



ABF Pan Asia Bond Index Fund

## ABF PAN ASIA BOND INDEX FUND

Stock Code: 2821

Website : [www.abf-paif.com](http://www.abf-paif.com)

### **Annual Report 2009**

1st July 2008 to 30th June 2009

# Contents

	Page
Investment Manager's Report	2
Statement by the Manager	4
Report of the Trustee	5
Independent Auditor's Report to the Unitholders of ABF Pan Asia Bond Index Fund	6
Statement of Net Assets	8
Statement of Operations	9
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Investment Portfolio	34
Statement of Movements in Portfolio Holdings	46
Performance Record	47
Administration and Management	48

# **ABF PAN ASIA BOND INDEX FUND**

Annual Report 2009

## **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 2008 and changed effective 1st November 2008. The previous and current market weights of the index are:

Market	Current Weights (%)	Previous Weights (%)
China	17.77	14.89
Hong Kong	19.14	20.20
Indonesia	5.64	6.43
Korea	16.39	17.05
Malaysia	10.59	10.81
Philippines	5.24	4.78
Singapore	14.92	15.64
Thailand	10.31	10.20

\*Source: Markit, SSgA (as of 30th June 2009).

## INVESTMENT MANAGER'S REPORT *(Continued)*

### PERFORMANCE SUMMARY

Periods Ended					Annualized since Inception <sup>(a)</sup>
30th June 2009	3 months	6 months	1 Year	3 Years	
ABF Pan Asia Bond Index					
Fund (PAIF) <sup>(b)</sup>	4.10%	-0.35%	4.06%	6.31%	6.14%
iBoxx ABF Pan-Asia Index	4.27%	0.15%	5.10%	7.09%	6.96%

*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 6.14% compared to an index return of 6.96%. This is a difference of -0.82% and is principally attributable to an amount of -0.73% 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 fees and expenses under the Trust Deed, and withholding taxes); the balance of -0.09% 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 6.96% since inception. This performance was generated from resilient bond markets (contributing 5.47% to returns) as well as from Asian currencies' appreciation (contributing 1.49%).

### 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.

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**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, with the assistance of the service provider, 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 8 to 33, 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 2009, 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**  
22nd September 2009

## **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 set 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 2009.

For and on behalf of the Trustee

**HSBC Institutional Trust Services (Singapore) Limited**  
22nd September 2009

## **ABF PAN ASIA BOND INDEX FUND**

Annual Report 2009

### **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") set out on pages 8 to 33 which comprise the Statement of Net Assets as of 30th June 2009 and the 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 Manager (the "Management") of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and is 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 as to 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 the 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 2009, 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 DISCLOSURE 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 LLP**

*Public Accountants and Certified Public Accountants*  
Singapore, 22nd September 2009



# ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

## STATEMENT OF NET ASSETS

As at 30th June 2009

	Notes	30th June 2009 US\$	30th June 2008 US\$
<b>Assets</b>			
Investments	10(b)	1,557,328,929	1,716,672,006
Amounts due from brokers		27,310,167	36,611,992
Interest income receivable from bank deposits		–	298
Cash at banks	8(e)	7,248,809	8,586,176
<b>Total assets</b>		<u>1,591,887,905</u>	<u>1,761,870,472</u>
<b>Liabilities</b>			
Amounts due to brokers		42,302,168	44,767,029
Derivative financial instruments	10(b), 12	–	24,611
Audit fee payable		41,233	58,638
Trustee fee payable	8(d)	67,257	145,808
Management fee payable	8(c)	167,391	354,288
Index license fee payable	9(a)	56,684	75,196
Other payables		397,170	39,593
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>		<u>43,031,903</u>	<u>45,465,163</u>
<b>Net assets attributable to holders of redeemable units (before adjustments on formation expenses)</b>	3	1,548,856,002	1,716,405,309
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	3	<u>168,603</u>	<u>338,603</u>
<b>Net assets attributable to holders of redeemable units (after adjustments on formation expenses)</b>	3	<u><u>1,549,024,605</u></u>	<u><u>1,716,743,912</u></u>

HSBC Institutional Trust  
Services (Singapore) Limited

State Street Global Advisors  
Singapore Limited

The notes on pages 12 to 33 form part of these financial statements.  
Independent auditor's report – pages 6 and 7

# ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

## STATEMENT OF OPERATIONS

For the year ended 30th June 2009

	Notes	For the year ended 30th June 2009 US\$	For the year ended 30th June 2008 US\$
<b>Income</b>			
Interest income on bank deposits		18,396	98,103
Net gain on investments	6	83,977,825	27,147,892
Net foreign exchange (loss)/gain		(19,119,770)	36,756,577
Other income	5	116,135	149,764
<b>Total investment income</b>		<u>64,992,586</u>	<u>64,152,336</u>
<b>Expenses</b>			
Management fee	8(c)	1,978,897	2,035,870
Trustee fee	8(d)	802,131	829,424
Index license fee	9(a)	261,240	256,338
Publication and printing expenses		57,493	49,463
Audit fee		32,513	26,850
Processing agent fee	9(b)	10,171	11,016
Bank charges		11,667	62,970
Legal and professional fees		75,554	69,837
Annual insurance premium		47,850	43,500
SFC fee expenses		774	769
Other operating expenses		30,376	4,651
<b>Total operating expenses</b>		<u>3,308,666</u>	<u>3,390,688</u>
<b>Operating profit</b>		<u>61,683,920</u>	<u>60,761,648</u>
<b>Finance costs</b>			
Distributions to holders of redeemable units	13	(64,716,082)	(59,630,655)
<b>(Loss)/profit before tax</b>		<u>(3,032,162)</u>	<u>1,130,993</u>
Overseas withholding taxes	7	(3,767,245)	(3,491,035)
<b>Loss after tax</b>		<u>(6,799,407)</u>	<u>(2,360,042)</u>
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	3	(170,000)	(170,931)
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>(6,969,407)</u>	<u>(2,530,973)</u>

