	1	1
A	39	48
AA-	7	–
BB+	1	1
BB	10	9
B	–	1
Non-rated	7	5
Total	100	100

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Fund considers to be well established.

(e) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Fund is exposed to daily redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market which can be readily disposed of.

The table below analyses the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	1-3 months
	US$	US$
As at 30th June 2008		
Amounts due to brokers	44,767,029	–
Derivative financial instruments	24,611	–
Audit fee payable	–	58,638
Trustee fee payable	–	145,808
Management fee payable	–	354,288
Index license fee payable	–	75,196
Other payables	–	39,593
Net assets attributable to holders of redeemable units	1,716,743,912	–
Total financial liabilities	1,761,535,552	673,523
As at 30th June 2007		
Amounts due to brokers	23,918,084	–
Derivative financial instruments	5,362	–
Audit fee payable	–	40,000
Trustee fee payable	–	129,347
Management fee payable	–	397,946
Index license fee payable	–	114,612
Other payables	–	97,100
Net assets attributable to holders of redeemable units	1,563,931,673	–
Total financial liabilities	1,587,855,119	779,005

All derivative financial instruments entered into by the Fund are settled on a net basis. The Manager monitors the Fund's liquidity position on a daily basis.

(f) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than US dollar, the functional currency. The Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to change in exchange rates. The Manager will enter into forward foreign exchange contracts from time to time to hedge against the fluctuation in exchange rates. Details of forward foreign exchange contracts outstanding at the year end are disclosed in note 11.

The table below summarizes the Fund's exposure to currency risks:

	2008	2007
	US$ equivalents	US$ equivalents
Hong Kong Dollar	349,785,144	292,036,853
Indonesian Rupiah	110,450,591	92,608,488
South Korean Won	289,229,397	331,325,640
Malaysian Ringgit	182,281,250	159,221,361
Philippine Peso	80,707,438	79,937,252
Renminbi	263,632,716	192,827,067
Singapore Dollar	274,522,898	282,555,180
Thai Baht	167,163,154	132,699,277

The table on the next page summarizes the impact on net assets attributable to holders of redeemable units as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the Fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	2008		2007	
	Change % +/–	Impact US$ +/–	Change % +/–	Impact US$ +/–
Hong Kong Dollar	1.5	5,246,777	1.5	4,380,553
Indonesian Rupiah	16	17,672,095	16	14,817,358
South Korean Won	9	26,030,646	9	29,819,308
Malaysian Ringgit	6	10,936,875	6	9,553,282
Philippine Peso	16	12,913,190	16	12,789,960
Renminbi	5	13,181,636	5	9,641,353
Singapore Dollar	6	16,471,374	6	16,953,311
Thai Baht	9	15,044,684	9	11,942,935

(g) Emerging market risk

The Fund invests in certain Asian bond markets that are considered to be emerging markets. These markets are subject to special risk associated with foreign investment in these emerging markets including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange controls; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; lesser regulation of securities markets; smaller market capitalization; different accounting and disclosure standards; governmental interference; greater risk of market shutdown; the risk of expropriation of assets; higher inflation; social, economic and political uncertainties.

The Fund is designed to track the performance of the iBoxx Pan-Asia Bond Index, a broad Asian local currency bond index; therefore the exposure to emerging market risk in the Fund will be substantially the same as the index. As an indexed fund, the Manager manages the Fund's exposure to emerging market risk by ensuring that the key characteristics of the Fund, such as market weights and duration, are closely aligned to the characteristics of the index.

(h) Fair value estimation

As at 30th June 2008 and 2007, the carrying values of assets and liabilities are a reasonable approximation of their fair values.

10. SOFT DOLLAR PRACTICES

The Manager may effect transactions, provided that any such transaction is consistent with standards of "best execution", by or through the agency of another person for the account of the Fund with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons goods, services or other benefits (such as research and advisory services, computer hardware associated with specialized software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

Since the inception of the Fund, the Manager has not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund.

11. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments represent outstanding forward foreign exchange contracts as at the year end as follows:

Contract to deliver	In exchange for	Settlement date	Fair value
			US$
2008			
KRW 914,850,000	USD900,000	3rd July 2008	(26,227)
USD875,622	KRW 914,850,000	3rd July 2008	1,668
USD700,000	SGD 982,770	3rd July 2008	(52)
			(24,611)
2007			
KRW 899,869,000	USD970,000	6th July 2007	(5,362)

12. DISTRIBUTION

	2008	2007
	US$	US$
Interim distribution		
– US$2.16 on 14,562,910 units paid on 5th February 2008	31,455,885	–
– US$2.16 on 13,241,540 units paid on 5th February 2007	–	28,601,726
Final distribution		
– US$2.05 on 13,743,790 units paid on 6th August 2007	28,174,770	–
– US$2.17 on 11,894,670 units paid on 2nd August 2006	–	25,811,434
Total distribution	59,630,655	54,413,160

13. SUPPLEMENTAL RATIOS

	Year ended 30th June 2008	Year ended 30th June 2007
Ratio of expenses to weighted average net assets	0.21%[(a)]	0.39%
Portfolio turnover ratio	33.97%[(b)]	29.64%

Notes:

(a) The expense ratio is computed in accordance with the revised Investment Management Association of Singapore's ("IMAS") guidelines on disclosure of expense ratio. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the calculation of expense ratio. The comparative expense ratio for 2007 was computed inclusive of brokerage, transaction costs and tax deducted at source, had the ratio been computed on the same basis as in 2008, the comparative expense ratio would have been 0.25%.

(b) The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes" established by The Monetary Authority of Singapore.

14. EVENT OCCURRING AFTER YEAR END DATE

Subsequent to the year end, the Fund announced a dividend distribution of US$2.09 per unit. The dividend was paid on 5th August 2008. The net assets attributable to holders of redeemable units as at 30th June 2008 has not accrued the dividend distribution payable as mentioned above.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 24th September 2008.