The notes on pages 12 to 33 form part of these financial statements.  
Independent auditor's report – pages 6 and 7

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

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

*For the year ended 30th June 2009*

	For the year ended 30th June 2009 <i>US\$</i>	For the year ended 30th June 2008 <i>US\$</i>
Balance at beginning of the year	1,716,743,912	1,563,931,673
Issue of units	80,204,942	255,395,684
Redemption of units	<u>(240,954,842)</u>	<u>(100,052,472)</u>
Net (redemption)/issue of units	(160,749,900)	155,343,212
Decrease in net assets attributable to holders of redeemable units	<u>(6,969,407)</u>	<u>(2,530,973)</u>
Balance at the end of the year	<u><u>1,549,024,605</u></u>	<u><u>1,716,743,912</u></u>

*The notes on pages 12 to 33 form part of these financial statements.  
Independent auditor's report – pages 6 and 7*

**STATEMENT OF CASH FLOWS**

*For the year ended 30th June 2009*

	For the year ended 30th June 2009 US\$	For the year ended 30th June 2008 US\$
<b>Decrease in net assets attributable to holders of redeemable units from operations</b>	(6,969,407)	(2,530,973)
<b>Adjustment for:</b>		
Interest income on bank deposits	(18,396)	(98,103)
Distributions paid to holders of redeemable units	64,716,082	59,630,655
Adjustments for different bases adopted by the Fund in arriving at the net assets attributable to holders of redeemable units	170,000	170,931
	57,898,279	57,172,510
<b>Operating gain before working capital changes</b>	57,898,279	57,172,510
Net decrease/(increase) in investments and derivative financial instruments	159,318,466	(152,917,107)
Net decrease/(increase) in amounts due from brokers	9,301,825	(19,075,789)
Net (decrease)/increase in amounts due to brokers	(2,464,861)	20,848,945
Net increase/(decrease) in accounts payable and accrued expenses	56,212	(105,482)
	224,109,921	(94,076,923)
<b>Cash generated from/(used in) operations</b>	224,109,921	(94,076,923)
Interest income on bank deposits received	18,694	101,338
	224,128,615	(93,975,585)
<b>Net cash generated from/(used in) operating activities</b>	224,128,615	(93,975,585)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units	(64,716,082)	(59,630,655)
Issue of units	80,204,942	255,395,684
Redemption of units	(240,954,842)	(100,052,472)
	(225,465,982)	95,712,557
<b>Net cash (used in)/generated from financing activities</b>	(225,465,982)	95,712,557
Net (decrease)/increase in cash and cash equivalents	(1,337,367)	1,736,972
Cash and cash equivalents at the beginning of the year	8,586,176	6,849,204
	7,248,809	8,586,176
<b>Cash and cash equivalents at the end of the year</b>	7,248,809	8,586,176
Analysis of balance of cash and cash equivalents:		
Cash at banks	7,248,809	8,586,176

*The notes on pages 12 to 33 form part of these financial statements.  
Independent auditor's report – pages 6 and 7*

# ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

## 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 and Tokyo Stock Exchange. 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 use of certain critical accounting estimates. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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.

#### *Amendments to standards effective in current period and relevant for the Fund's operations*

IAS 39, "Financial Instruments: Recognition and Measurement", amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to IFRS 7, "Financial Instruments: Disclosures", introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1st July 2008. This amendment does not have any impact on the Fund's financial statements, as the Fund has not reclassified any financial assets.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

*New standards and amendments to standards that are not yet effective and relevant for the Fund's operations and have not been early adopted by the Fund*

IAS 1 (Revised), "Presentation of Financial Statements" (effective from 1st January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of net assets as at the beginning of the comparative period in addition to the current requirement to present statement of net assets at the end of the current period and comparative period. The Fund will apply IAS 1 (Revised) from 1st July 2009 and it is likely the Fund will present solely a statement of comprehensive income. This amendment is not expected to significantly change the presentation of the Fund's performance statement.

IAS 1 (Amendment), "Presentation of Financial Statements" (effective from 1st January 2009). The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", are examples of current assets and liabilities respectively. The Fund will apply the amendments from 1st July 2009. However, it is not expected to have an impact on the Fund's financial statements.

IAS 32 (Amendment), "Financial Instruments: Presentation", and IAS 1 (Amendment), "Presentation of Financial Instruments – Puttable Financial Instruments and Obligations Arising on Liquidation" (effective from 1st January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of 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 as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. The Fund will apply the amendments from 1st July 2009. The Manager is currently assessing the impact of these amendments.

IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" (effective from 1st January 2009). The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition. The Fund will apply the IAS 39 (Amendment) from 1st July 2009. However, it is not expected to have an impact on the Fund's Statement of Operations.

IFRS 8, "Operating Segments" (effective from 1st January 2009). It requires a "management approach" which segment information is presented on the same basis as that used for internal reporting purposes. However, it is not expected to have a significant impact on the Fund's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

Amendment to IFRS 7, "Financial Instruments: Disclosures" (effective from 1st January 2009). The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Fund will make additional relevant disclosures in its financial statements from 1st July 2009.

There are a number of minor amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", IAS 10, "Events after the Balance Sheet Date", and IAS 18, "Revenue" (all effective from 1st January 2009) which are not addressed above. These amendments are unlikely to have an impact on the Fund's financial statements and have therefore not been analysed in detail.

**(b) Investments**

The Fund invests in debt securities which are classified as financial assets at fair value through profit or 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. Realised and unrealised gains and losses on foreign exchange contracts are recognised 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.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**(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 asset 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.



**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

(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.

(l) **Distributions**

Proposed distributions to holders of redeemable units are recognised in the Statement of Operations when they are appropriately authorized. The distribution on the redeemable units is recognised as a finance cost in the Statement of Operations.

**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 defined investment policies, 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 2009, 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\$168,603 (2008: US\$338,603) 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\$170,000 (2008: US\$170,931) as described above is recognised 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.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**Number of units in issue**

	2009 <i>units</i>	2008 <i>units</i>
Units in issue at the beginning of the year	15,528,850	14,183,790
Issue of units	731,970	2,245,060
Redemption of units	<u>(2,270,000)</u>	<u>(900,000)</u>
Units in issue at the end of the year	<u><u>13,990,820</u></u>	<u><u>15,528,850</u></u>
	2009 <i>US\$</i>	2008 <i>US\$</i>
Net assets attributable to holders of redeemable units	<u>1,549,024,605</u>	<u>1,716,743,912</u>
Net assets attributable to holders of redeemable units (per unit)	<u><u>110.72</u></u>	<u><u>110.55</u></u>
Net asset value per Creation unit (1 Creation unit is equivalent to 20,000 units)	<u><u>2,214,344</u></u>	<u><u>2,211,038</u></u>

**4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The Manager makes estimates and assumptions concerning the future. 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 Fund holds a number of unlisted 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 fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded at as of 30th June 2009. 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.

# ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. 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.

### 6. NET GAIN ON INVESTMENTS

	2009 US\$	2008 US\$
Change in unrealised gain/loss in value of investments and derivative financial instruments	(3,109,890)	(41,587,677)
Realised gain on sale of investments and derivative financial instruments	<u>87,087,715</u>	<u>68,735,569</u>
	<u><u>83,977,825</u></u>	<u><u>27,147,892</u></u>

### 7. TAXATION

No provision for Hong Kong profits tax has been made as the interest income and realised 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:

- gains or profits derived from Singapore or elsewhere from the disposal of securities;
- interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act); and
- dividends derived from outside Singapore and received in Singapore.

Overseas withholding tax was charged on certain interest income received during the year. An amount of US\$3,194,325 was reclassified from realized gain on sale of investments and derivative financial instruments to overseas withholding tax in the comparative figures of 2008 for consistency with 2009 disclosure.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**8. 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\$122,299,974 (2008: US\$204,934,072) in foreign currency transactions through its affiliated party, State Street Global Markets, LLC for the Fund's investments and settlement purpose. The amount represents 11.15% (2008: 22.02%) of all the Fund's transactions during the year.

Name of company	Aggregate value of foreign currency transactions US\$	Total commission paid US\$	% of the Fund's total commission paid in the year %	Average commission rate %
2009				
State Street Global Markets, LLC	122,299,974	-	-	-
2008				
State Street Global Markets, LLC	204,934,072	-	-	-

**(b)** As at 30th June 2009, the directors and officers of the Manager together did not hold units in the Fund (2008: Nil).

**(c) Management fee**

The Fund pays 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:

For first US\$1 billion	0.13%
For next US\$250 million	0.12%
For next US\$250 million	0.11%
Thereafter	0.10%
	Up to a maximum of 0.25% per annum of the Fund

## ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

### NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

#### (d) Trustee fee

The Fund pays 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 2009 US\$	As at 30th June 2008 US\$
HSBC Institutional Trust Services (Asia) Limited	7,145,132	8,570,525

### 9. 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 0.0175% per annum (2008: 0.023% per annum) on the daily average net asset value of the Fund, subject to a minimum of US\$184,000 per annum (2008: 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.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**10. 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.

All the financial assets and liabilities are classified as loans and receivables except for investments, which are classified as financial assets at fair value through profit or loss.

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:

	2009			2008		
	Fair value US\$	Cost US\$	% of net assets	Fair value US\$	Cost US\$	% of net assets
Held for trading:						
Debt securities	1,557,328,929	1,513,404,797	100.54	1,716,672,006	1,669,613,373	99.99
Derivative financial instruments (Note 12)	-	-	-	(24,611)	-	(0.00)
	<u>1,557,328,929</u>	<u>1,513,404,797</u>	<u>100.54</u>	<u>1,716,647,395</u>	<u>1,669,613,373</u>	<u>99.99</u>

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**Market exposures**

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

	2009 <i>US\$ equivalent</i>	2008 <i>US\$ equivalent</i>
Markets exposed to		
China	276,531,995	256,439,777
Hong Kong	295,931,808	346,902,056
Indonesia	86,518,052	109,466,933
Korea	261,491,559	289,484,580
Malaysia	163,721,944	185,551,119
Philippines	80,047,439	81,308,222
Singapore	233,467,168	271,590,417
Thailand	159,618,964	175,928,902
	<hr/>	<hr/>
	1,557,328,929	1,716,672,006
Derivative financial instruments <i>(Note 12)</i>	<hr/>	<hr/>
	–	(24,611)
	<hr/>	<hr/>
	<b>1,557,328,929</b>	<b>1,716,647,395</b>
	<b><hr/></b>	<b><hr/></b>

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

There were investments issued by a single issuer with market value exceeding 10% of the Fund's net asset value at 30th June 2009 and 30th June 2008, as follows:

	2009	2008
	%	%
HK Government	15.87	16.44
Korea Treasury	14.18	13.56
Singapore Government	12.94	13.88
China Government	12.09	11.08

The table below summarises 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.