INVESTMENT PORTFOLIO

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
CHINA (14.94%)			
Denominated in RMB			
AGRICUL DEV BANK CHINA 3.05% 12JUL2009	40,000,000	5,938,419	0.35
AGRICULTURAL DEV BK CHINA 2.86% 22AUG10	20,000,000	2,989,013	0.17
CHINA (GOVT OF) 2.14% 20OCT2010 0511	10,000,000	1,432,000	0.08
CHINA (GOVT OF) 2.29% 16OCT2009 SER 0617	50,000,000	7,300,020	0.43
CHINA (GOVT OF) 2.72% 15AUG2011 0612	16,000,000	2,319,837	0.14
CHINA (GOVT OF) 2.83% 25AUG2012 0509	8,000,000	1,150,807	0.07
CHINA (GOVT OF) 2.93% 6FEB2014 SER 0701	20,000,000	2,809,265	0.16
CHINA (GOVT OF) 3.18% 23APR2012 0705	20,000,000	2,870,596	0.17
CHINA (GOVT OF) 3.27% 15NOV2021 0619	25,000,000	3,287,766	0.19
CHINA (GOVT OF) 3.5% 19NOV2010 0311	99,000,000	14,620,432	0.85
CHINA (GOVT OF) 3.53% 16JUL2010 0711	124,000,000	18,619,841	1.08
CHINA (GOVT OF) 3.7% 26JUN2026 SER 0609	10,000,000	1,281,789	0.08
CHINA (GOVT OF) 3.74% 24MAY2014 0707	20,000,000	2,899,133	0.17
CHINA (GOVT OF) 3.9% 23AUG2014 0714	20,000,000	2,931,703	0.17
CHINA (GOVT OF) 4.16% 28FEB2023 SER 0802	6,000,000	876,391	0.05
CHINA (GOVT OF) 4.4% 25JUN2017 0710	20,000,000	2,891,990	0.17
CHINA (GOVT OF) 4.86% 25NOV2011 SER 0410	14,000,000	2,171,043	0.13
CHINA (GOVT OF) SER 0215 2.93% 6DEC2009	65,000,000	9,558,739	0.56
CHINA (GOVT OF) SER 0301 2.66% 19FEB2010	85,000,000	12,274,224	0.72
CHINA (GOVT OF) SER 0501 4.44% 28FEB2015	35,000,000	5,326,648	0.31
CHINA (GOVT OF) SER 0505 3.37% 25MAY2012	28,000,000	4,032,739	0.24
CHINA (GOVT OF) SER 1503 3.3% 26APR2010	2,288,000	332,929	0.02
CHINA DEV BANK 3.42% 2AUG2015 0514	11,000,000	1,524,731	0.09
CHINA DEV BANK 3.8% 30OCT2036 0624	10,000,000	1,153,850	0.07
CHINA DEV BANK 4.1% 30AUG2025 0517	28,000,000	3,610,230	0.21
CHINA DEV BANK 4.52% 12JAN2032 0121	3,000,000	415,696	0.02
CHINA GOVERNMENT BD 2.66% 19FEB2010 1301	11,000,000	1,595,624	0.09
CHINA GOVERNMENT BOND 2.66% 20AUG2010	44,000,000	6,405,030	0.37
CHINA GOVERNMENT BOND 2.95% 25SEP2011	4,688,000	675,572	0.04
CHINA GOVERNMENT BOND 3.05% 30OCT11 1112	5,481,000	789,664	0.05
CHINA GOVERNMENT BOND 3.4% 17APR2023	69,663,000	8,992,503	0.52
CHINA GOVT BOND 2.48% 25OCT2011 0618	46,000,000	6,558,588	0.38
CHINA GOVT BOND 2.51% 27FEB2013 0601	6,000,000	833,335	0.05
CHINA GOVT BOND 2.51% 27FEB2013 1601	4,000,000	548,229	0.03
CHINA GOVT BOND 2.54% 18APR2012 1203	55,500,000	7,657,416	0.45
CHINA GOVT BOND 2.6% 20SEP2017 1213	58,767,000	7,438,637	0.43

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
CHINA *(Continued)*			
Denominated in RMB			
CHINA GOVT BOND 2.64% 23AUG2009 0211	40,000,000	5,908,431	0.34
CHINA GOVT BOND 2.8% 27MAR2016 0603	20,000,000	2,697,758	0.16
CHINA GOVT BOND 2.8% 9APR2013 0302	6,000,000	833,153	0.05
CHINA GOVT BOND 2.89% 31AUG2013 0613	10,000,000	1,427,331	0.08
CHINA GOVT BOND 2.9% 24MAY2032 0205	20,000,000	2,138,965	0.12
CHINA GOVT BOND 2.92% 26SEP2016 0616	4,000,000	540,016	0.03
CHINA GOVT BOND 3.01% 25NOV2012 0513	23,000,000	3,303,696	0.19
CHINA GOVT BOND 3.3% 26APR2010 0503	2,000,000	291,889	0.02
CHINA GOVT BOND 4.18% 24OCT2018 0309	10,000,000	1,438,580	0.08
CHINA GOVT BOND 4.27% 17MAY2037 SER 0706	10,000,000	1,464,693	0.09
CHINA GOVT BOND 4.3% 20OCT2009 1408	22,000,000	3,329,750	0.19
CHINA GOVT BOND 4.41% 17DEC2017 SER SPC8	10,000,000	1,445,076	0.08
CHINA GOVT BOND 4.42% 20APR2009 0403	2,000,000	296,455	0.02
CHINA GOVT BOND 4.46% 24SEP2017 SER SPC3	50,000,000	7,439,783	0.43
CHINA GOVT BOND 4.55% 29SEP2022 SER SPC4	50,000,000	7,426,475	0.43
CHINA GOVT BOND 4.71% 25AUG2011 0407	46,000,000	7,166,787	0.42
CHINA GOVT BOND 4.89% 25MAY2011 1404	17,000,000	2,567,119	0.15
EXPORT IMPORT BANK CHINA 3.38% 24JUN2012	30,000,000	4,154,980	0.24
EXPORT IMPORT BANK CHINA 4.13% 15APR2010	10,000,000	1,461,555	0.09
PEOPLE'S BANK OF CHINA 3.1% 2MAR2010	15,000,000	2,185,624	0.13
PEOPLE'S BANK OF CHINA 3.1% 9MAR2010	10,000,000	1,442,970	0.08
PEOPLE'S BANK OF CHINA 3.24% 23MAR2010	30,000,000	4,343,028	0.25
PEOPLE'S BANK OF CHINA 3.28% 13APR2010	20,000,000	2,883,420	0.17
PEOPLE'S BANK OF CHINA 3.28% 30MAR2010	30,000,000	4,326,740	0.25
PEOPLE'S BANK OF CHINA 3.28% 6APR2010	47,000,000	6,797,176	0.40
PEOPLE'S BANK OF CHINA 3.71% 3AUG2010	85,000,000	12,633,401	0.74
PEOPLE'S BANK OF CHINA 4.56% 1FEB2011	70,000,000	10,380,497	0.60
		256,439,777	14.94
HONG KONG (20.21%)			
Denominated in HKD			
ASIA DEVELOPMENT BK 4.28% 21SEP2009 EMTN	59,000,000	7,709,142	0.45
EUROFIMA 4.18% EMTN 8JUN2015	32,500,000	4,103,322	0.24
HK GOVERNMENT 4.49% 26NOV2012 7211	36,500,000	4,952,108	0.29
HK GOVERNMENT BOND 1012 7.01% 6DEC2010	42,600,000	6,040,952	0.35
HK GOVERNMENT BOND 1412 3.51% 8DEC2014	15,500,000	2,010,093	0.12
HK GOVERNMENT BOND 2.88% 17JUN2013	35,000,000	4,387,020	0.26