	2009		2008	
	Change in	Impact	Change in	Impact
	market index		market index	
	%	US\$	%	US\$
	+/-	+/-	+/-	+/-
iBoxx ABF Pan-Asia Index in US\$	7.81	121,627,389	8.00	137,331,792

Assumption: 7.81% (2008: 8.00%) change is based on an annualized return of 7.81% from 2001 to 2009 (2008: 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.



# ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### (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 summarises the Fund's exposure to interest rate risk. It includes the Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

#### As at 30th June 2009

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>					
Investments	33,704,917	916,838,018	606,785,994	-	1,557,328,929
Cash at banks	7,248,809	-	-	-	7,248,809
Other assets	-	-	-	27,310,167	27,310,167
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>40,953,726</b>	<b>916,838,018</b>	<b>606,785,994</b>	<b>27,310,167</b>	<b>1,591,887,905</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>					
Amounts due to brokers	-	-	-	(42,302,168)	(42,302,168)
Other liabilities	-	-	-	(729,735)	(729,735)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	(43,031,903)	(43,031,903)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total interest sensitivity gap</b>	<b>40,953,726</b>	<b>916,838,018</b>	<b>606,785,994</b>		
	<hr/>	<hr/>	<hr/>		

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**As at 30th June 2008**

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>					
Investments	40,016,758	1,022,466,189	654,189,059	-	1,716,672,006
Cash at banks	8,586,176	-	-	-	8,586,176
Other assets	-	-	-	36,612,290	36,612,290
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>48,602,934</u>	<u>1,022,466,189</u>	<u>654,189,059</u>	<u>36,612,290</u>	<u>1,761,870,472</u>
<b>Liabilities</b>					
Amounts due to brokers	-	-	-	(44,767,029)	(44,767,029)
Other liabilities	-	-	-	(698,134)	(698,134)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities</b> <b>(excluding net assets</b> <b>attributable to holders</b> <b>of redeemable units)</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(45,465,163)</u>	<u>(45,465,163)</u>
<b>Total interest</b> <b>sensitivity gap</b>	<u>48,602,934</u>	<u>1,022,466,189</u>	<u>654,189,059</u>		

At 30th June 2009, should interest rates have lowered/risen by 15 basis points (2008: 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\$1,561,415 and US\$1,540,822 respectively (2008: US\$36,717,998 and US\$35,143,998), arising substantially from the increase/decrease in market values of debt securities.

The Manager monitors the Fund's overall interest sensitivity on a daily basis.

## ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

### NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

#### (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 summarises the assets placed with banks and custodians at 30th June 2009 and 2008:

#### As at 30th June 2009

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	1,540,461,204	Aa2	Moody's
Brown Brothers Harriman Co NY	57,236	N/A	N/A
Euroclear Bank Brussels	24,059,298	N/A	N/A

#### 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

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

All derivative financial instruments represent outstanding forward foreign exchange contracts as disclosed in note 12. As at 30th June 2008, the counterparty of these forward foreign exchange contracts was The Hongkong and Shanghai Banking Corporation Limited, Singapore and the credit rating issued by Moody's was Aa2. There were no outstanding forward foreign exchange contracts as at 30th June 2009.

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

*Portfolio by rating category*

Rating	2009 %	2008 %
AAA	14	15
AA+	1	–
AA	18	20
A+	–	1
A	45	39
A-	1	–
AA-	–	7
BBB	1	–
BB+	–	1
BB	11	10
B+	–	–
Non-rated	9	7
<b>Total</b>	<b>100</b>	<b>100</b>

The maximum exposure to credit risk as at 30th June 2009 and 2008 is the carrying amount of the financial assets as set out below.

	2009 US\$	2008 US\$
Investments	1,557,328,929	1,716,672,006
Amounts due from brokers	27,310,167	36,611,992
Interest income receivable from bank deposits	–	298
Cash at banks	7,248,809	8,586,176
	<b>1,591,887,905</b>	<b>1,761,870,472</b>

None of these assets are impaired nor past due but not impaired.

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.

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

(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 US\$	1-3 months US\$
<b>As at 30th June 2009</b>		
Amounts due to brokers	42,302,168	–
Audit fee payable	–	41,233
Trustee fee payable	–	67,257
Management fee payable	–	167,391
Index license fee payable	–	56,684
Other payables	–	397,170
Net assets attributable to holders of redeemable units	1,549,024,605	–
<b>Total financial liabilities</b>	<b>1,591,326,773</b>	<b>729,735</b>
<b>As at 30th June 2008</b>		
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	–
<b>Total financial liabilities</b>	<b>1,761,535,552</b>	<b>673,523</b>

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

Units are redeemed on demand at the holder's option. However, the Trustee and the Manager do not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as the holders typically retain their units for the medium to long term. At 30th June 2009 and 2008, no individual investor held more than 10% of the Fund's units.

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 12.

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

	2009 <i>US\$</i> <i>equivalents</i>	2008 <i>US\$</i> <i>equivalents</i>
Hong Kong Dollar	297,913,051	349,785,144
Indonesian Rupiah	86,903,131	110,450,591
South Korean Won	250,742,003	289,229,397
Malaysian Ringgit	163,446,658	182,281,250
Philippine Peso	78,670,029	80,707,438
Renminbi	277,178,966	263,632,716
Singapore Dollar	231,488,021	274,522,898
Thai Baht	162,559,078	167,163,154

The table below summarises 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.

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

	2009		2008	
	Change % +/-	Impact US\$ +/-	Change % +/-	Impact US\$ +/-
Hong Kong Dollar	1	2,979,131	1.5	5,246,777
Indonesian Rupiah	18	15,642,564	16	17,672,095
South Korean Won	16	40,118,720	9	26,030,646
Malaysian Ringgit	6	9,806,799	6	10,936,875
Philippine Peso	8	6,293,602	16	12,913,190
Renminbi	1.5	4,157,684	5	13,181,636
Singapore Dollar	8	18,519,042	6	16,471,374
Thai Baht	7	11,379,135	9	15,044,684

**(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.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**(h) Capital risk management**

The Fund's capital is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable units can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the holders of redeemable units. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the holders of redeemable units and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the trust deed of the Fund.

The Trustee and Manager monitor capital on the basis of the value of net assets attributable to holders of redeemable units.

**(i) Fair value estimation**

As at 30th June 2009 and 2008, the carrying values of assets and liabilities are a reasonable approximation of their fair values.



**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**11. 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.

**12. DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments represent outstanding forward foreign exchange contracts as at the year end. As at 30th June 2009, there were no outstanding forward foreign exchange contracts. As at 30th June 2008, outstanding forward foreign exchange contracts were as follows:

Contract to deliver	In exchange for	Settlement date	Fair value US\$
<b>2008</b>			
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)
			<hr/>
			(24,611)
			<hr/>

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**13. DISTRIBUTIONS**

	2009 US\$	2008 US\$
Interim distribution		
– US\$2.14 on 14,977,470 units paid on 9th February 2009	32,051,786	–
– US\$2.16 on 14,562,910 units paid on 5th February 2008	–	31,455,885
	–	31,455,885
Final distribution		
– US\$2.09 on 15,628,850 units paid on 5th August 2008	32,664,296	–
– US\$2.05 on 13,743,790 units paid on 6th August 2007	–	28,174,770
	–	28,174,770
Total distribution	64,716,082	59,630,655

**14. SUPPLEMENTAL RATIOS**

	Year ended 30th June 2009	Year ended 30th June 2008
Ratio of expenses to weighted average net assets	0.21% <sup>(a)</sup>	0.21%
Portfolio turnover ratio	32.72% <sup>(b)</sup>	33.97%

*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.
- (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.

**15. EVENT OCCURRING AFTER YEAR END DATE**

Subsequent to the year end, the Fund announced a dividend distribution of US\$1.67 per unit. The dividend was paid on 4th August 2009. The net assets attributable to holders of redeemable units as at 30th June 2009 has not accrued the dividend distribution payable as mentioned above.

**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Trustee and the Manager on 22nd September 2009.

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO**

As at 30th June 2009 (Unaudited)

**PRIMARY – BY GEOGRAPHY**

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>CHINA (17.85%)</b>			
Denominated in RMB			
AGRICUL DEV BANK CHINA 3.1% 24NOV2015	30,000,000	4,399,988	0.28
AGRICUL DEV BANK CHINA 3.5% 16DEC2018	20,000,000	2,916,230	0.19
AGRICULTURAL DEV BK CHINA 2.86% 22AUG10	20,000,000	3,061,333	0.20
CHINA (GOVT OF) 1.77% 18DEC2013 0826	30,000,000	4,307,772	0.28
CHINA (GOVT OF) 2.14% 20OCT2010 0511	10,000,000	1,506,539	0.10
CHINA (GOVT OF) 2.29% 2APR2014 0904	25,000,000	3,654,557	0.24
CHINA (GOVT OF) 2.71% 24NOV2015 0822	10,000,000	1,475,663	0.09
CHINA (GOVT OF) 2.72% 15AUG2011 0612	16,000,000	2,468,274	0.16
CHINA (GOVT OF) 2.82% 16APR2016 SER 0906	20,000,000	2,945,290	0.19
CHINA (GOVT OF) 2.83% 25AUG2012 0509	8,000,000	1,237,696	0.08
CHINA (GOVT OF) 2.9% 15DEC2018 0825	20,000,000	2,839,272	0.18
CHINA (GOVT OF) 2.93% 6FEB2014 SER 0701	20,000,000	3,026,771	0.20
CHINA (GOVT OF) 3.05% 30OCT2011	5,481,000	840,068	0.05
CHINA (GOVT OF) 3.18% 23APR2012 0705	20,000,000	3,072,036	0.20
CHINA (GOVT OF) 3.27% 15NOV2021 0619	25,000,000	3,728,467	0.24
CHINA (GOVT OF) 3.5% 19NOV2010 0311	99,000,000	15,289,005	0.99
CHINA (GOVT OF) 3.53% 16JUL2010 0711	110,000,000	17,069,174	1.10
CHINA (GOVT OF) 3.68% 22SEP2018 0818	50,000,000	7,688,862	0.50
CHINA (GOVT OF) 3.69% 16SEP2013 0817	50,000,000	7,946,709	0.51
CHINA (GOVT OF) 3.7% 26JUN2026 SER 0609	10,000,000	1,413,641	0.09
CHINA (GOVT OF) 3.74% 24MAY2014 0707	20,000,000	3,099,093	0.20
CHINA (GOVT OF) 3.86% 19FEB2029 SER 0902	20,000,000	3,283,954	0.21
CHINA (GOVT OF) 3.9% 23AUG2014 0714	20,000,000	3,219,453	0.21
CHINA (GOVT OF) 3.92% 14JUL2011 0811	20,000,000	3,194,300	0.21
CHINA (GOVT OF) 3.95% 13FEB2015 0801	20,000,000	3,174,034	0.20
CHINA (GOVT OF) 4.16% 28FEB2023 SER 0802	6,000,000	934,690	0.06
CHINA (GOVT OF) 4.4% 25JUN2017 0710	20,000,000	3,257,618	0.21
CHINA (GOVT OF) 4.86% 25NOV2011 SER 0410	14,000,000	2,274,841	0.15
CHINA (GOVT OF) SER 0501 4.44% 28FEB2015	20,000,000	3,252,345	0.21
CHINA (GOVT OF) SER 0505 3.37% 25MAY2012	18,000,000	2,772,565	0.18
CHINA (GOVT OF) SER 1503 3.3% 26APR2010	2,288,000	343,479	0.02
CHINA DEV BANK 3.42% 2AUG2015 0514	11,000,000	1,678,832	0.11
CHINA DEV BANK 3.8% 30OCT2036 0624	10,000,000	1,326,209	0.09
CHINA DEV BANK 4.1% 30AUG2025 0517	28,000,000	4,021,309	0.26
CHINA DEVELOPMENT BK 2.21% 5DEC2011 0821	20,000,000	2,972,005	0.19
CHINA GOVERNMENT BD 2.66% 19FEB2010 1301	6,000,000	896,921	0.06