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
HONG KONG *(Continued)*			
Denominated in HKD			
HK GOVERNMENT BOND 3.56% 25JUN2018	32,000,000	4,120,352	0.24
HK GOVERNMENT BOND 3.63% 19DEC2011 5112	40,000,000	5,236,765	0.30
HK GOVERNMENT BOND 3.78% 6DEC2016 1612	30,000,000	3,952,715	0.23
HK GOVERNMENT BOND 3.97% 19SEP2011 5109	35,000,000	4,677,462	0.27
HK GOVERNMENT BOND 4.06% 19MAR2012	39,000,000	5,247,302	0.31
HK GOVERNMENT BOND 4.13% 22FEB2013 7302	31,000,000	4,190,511	0.24
HK GOVERNMENT BOND 4.23% 21MAR2011 5103	59,500,000	8,003,470	0.47
HK GOVERNMENT BOND 4.28% 28FEB2014	24,500,000	3,347,532	0.20
HK GOVERNMENT BOND 4.33% 7DEC2015 1512	31,500,000	4,299,641	0.25
HK GOVERNMENT BOND 4.4% 22AUG2013 7308	29,500,000	4,045,364	0.24
HK GOVERNMENT BOND 4.53% 18JUN2012	27,500,000	3,713,790	0.22
HK GOVERNMENT BOND 4.57% 13JUN2011 5106	47,500,000	6,393,951	0.37
HK GOVERNMENT BOND 4.74% 24MAY2013 7305	20,000,000	2,749,652	0.16
HK GOVERNMENT BOND 4.83% 7JUN2016 1606	26,500,000	3,747,153	0.22
HK GOVERNMENT BOND 5003 3.52% 22MAR2010	55,000,000	7,253,428	0.42
HK GOVERNMENT BOND 5006 3.33% 14JUN2010	54,000,000	7,045,533	0.41
HK GOVERNMENT BOND 5012 4.26% 20DEC2010	57,500,000	7,656,022	0.45
HK GOVERNMENT BOND 5906 3.7% 23JUN2009	44,000,000	5,739,335	0.33
HK GOVERNMENT BOND 5909 3.18% 28SEP2009	50,800,000	6,653,304	0.39
HK GOVERNMENT BOND 5912 2.69% 21DEC2009	87,000,000	11,236,433	0.65
HK GOVERNMENT BOND 7002 3.8% 26FEB2010	64,300,000	8,545,714	0.50
HK GOVERNMENT BOND 7008 3.92% 20AUG2010	46,500,000	6,212,888	0.36
HK GOVERNMENT BOND 7108 3.93% 26AUG2011	18,000,000	2,407,453	0.14
HK GOVERNMENT BOND 7111 3.12% 25NOV2011	16,000,000	2,071,299	0.12
HK GOVERNMENT BOND 7202 3.14% 24FEB2012	20,000,000	2,613,369	0.15
HK GOVERNMENT BOND 7205 3.61% 28MAY2012	15,000,000	1,965,554	0.11
HK GOVERNMENT EX FD NT 1006 7.31% 21JUN2010	27,000,000	3,785,471	0.22
HK GOVERNMENT EX FD NT 1106 6.13% 20JUN2011	15,500,000	2,172,402	0.13
HK GOVERNMENT EX FD NT 1112 5.92% 5DEC2011	33,400,000	4,717,409	0.27
HK GOVERNMENT EX FD NT 1206 5.8% 19JUN2012	32,400,000	4,574,942	0.27
HK GOVERNMENT EX FD NT 1212 4.5% 4DEC2012	26,500,000	3,593,589	0.21
HK GOVERNMENT EX FD NT 1306 3.73% 5JUN2013	23,400,000	3,074,646	0.18
HK GOVERNMENT EX FD NT 1312 4.32% 2DEC2013	17,200,000	2,331,479	0.14
HK GOVERNMENT EX FD NT 1406 4.82% 2JUN2014	17,000,000	2,367,360	0.14