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** (Continued)  
As at 30th June 2009 (Unaudited)

**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>CHINA</b> (Continued)			
Denominated in RMB			
CHINA GOVERNMENT BOND 2.66% 20AUG2010	44,000,000	6,710,141	0.43
CHINA GOVERNMENT BOND 2.95% 25SEP2011	1,688,000	258,474	0.02
CHINA GOVERNMENT BOND 3.4% 17APR2023	65,663,000	9,320,156	0.60
CHINA GOVT BOND 2.48% 25OCT2011 0618	46,000,000	7,017,115	0.45
CHINA GOVT BOND 2.51% 27FEB2013 0601	6,000,000	902,004	0.06
CHINA GOVT BOND 2.51% 27FEB2013 1601	4,000,000	595,801	0.04
CHINA GOVT BOND 2.54% 18APR2012 1203	44,500,000	6,635,719	0.43
CHINA GOVT BOND 2.6% 20SEP2017 1213	58,767,000	8,188,948	0.53
CHINA GOVT BOND 2.8% 27MAR2016 0603	20,000,000	2,964,751	0.19
CHINA GOVT BOND 2.8% 9APR2013 0302	6,000,000	906,209	0.06
CHINA GOVT BOND 2.89% 31AUG2013 0613	10,000,000	1,538,256	0.10
CHINA GOVT BOND 2.9% 24MAY2032 0205	20,000,000	2,473,524	0.16
CHINA GOVT BOND 2.92% 26SEP2016 0616	4,000,000	596,209	0.04
CHINA GOVT BOND 3.01% 25NOV2012 0513	23,000,000	3,559,529	0.23
CHINA GOVT BOND 3.3% 26APR2010 0503	2,000,000	299,905	0.02
CHINA GOVT BOND 3.91% 23OCT2038 SER 0820	30,000,000	4,353,175	0.28
CHINA GOVT BOND 4.18% 24OCT2018 0309	10,000,000	1,592,967	0.10
CHINA GOVT BOND 4.27% 17MAY2037 SER 0706	10,000,000	1,782,652	0.11
CHINA GOVT BOND 4.41% 17DEC2017 SER SPC8	10,000,000	1,611,310	0.10
CHINA GOVT BOND 4.46% 24SEP2017 SER SPC3	30,000,000	4,904,629	0.32
CHINA GOVT BOND 4.55% 29SEP2022 SER SPC4	50,000,000	8,073,930	0.52
CHINA GOVT BOND 4.71% 25AUG2011 0407	16,000,000	2,604,875	0.17
CHINA GOVT BOND 4.89% 25MAY2011 1404	17,000,000	2,657,583	0.17
EXPORT IMPORT BANK CHINA 3.38% 24JUN2012	30,000,000	4,540,194	0.29
EXPORT IMPORT BANK CHINA 4.13% 15APR2010	10,000,000	1,509,277	0.10
PEOPLE'S BANK OF CHINA 3.71% 3AUG2010	75,000,000	11,617,022	0.75
PEOPLE'S BANK OF CHINA 4.56% 18APR2011	60,000,000	9,287,651	0.60
PEOPLE'S BANK OF CHINA 4.56% 1FEB2011	84,000,000	13,062,420	0.84
PEOPLE'S BANK OF CHINA 4.56% 25APR2011	20,000,000	3,097,490	0.20
PEOPLE'S BANK OF CHINA 4.56% 28FEB2011	40,000,000	6,220,913	0.40
PEOPLE'S BANK OF CHINA 4.56% 28MAR2011	110,000,000	17,060,171	1.10
		276,531,995	17.85