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
HONG KONG *(Continued)*			
Denominated in HKD			
HK GOVERNMENT EX FD NT 7005 3.19% 28MAY10	16,000,000	2,084,497	0.12
HK GOVERNMENT EX FD NT 7011 3.95% 26NOV10	34,000,000	4,504,992	0.26
HK GOVERNMENT EX FD NT 7102 3.27% 25FEB11	33,000,000	4,332,325	0.25
HK GOVERNMENT EX FD NT 7105 4.5% 27MAY11	20,000,000	2,690,876	0.16
HK GOVERNMENT EX FD NT 7911 3.96% 30NOV09	20,000,000	2,636,121	0.15
HK GOVERNMENT NOTE 1912 7.47% 8DEC2009	29,000,000	4,009,266	0.23
HK GOVERNMENT SER 1506 3.5% 22JUN2015	19,700,000	2,554,458	0.15
HK GOVERNMENT SER 5009 3.79% 20SEP2010	86,000,000	11,427,021	0.67
HK GOVERNMENT SER 7208 4% 27AUG2012	12,000,000	1,616,509	0.09
HK MORTGAGE CORP 3.78% 4APR2011	4,000,000	515,371	0.03
HK MORTGAGE CORP EMTN 3.8% 6APR2011	13,000,000	1,701,065	0.10
HKSAR GOVERNMENT 3.75% 23JUL2009	127,000,000	16,680,331	0.97
HKSAR GOVERNMENT 5.125% 23JUL2019	56,500,000	7,881,957	0.46
HONG KONG (GOVT OF) 1.52% 15FEB2010	20,000,000	2,545,981	0.15
HONG KONG (GOVT OF) 2.03% 18MAR2013	37,800,000	4,619,352	0.27
HONG KONG (GOVT OF) 2.66% 17DEC2012	40,000,000	5,020,415	0.29
HONG KONG (GOVT OF) 2.71% 20FEB2023	23,000,000	2,702,810	0.16
HONG KONG (GOVT OF) 3% 16NOV2009	50,000,000	6,504,676	0.38
HONG KONG (GOVT OF) 3.52% 5DEC2017	27,000,000	3,482,459	0.20
HONG KONG (GOVT OF) 3.83% 22NOV2013	32,500,000	4,299,344	0.25
HONG KONG (GOVT OF) 4.04% 30MAY2014	10,000,000	1,335,899	0.08
HONG KONG (GOVT OF) 4.2% 17SEP2012	45,000,000	6,073,778	0.35
HONG KONG (GOVT OF) 4.65% 29AUG2022	18,000,000	2,620,480	0.15
HONG KONG (GOVT OF) 4.85% 27JUN2017	37,000,000	5,252,485	0.31
HONG KONG MORTGAGE CORP 5.17% 17MAY2011	30,000,000	3,979,464	0.23
HONG KONG MTG CORP 3.6% 10JAN2011 MTN	40,000,000	5,210,268	0.30
HONG KONG MTG CORP 4.1% 9JAN2012 MTN	72,000,000	9,296,168	0.54
INTER-AMERICAN DEV BANK 4.2% 24MAR2014	34,000,000	4,336,991	0.25
INTL FINANCE CORP 4.45% 1SEP2009	24,500,000	3,195,945	0.19
KOWLOON-CANTON RAILWAY 4.65% 10JUN2013	19,500,000	2,526,563	0.15
MTR CORP (C.I) 4.15% 13NOV2009 EMTN	84,500,000	11,012,771	0.64
MTR CORP (C.I.) 4.28% 6JUL2020 EMTN	35,000,000	4,341,909	0.25
MTR CORP (C.I.) 4.75% 11MAY2020	22,000,000	2,843,236	0.17
NORDIC INVESTMENT BANK 3.77% 12JUL2010	31,000,000	4,120,346	0.24
		346,902,056	20.21

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
INDONESIA (6.37%)			
Denominated in IDR			
INDO RECAP BD 14.275% 15DEC2013 FR20	63,000,000,000	7,155,696	0.42
INDON GOVT 14.5% 15DEC2010 FR21	10,000,000,000	1,136,317	0.07
INDON RECAP 13.45% 15AUG2011 FR0016 (1)	13,000,000,000	1,489,900	0.09
INDON RECAP BD 13.15% 15JAN12 FR0017 (1)	50,000,000,000	5,717,773	0.33
INDON RECAP BD 13.15% 15JAN2012 FR0017	18,000,000,000	2,058,398	0.12
INDON RECAP BD 13.15% 15MAR2010 FR0010	42,000,000,000	4,777,281	0.28
INDON RECAP BD 13.45% 15AUG2011 FR0016	19,000,000,000	2,177,546	0.13
INDON RECAP BD 14.25% 15JUN2013 FR0019	34,000,000,000	3,849,776	0.22
INDON RECAP BD 15.425% 15SEP2010 FR0013	21,500,000,000	2,554,258	0.15
INDONESIA (GOVT OF) 0% 20FEB2010 ZC4	20,000,000,000	1,776,201	0.10
INDONESIA (GOVT OF) 10% 15OCT2011 FR25	56,000,000,000	5,719,628	0.33
INDONESIA (GOVT OF) 10.75% 15MAY16 FR30	19,000,000,000	1,831,997	0.11
INDONESIA (GOVT OF) 11% 15DEC2012 FR23	48,000,000,000	4,871,027	0.28
INDONESIA (GOVT OF) 11.5% 15SEP2019 FR36	16,000,000,000	1,589,342	0.09
INDONESIA (GOVT OF) 11.6% 15AUG2018 FR38	35,500,000,000	3,605,499	0.21
INDONESIA (GOVT OF) 11.75% 15AUG23 FR39	20,000,000,000	1,975,492	0.12
INDONESIA (GOVT OF) 12% 15OCT2010 FR24	20,000,000,000	2,195,770	0.13
INDONESIA (GOVT OF) 12% 15SEP2011 FR22	19,000,000,000	2,073,772	0.12
INDONESIA (GOVT OF) 12% 15SEP2026 FR37	20,000,000,000	1,970,485	0.11
INDONESIA (GOVT OF) 12.5% 15MAR2013 FR33	41,000,000,000	4,488,432	0.26
INDONESIA (GOVT OF) 12.8% 15JUN2021 FR34	43,000,000,000	4,464,441	0.26
INDONESIA (GOVT OF) 12.9% 15JUN2022 FR35	16,000,000,000	1,670,271	0.10
INDONESIA (GOVT OF) 9% 15SEP2018 FR48	20,000,000,000	1,690,404	0.10
INDONESIA (REP OF) 0% 20SEP2009 ZC2	10,000,000,000	940,052	0.05
INDONESIA (REP OF) 10% 15FEB2028 FR47	36,000,000,000	3,019,849	0.18
INDONESIA (REP OF) 10.25% 15JUL2022 FR43	38,000,000,000	3,412,166	0.20
INDONESIA (REP OF) 11% 15SEP2025 FR40	49,000,000,000	4,497,795	0.26
INDONESIA (REP OF) 9.5% 15JUL2023 FR46	26,000,000,000	2,186,999	0.13
INDONESIA (REP OF) 9.75% 15MAY2037 FR45	15,000,000,000	1,167,663	0.07
INDONESIA GOVERNMENT 10% 15JUL2017 FR28	50,000,000,000	4,685,469	0.27
INDONESIA GOVERNMENT 11% 15OCT2014 FR26	4,000,000,000	401,486	0.02
INDONESIA GOVERNMENT 9.5% 15JUN2015 FR27	36,000,000,000	3,256,795	0.19