**HONG KONG (19.10%)**

Denominated in HKD			
EUROFIMA 4.18% EMTN 8JUN2015	32,500,000	4,499,847	0.29
HK GOVERNMENT 4.49% 26NOV2012 7211	25,000,000	3,558,241	0.23

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>HONG KONG</b> <i>(Continued)</i>			
Denominated in HKD			
HK GOVERNMENT BOND 1.67% 24MAR2014	47,000,000	6,012,308	0.39
HK GOVERNMENT BOND 1012 7.01% 6DEC2010	42,600,000	6,038,663	0.39
HK GOVERNMENT BOND 1412 3.51% 8DEC2014	15,500,000	2,146,475	0.14
HK GOVERNMENT BOND 2.54% 25SEP2013	35,000,000	4,675,908	0.30
HK GOVERNMENT BOND 2.88% 17JUN2013	24,000,000	3,235,643	0.21
HK GOVERNMENT BOND 3.27% 28AUG2023	16,000,000	2,208,215	0.14
HK GOVERNMENT BOND 3.56% 25JUN2018	25,000,000	3,496,591	0.23
HK GOVERNMENT BOND 3.63% 19DEC2011 5112	77,000,000	10,580,046	0.68
HK GOVERNMENT BOND 3.78% 6DEC2016 1612	30,000,000	4,240,656	0.27
HK GOVERNMENT BOND 3.97% 19SEP2011 5109	61,000,000	8,497,344	0.55
HK GOVERNMENT BOND 4.06% 19MAR2012	39,000,000	5,477,792	0.35
HK GOVERNMENT BOND 4.13% 22FEB2013 7302	31,000,000	4,413,414	0.29
HK GOVERNMENT BOND 4.23% 21MAR2011 5103	72,500,000	10,051,519	0.65
HK GOVERNMENT BOND 4.28% 28FEB2014	17,500,000	2,522,134	0.16
HK GOVERNMENT BOND 4.33% 7DEC2015 1512	31,500,000	4,578,324	0.30
HK GOVERNMENT BOND 4.4% 22AUG2013 7308	29,500,000	4,257,085	0.27
HK GOVERNMENT BOND 4.53% 18JUN2012	77,500,000	10,945,511	0.71
HK GOVERNMENT BOND 4.57% 13JUN2011 5106	57,000,000	7,922,494	0.51
HK GOVERNMENT BOND 4.74% 24MAY2013 7305	20,000,000	2,886,134	0.19
HK GOVERNMENT BOND 4.83% 7JUN2016 1606	26,500,000	3,975,679	0.26
HK GOVERNMENT BOND 5012 4.26% 20DEC2010	57,500,000	7,847,502	0.51
HK GOVERNMENT BOND 7008 3.92% 20AUG2010	46,500,000	6,333,047	0.41
HK GOVERNMENT BOND 7108 3.93% 26AUG2011	18,000,000	2,507,942	0.16
HK GOVERNMENT BOND 7111 3.12% 25NOV2011	16,000,000	2,176,241	0.14
HK GOVERNMENT BOND 7202 3.14% 24FEB2012	20,000,000	2,743,729	0.18
HK GOVERNMENT BOND 7205 3.61% 28MAY2012	15,000,000	2,070,052	0.13
HK GOVERNMENT EX FD NT 1006 7.31% 21JUN10	22,000,000	3,041,201	0.20
HK GOVERNMENT EX FD NT 1106 6.13% 20JUN11	15,500,000	2,214,279	0.14
HK GOVERNMENT EX FD NT 1112 5.92% 5DEC11	13,000,000	1,881,700	0.12
HK GOVERNMENT EX FD NT 1206 5.8% 19JUN12	32,400,000	4,728,112	0.31
HK GOVERNMENT EX FD NT 1212 4.5% 4DEC12	26,500,000	3,769,802	0.24
HK GOVERNMENT EX FD NT 1306 3.73% 5JUN13	23,400,000	3,256,110	0.21
HK GOVERNMENT EX FD NT 1312 4.32% 2DEC13	17,200,000	2,454,548	0.16
HK GOVERNMENT EX FD NT 1406 4.82% 2JUN14	17,000,000	2,485,120	0.16
HK GOVERNMENT EX FD NT 7011 3.95% 26NOV10	34,000,000	4,621,399	0.30