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
INDONESIA *(Continued)*			
Denominated in IDR			
INDONESIA GOVT 10.25% 15JUL2027 SER FR42	62,000,000,000	5,385,325	0.31
INDONESIA GOVT 11% 15NOV2020 SER FR31	40,000,000,000	3,737,429	0.22
INDONESIA GOVT 11% 15OCT2014 FR26 (1)	50,000,000,000	5,018,579	0.29
INDONESIA RECAP BD 13.4% 15FEB2011 FR15	8,000,000,000	917,620	0.05
		109,466,933	6.37
KOREA (16.86%)			
Denominated in KRW			
KDICB REDEMPTION FUND 4.81% 16AUG2010	10,000,000,000	9,366,983	0.55
KOREA DEVELOPMENT BANK 5% 6JUL09 SER0706	10,000,000,000	9,577,611	0.56
KOREA HIGHWAY CORP 5.1% 14MAR2014 SR 412	10,000,000,000	8,988,420	0.52
KOREA MONETARY STAB 5.1% 29APR2010 8719	19,000,000,000	18,026,916	1.05
KOREA MONETARY STAB 5.45% 23JAN2010 8703	3,000,000,000	2,873,889	0.17
KOREA MONETARY STAB 5.92% 28NOV2009 7749	5,000,000,000	4,803,291	0.28
KOREA MONETARY STAB BD 5.41% 25MAR2010	3,000,000,000	2,840,691	0.17
KOREA TREASURY BD 4% 10JUN2010 1006	13,000,000,000	12,052,581	0.70
KOREA TREASURY BD 4.25% 10SEP2014 1409	20,600,000,000	18,127,738	1.06
KOREA TREASURY BD 4.75% 17SEP2013 1309	6,000,000,000	5,493,650	0.32
KOREA TREASURY BD 6.91% 18JUL2011 1107	10,000,000,000	9,943,586	0.58
KOREA TREASURY BOND 3.5% 10DEC2009	16,000,000,000	14,913,261	0.87
KOREA TREASURY BOND 4.5% 10JUN2009 0906	10,000,000,000	9,506,204	0.55
KOREA TREASURY BOND 4.75% 10DEC2009 0912	9,000,000,000	8,541,226	0.50
KOREA TREASURY BOND 4.75% 10JUN2009 0906	4,000,000,000	3,812,067	0.22
KOREA TREASURY BOND 4.75% 10MAR2012 1203	13,000,000,000	12,082,412	0.70
KOREA TREASURY BOND 4.75% 10SEP2011 1109	10,500,000,000	9,813,807	0.57
KOREA TREASURY BOND 5% 10MAR2011 1103	19,500,000,000	18,460,867	1.07
KOREA TREASURY BOND 5% 10SEP2016 1609	18,000,000,000	16,306,066	0.95
KOREA TREASURY BOND 5% 26MAR2013 1303	9,000,000,000	8,360,877	0.49
KOREA TREASURY BOND 5.25% 10DEC2010 1012	7,000,000,000	6,603,924	0.38
KOREA TREASURY BOND 5.25% 10JUN2010 1006	6,000,000,000	5,695,270	0.33
KOREA TREASURY BOND 5.25% 10MAR2013 1303	10,000,000,000	9,470,618	0.55
KOREA TREASURY BOND 5.25% 10MAR2027 2703	5,000,000,000	4,431,971	0.26
KOREA TREASURY BOND 5.25% 10SEP2012 1209	12,000,000,000	11,327,331	0.66
KOREA TREASURY BOND 5.25% 10SEP2015 1509	20,500,000,000	18,992,399	1.11
KOREA TREASURY BOND 5.25% 17MAR2014	5,000,000,000	4,667,075	0.27
KOREA TREASURY BOND 5.5% 10MAR2028 2803	2,000,000,000	1,828,671	0.11

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
KOREA *(Continued)*			
Denominated in KRW			
KOREA TREASURY BOND 5.5% 10SEP2017 1709	12,000,000,000	11,216,664	0.65
KOREA TREASURY BOND 5.75% 10DEC2010 1012	5,000,000,000	4,773,627	0.28
KOREA TREASURY BOND 5.75% 10MAR2026 2603	7,000,000,000	6,584,887	0.38
		289,484,580	16.86
MALAYSIA (10.81%)			
Denominated in MYR			
ASIA DEVELOPMENT BK 4.265% 25APR2011 MTN	2,000,000	618,853	0.04
KHAZ NAS BHD 0% 18JAN2010	13,000,000	3,738,004	0.22
MALAYSIA (GOVT OF) 3.461% 31JUL2013	22,000,000	6,593,410	0.38
MALAYSIA INVESTMENT ISS 3.895% 14APR2009	15,000,000	4,651,320	0.27
MALAYSIA INVESTMENT ISS 3.941% 15JUN2017	2,000,000	568,825	0.03
MALAYSIA INVESTMENT ISS 4.635% 14JUL2011	3,500,000	1,106,270	0.06
MALAYSIA INVESTMENT ISSUE 3.57% 15MAR10	12,500,000	3,837,804	0.22
MALAYSIAN GOVERNMENT 3.502% 31MAY2027	16,300,000	4,023,404	0.23
MALAYSIAN GOVT 3.644% 25AUG2010 1/05	28,300,000	8,680,226	0.51
MALAYSIAN GOVT 3.702% 25FEB2013 3/03	42,400,000	12,829,916	0.75
MALAYSIAN GOVT 3.718% 15JUN2012 5/06	48,000,000	14,463,727	0.84
MALAYSIAN GOVT 3.814% 15FEB2017 SER 0207	32,500,000	9,393,772	0.55
MALAYSIAN GOVT 3.833% 28SEP2011 1/01	27,500,000	8,411,120	0.49
MALAYSIAN GOVT 3.869% 13APR2010 3/06	36,500,000	11,213,348	0.65
MALAYSIAN GOVT 4.032% 15SEP2009 4/04	37,000,000	11,458,795	0.67
MALAYSIAN GOVT 4.24% 7FEB2018 2/03	22,000,000	6,509,334	0.38
MALAYSIAN GOVT 4.262% 15SEP2016 1/06	26,300,000	7,842,295	0.46
MALAYSIAN GOVT 4.709% 15SEP2026 2/06	1,000,000	295,187	0.02
MALAYSIAN GOVT 4.72% 30SEP2015 2/05	24,830,000	7,728,774	0.45
MALAYSIAN GOVT 4.837% 15JUL2025 3/05	20,670,000	6,266,006	0.36
MALAYSIAN GOVT 5.094% 30APR2014 2/04	55,000,000	17,610,288	1.03
MALAYSIAN GOVT 5.734% 30JUL2019 3/04	16,000,000	5,321,882	0.31
MALAYSIAN GOVT INV 3.82% 15NOV2016 0603	15,000,000	4,320,632	0.25
MALAYSIAN, GOVT OF 3.756% 28APR2011	39,500,000	12,013,834	0.70
RANTAU ABANG CAP 4.39% 15MAR2011 IMTN	19,000,000	5,843,380	0.34
SILTERRA CAPITAL BHD 3.9% 6JUN2014	9,000,000	2,719,529	0.16
SYARIKAT PRASARANA NEGARA 3.8% 30NOV2011	5,000,000	1,510,570	0.09
SYARIKAT PRASARANA NEGARA 4.4% 30MAY2018	10,000,000	2,943,368	0.17
SYKT PRASARANA NEGAR 4.27% 30NOV2016	10,000,000	3,037,246	0.18
		185,551,119	10.81

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
PHILIPPINES (4.73%)			
Denominated in PHP			
PHILIPPINE (GOVT OF) 10.75% 12MAY2009	48,000,000	1,109,845	0.06
PHILIPPINE (GOVT OF) 12.125% 20OCT2025	25,000,000	655,177	0.04
PHILIPPINE (GOVT OF) 5.5% 21FEB2010 3-16	279,097,642	6,195,962	0.36
PHILIPPINE (GOVT OF) 5.875% 31JAN2018	50,000,000	978,354	0.06
PHILIPPINE (GOVT OF) 7.125% 2NOV2013	137,000,000	2,901,506	0.17
PHILIPPINE (GOVT OF) 7.75% 23AUG2017	122,000,000	2,555,362	0.15
PHILIPPINE (GOVT OF) 8.375% 22MAY2015	73,000,000	1,586,793	0.09
PHILIPPINE (GOVT OF) 8.5% 17FEB2009 3-13	27,274,636	628,331	0.04
PHILIPPINE (GOVT OF) 8.5% 29NOV2032	100,000,000	1,856,931	0.11
PHILIPPINE (GOVT OF) 8.625% 6SEP2027	54,000,000	1,110,213	0.07
PHILIPPINE (GOVT OF) 8.75% 27JUL2009	25,000,000	581,745	0.03
PHILIPPINE (GOVT OF) 9.375% 5OCT2031	50,000,000	1,031,678	0.06
PHILIPPINE GOVT 11.375% 18AUG2012 7-40	35,000,000	866,476	0.05
PHILIPPINE GOVT 11.375% 23OCT2023 20-6	100,000,000	2,508,205	0.15
PHILIPPINE GOVT 11.5% 27JAN2010 5-57	65,000,000	1,581,669	0.09
PHILIPPINE GOVT 11.5% 7APR2010 (5-58)	73,000,000	1,758,042	0.10
PHILIPPINE GOVT 11.875% 29MAY2023 20-5	96,000,000	2,470,079	0.14
PHILIPPINE GOVT 11.875% 6APR09 5-53	94,000,000	2,209,169	0.13
PHILIPPINE GOVT 12% 15APR2011 7-36	150,000,000	3,685,183	0.22
PHILIPPINE GOVT 12% 22JUL2011 7-37	117,000,000	2,938,732	0.17
PHILIPPINE GOVT 12.375% 24FEB15 1036	116,000,000	3,030,985	0.18
PHILIPPINE GOVT 12.375% 3JUN2024 20-7	8,000,000	211,546	0.01
PHILIPPINE GOVT 14.375% 24APR2017 20-1	65,500,000	1,867,683	0.11
PHILIPPINE GOVT BONDS 11.75% 15MAY2013	88,000,000	2,181,003	0.13
PHILIPPINE GOVT BONDS 13% 25APR2012	104,000,000	2,635,306	0.15
PHILIPPINES (REP OF) 10.25% 19JAN2026	67,000,000	1,573,716	0.09
PHILIPPINES (REP OF) 5.75% 21FEB2012	345,000,000	7,288,189	0.42
PHILIPPINES (REP OF) 8% 7DEC2026 2013	19,000,000	365,063	0.02
PHILIPPINES (REP OF) 8.5% 3MAR2011 5-62	181,195,535	4,188,308	0.24
PHILIPPINES (REP OF) 8.75% 3MAR2013 7-43	248,148,282	5,669,533	0.33
PHILIPPINES (REP OF) 9.125% 4SEP2016	522,467,977	11,839,520	0.69
PHILIPPINES (REP OF) 9.25% 12JAN2016	54,000,000	1,247,918	0.07
		81,308,222	4.73

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
SINGAPORE (15.82%)			
Denominated in SGD			
ASIA DEVELOPMENT BK 3.335% 18SEP2011 MTN	2,000,000	1,487,688	0.09
HOUSING & DEV BRD 3.455% 1MAR2011 MTN	2,500,000	1,873,968	0.11
HOUSING & DEVELOP BRD 5.07% 21SEP2009	5,000,000	3,856,207	0.22
HOUSING & DEVELOPMENT BRD 3.375% 21APR15	4,500,000	3,201,464	0.19
LAND TRANSPORT AUTH 2.159% 19JUN2013	5,000,000	3,410,947	0.20
LAND TRANSPORT AUTH 2.9% 19JUN2023	2,000,000	1,226,165	0.07
LAND TRANSPORT AUTHORITY 4.08% 21MAY2012	3,000,000	2,254,592	0.13
LAND TRANSPORT AUTHORITY 4.17% 10MAY2016	3,000,000	2,217,927	0.13
LAND TRANSPORT AUTHORITY 4.81% 9JUN2010	1,800,000	1,379,161	0.08
PSA CORP LTD 2.83% 6JUL2015	3,000,000	2,004,508	0.12
PSA CORP LTD 4.91% 15AUG2010	8,000,000	6,221,715	0.36
SINGAPORE (GOVT OF) 1.625% 1APR2013	3,300,000	2,325,400	0.13
SINGAPORE (GOVT OF) 2.5% 1OCT2012	14,200,000	10,493,663	0.61
SINGAPORE (GOVT OF) 2.625% 1APR2012	20,100,000	15,080,273	0.88
SINGAPORE (GOVT OF) 3.125% 1FEB2011	14,650,000	11,310,885	0.66
SINGAPORE (GOVT OF) 3.125% 1SEP2022	13,000,000	8,731,460	0.51
SINGAPORE (GOVT OF) 3.5% 1MAR2027	21,000,000	14,249,428	0.83
SINGAPORE GOVERNMENT 2.375% 1OCT2009	12,500,000	9,404,437	0.55
SINGAPORE GOVERNMENT 2.625% 1APR2010	16,500,000	12,494,349	0.73
SINGAPORE GOVERNMENT 3.25% 1SEP2020	22,900,000	16,063,161	0.93
SINGAPORE, GOVERNMENT OF 3.5% 1JUL2012	20,200,000	15,738,551	0.92
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2011	28,500,000	22,428,850	1.31
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2014	31,700,000	24,576,257	1.43
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	30,600,000	23,359,552	1.36
SINGAPORE, GOVERNMENT OF 4% 1SEP2018	21,550,000	16,597,314	0.97
SINGAPORE, GOVERNMENT OF 4.625% 1JUL2010	29,550,000	23,615,653	1.37
SINGAPORE, REPUBLIC OF 2.25% 1JUL2013	16,200,000	11,826,697	0.69
SP POWERASSETS LTD 3.73% EMTN 22OCT10	4,100,000	3,064,183	0.18
SP POWERASSETS LTD 4.84% EMTN 22OCT2018	1,500,000	1,095,962	0.06
		271,590,417	15.82
THAILAND (10.25%)			
Denominated in THB			
ASIA DEVELOPMENT BANK 5.34% 18SEP2011	40,000,000	1,251,124	0.07
ASIAN DEVELOPMENT BANK 3.87% 24MAY2010	20,000,000	594,047	0.03
BANK OF THAILAND BD 3.7% 24JAN2011 SR3YR	144,000,000	4,223,551	0.25
BANK OF THAILAND BOND 3.40625% 16AUG2009	132,000,000	3,955,575	0.23

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2008	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
		USD	(%)
THAILAND *(Continued)*			
Denominated in THB			
BK OF THAI BD T-BILLS 3.40625% 17MAY2009	24,000,000	720,488	0.04
METROPOL WATERWORKS AUTH 6.16% 15MAR2010	10,000,000	311,096	0.02
PTT PCL 4.86% 20MAR2015	50,000,000	1,396,243	0.08
PTT PCL 5.79% 12OCT2016	82,000,000	2,472,830	0.14
THAILAND (GOVT OF) 4.5% 9APR2024	134,000,000	3,305,649	0.19
THAILAND (GOVT OF) 5.25% 12MAY2014	150,000,000	4,487,558	0.26
THAILAND (GOVT OF) 5.25% 13JUL2013	184,000,000	5,542,650	0.32
THAILAND (GOVT OF) 5.4% 27JUL2016	252,000,000	7,465,207	0.43
THAILAND (GOVT OF) 5.5% 13MAR 2023	150,000,000	4,162,636	0.24
THAILAND GOVT BOND 4.25% 13MAR2013	354,000,000	10,128,840	0.59
THAILAND GOVT BOND 5% 26MAY2017	124,000,000	3,541,469	0.21
THAILAND GOVT BOND 5% 3DEC2014 05-2	223,000,000	6,394,358	0.37
THAILAND GOVT BOND 5.125% 13MAR2018	205,000,000	5,856,552	0.34
THAILAND GOVT BOND 5.375% 15MAY2009 06-2	196,000,000	5,936,685	0.35
THAILAND GOVT BOND 5.5% 13AUG2019 04-5	135,000,000	3,896,530	0.23
THAILAND GOVT BOND 5.625% 12JAN2019	225,000,000	6,633,314	0.39
THAILAND GOVT BOND 5.85% 31MAR2021 06-5	321,000,000	9,388,780	0.55
THAILAND GOVT BOND 6.15% 7JUL2026 06-6	185,000,000	5,543,346	0.32
THAILAND GOVT BOND SER 04-4 4.25%13AUG10	221,000,000	6,616,408	0.39
THAILAND, GOVERNMENT OF 3.875% 7MAR2018	125,000,000	3,206,560	0.19
THAILAND, GOVERNMENT OF 3.875% 9JAN2011	118,000,000	3,487,660	0.20
THAILAND, GOVERNMENT OF 4% 17OCT2013	98,000,000	2,724,725	0.16
THAILAND, GOVERNMENT OF 4.125% 19NOV2009	325,000,000	9,735,925	0.57
THAILAND, GOVERNMENT OF 4.125% 1NOV2012	110,000,000	3,129,820	0.18
THAILAND, GOVERNMENT OF 4.5% 11MAR2012	188,000,000	5,511,526	0.32
THAILAND, GOVERNMENT OF 4.625% 21JUN2009	180,000,000	5,406,859	0.31
THAILAND, GOVERNMENT OF 4.8% 9APR2010	135,000,000	4,095,339	0.24
THAILAND, GOVERNMENT OF 5.125% 8NOV2022	51,000,000	1,367,188	0.08
THAILAND, GOVERNMENT OF 5.375% 30NOV2011	193,000,000	5,800,988	0.34
THAILAND, GOVERNMENT OF 5.375% 3DEC2019	267,000,000	7,470,166	0.44
THAILAND, GOVERNMENT OF 5.5% 18JAN2017	194,000,000	5,762,324	0.34
THAILAND, GOVERNMENT OF 7.2% 7JUL2015	96,000,000	3,179,721	0.19
THAILAND, GOVERNMENT OF 7.5% 5MAR2011	178,000,000	5,745,259	0.33
THAILAND, GOVERNMENT OF 8.25% 5MAR2014	160,000,000	5,479,906	0.32
		175,928,902	10.25

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
	US$	%
Total Listed/Quoted Investments	1,716,672,006	99.99
Total investments, at cost	1,668,927,840	

DISTRIBUTION OF INVESTMENTS

(a)	*By credit rating*		
	AAA	265,713,388	15.48
	AA	338,696,567	19.73
	A+	8,419,701	0.49
	A	672,082,544	39.15
	AA-	114,939,095	6.69
	BBB+	720,488	0.04
	BBB	8,179,126	0.47
	BB+	12,854,583	0.75
	BB	172,683,152	10.06
	B+	4,297,368	0.25
	Non-rated	118,085,994	6.88
		1,716,672,006	99.99

PORTFOLIO OF INVESTMENTS

(b)	*By asset class*		
	Bonds	1,716,672,006	99.99

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2008 (Unaudited)

Top Ten Holdings

	Fair value at 30th June 2008	Percentage of total net assets at 30th June 2008
	US$	%
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2014	24,576,257	1.43
SINGAPORE, GOVERNMENT OF 4.625% 1JUL2010	23,615,653	1.37
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	23,359,552	1.36
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2011	22,428,850	1.31
KOREA TREASURY BOND 5.25% 10SEP2015 1509	18,992,399	1.11
CHINA (GOVT OF) 3.53% 16JUL2010 0711	18,619,841	1.08
KOREA TREASURY BOND 5% 10MAR2011 1103	18,460,867	1.07
KOREA TREASURY BD 4.25% 10SEP2014 1409	18,127,738	1.06
KOREA MONETARY STAB 5.1% 29APR2010 8719	18,026,916	1.05
MALAYSIAN GOVT 5.094% 30APR2014 2/04	17,610,288	1.03
	203,818,361	11.87

As at 30th June 2007 (Unaudited)

Top Ten Holdings

	Fair value at 30th June 2007	Percentage of total net assets at 30th June 2007
	US$	%
KOREA TREASURY BOND 4.5% 9SEP2008 0809	30,459,895	1.95
SINGAPORE, GOVERNMENT OF 4.375% 15JAN09	25,531,296	1.63
MALAYSIAN GOVT 5.094% 30APR2014 2/04	22,554,929	1.44
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	22,208,770	1.42
SINGAPORE, GOVERNMENT OF 4.625% 1JUL2010	21,253,497	1.36
KOREA TREASURY BD 4.25% 10SEP2014 1409	20,970,140	1.34
SINGAPORE (GOVT OF) 2.625% 1APR2012	19,538,758	1.25
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2014	19,328,200	1.24
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2011	19,031,620	1.22
CHINA (GOVT OF) SER 0215 2.93% 6DEC2009	18,535,773	1.18
	219,412,878	14.03

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

For the year ended 30th June 2008 (Unaudited)

	Percentage of total net assets as at 30th June 2008	Percentage of total net assets as at 30th June 2007
Listed/Quoted Investments		
Debt securities		
China	14.94	12.32
Hong Kong	20.21	18.53
Indonesia	6.37	6.04
Korea	16.86	20.93
Malaysia	10.81	10.41
Philippines	4.73	5.14
Singapore	15.82	18.06
Thailand	10.25	8.56
Total listed/quoted investments	99.99	99.99

PERFORMANCE RECORD

NET ASSET VALUES

	Net asset value of the Fund	Net asset value per unit
	US$	US$
At the end of financial period dated		
30th June 2006	1,198,619,313	103.56
30th June 2007	1,563,931,673	110.26
30th June 2008	1,716,743,912	110.55

HIGHEST OFFER AND LOWEST BID PRICES

	Highest offer	Lowest bid
Financial period ended	US$	US$
30th June 2006 (since inception)	104.22	99.80
30th June 2007	111.79	101.94
30th June 2008	116.95	107.44

Performance as of 30th June 2008

PERFORMANCE SUMMARY

Periods Ended 30th June 2008	3 Months	6 Months	1 Year	3 Years	Annualized Since Inception[a]
ABF Pan Asia Bond Index Fund (PAIF)[b]	-4.60%	-0.86%	4.10%	6.84%	6.84%
iBoxx ABF Pan-Asia Index	-4.50%	-0.69%	4.59%	7.59%	7.59%

Notes:

(a) Performance inception date is from 29th June 2005 when the units of the Fund were first issued.

(b) The Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this total return calculation.

(c) The benchmark returns are stated on a total return basis. Unlike the Fund, the benchmark returns do not include the impact of withholdings taxes, Fund expenses or Fund transaction costs.

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Bernard Patrick Reilly
Hon Wing Cheung
Lochiel Cameron Crafter (resigned on 24th April 2008)
Sheau-Yien Wang

Members of the Supervisory Committee

Mr. Ric Battellino
Mr. Mu Huaipeng
Mr. Peter Pang
Mr. Budi Mulya
Mr. Akinari Horii
Dr., Mr. Guang-ju Rhee
Dato' Ooi Sang Kuang
Mr. Grant Spencer
Mrs. Ma. Ramona G. D. T. Santiago
Mr. Ong Chong Tee
Dr., Mrs Atchana Waiquamdee

Trustee

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21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

Custodian, Administrator, Registrar and Receiving Agent

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1 Queen's Road Central
Hong Kong

Manager

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Singapore Limited

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#33-01 Capital Tower
Singapore 068912

Hong Kong branch office:
68th floor, Two International Finance Center
8 Finance Street
Central
Hong Kong

Processing Agent

HK Conversion Agency Services Limited
2nd Floor, Vicwood Plaza
199 Des Voeux Road
Central
Hong Kong

Auditor

PricewaterhouseCoopers
8 Cross Street
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