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>HONG KONG</b> <i>(Continued)</i>			
Denominated in HKD			
HK GOVERNMENT EX FD NT 7102 3.27% 25FEB11	33,000,000	4,498,391	0.29
HK GOVERNMENT EX FD NT 7105 4.5% 27MAY11	20,000,000	2,778,312	0.18
HK GOVERNMENT SER 1506 3.5% 22JUN2015	33,700,000	4,668,522	0.30
HK GOVERNMENT SER 5009 3.79% 20SEP2010	46,000,000	6,250,208	0.40
HK GOVERNMENT SER 7208 4% 27AUG2012	12,000,000	1,693,351	0.11
HK MORTGAGE CORP 3.78% 4APR2011	4,000,000	541,513	0.04
HK MORTGAGE CORP EMTN 3.8% 6APR2011	13,000,000	1,763,869	0.11
HKSAR GOVERNMENT 5.125% 23JUL2019	36,500,000	5,556,728	0.36
HONG KONG (GOVT OF) 0.64% 18MAY2011	40,000,000	5,165,588	0.33
HONG KONG (GOVT OF) 0.75% 16FEB2011	42,000,000	5,454,960	0.35
HONG KONG (GOVT OF) 0.82% 17NOV2010	18,000,000	2,338,627	0.15
HONG KONG (GOVT OF) 1.61% 10DEC2018	27,000,000	3,212,445	0.21
HONG KONG (GOVT OF) 1.67% 19DEC2013	30,000,000	3,834,235	0.25
HONG KONG (GOVT OF) 1.73% 20FEB2024	25,000,000	2,839,597	0.18
HONG KONG (GOVT OF) 2.03% 18MAR2013	37,800,000	4,975,728	0.32
HONG KONG (GOVT OF) 2.64% 10JUN2019	35,000,000	4,526,086	0.29
HONG KONG (GOVT OF) 2.66% 17DEC2012	40,000,000	5,362,478	0.35
HONG KONG (GOVT OF) 2.71% 20FEB2023	18,000,000	2,336,487	0.15
HONG KONG (GOVT OF) 3.52% 5DEC2017	27,000,000	3,768,731	0.24
HONG KONG (GOVT OF) 3.83% 22NOV2013	12,500,000	1,751,030	0.11
HONG KONG (GOVT OF) 4.04% 30MAY2014	14,000,000	1,980,678	0.13
HONG KONG (GOVT OF) 4.2% 17SEP2012	21,000,000	2,977,813	0.19
HONG KONG (GOVT OF) 4.65% 29AUG2022	18,000,000	2,837,182	0.18
HONG KONG (GOVT OF) 4.85% 27JUN2017	29,000,000	4,394,979	0.28
HONG KONG MORTGAGE CORP 5.17% 17MAY2011	30,000,000	4,151,911	0.27
HONG KONG MTG CORP 3.6% 10JAN2011 MTN	40,000,000	5,380,366	0.35
HONG KONG MTG CORP 4.1% 9JAN2012 MTN	72,000,000	9,861,810	0.64
INTER-AMERICAN DEV BANK 4.2% 24MAR2014	34,000,000	4,636,260	0.30
KOWLOON-CANTON RAILWAY 4.65% 10JUN2013	19,500,000	2,706,561	0.17
MTR CORP (C.I.) 4.15% 13NOV2009 EMTN	23,000,000	3,021,256	0.20
MTR CORP (C.I.) 4.28% 6JUL2020 EMTN	35,000,000	4,896,414	0.32
MTR CORP (C.I.) 4.75% 11MAY2020	22,000,000	3,168,925	0.20
NORDIC INVESTMENT BANK 3.77% 12JUL2010	31,000,000	4,249,960	0.27
		295,931,808	19.10
		-----	-----

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>INDONESIA (5.59%)</b>			
Denominated in IDR			
INDO RECAP BD 14.275% 15DEC2013 FR20	21,000,000,000	2,396,082	0.15
INDON GOVT 14.5% 15DEC2010 FR21	10,000,000,000	1,067,296	0.07
INDON RECAP 13.45% 15AUG2011 FR0016 (1)	13,000,000,000	1,437,556	0.09
INDON RECAP BD 13.15% 15JAN12 FR0017 (1)	20,000,000,000	2,229,701	0.14
INDON RECAP BD 13.45% 15AUG2011 FR0016	19,000,000,000	2,101,043	0.14
INDON RECAP BD 14.25% 15JUN2013 FR0019	34,000,000,000	3,842,095	0.25
INDONESIA (GOVT OF) 10% 15OCT2011 FR25	28,000,000,000	2,847,205	0.18
INDONESIA (GOVT OF) 10.75% 15MAY16 FR30	19,000,000,000	1,916,711	0.12
INDONESIA (GOVT OF) 11% 15DEC2012 FR23	48,000,000,000	4,922,098	0.32
INDONESIA (GOVT OF) 11.5% 15SEP2019 FR36	16,000,000,000	1,648,387	0.11
INDONESIA (GOVT OF) 11.6% 15AUG2018 FR38	10,500,000,000	1,105,435	0.07
INDONESIA (GOVT OF) 11.75% 15AUG23 FR39	20,000,000,000	2,009,243	0.13
INDONESIA (GOVT OF) 12% 15SEP2011 FR22	24,000,000,000	2,560,485	0.16
INDONESIA (GOVT OF) 12% 15SEP2026 FR37	20,000,000,000	1,999,248	0.13
INDONESIA (GOVT OF) 12.5% 15MAR2013 FR33	21,000,000,000	2,303,791	0.15
INDONESIA (GOVT OF) 12.8% 15JUN2021 FR34	40,000,000,000	4,275,509	0.28
INDONESIA (GOVT OF) 12.9% 15JUN2022 FR35	46,000,000,000	4,907,148	0.32
INDONESIA (GOVT OF) 9% 15SEP2018 FR48	20,000,000,000	1,784,951	0.11
INDONESIA (REP OF) 10% 15FEB2028 FR47	16,000,000,000	1,361,312	0.09
INDONESIA (REP OF) 10% 15FEB2028 FR47(1)	5,000,000,000	425,410	0.03
INDONESIA (REP OF) 10.25% 15JUL2022 FR43	38,000,000,000	3,501,228	0.23
INDONESIA (REP OF) 11% 15SEP2025 FR40	53,000,000,000	4,939,532	0.32
INDONESIA (REP OF) 11.25% 15MAY2014 FR51	20,000,000,000	2,085,231	0.13
INDONESIA (REP OF) 9% 15SEP2013 FR49	30,000,000,000	2,930,438	0.19
INDONESIA (REP OF) 9.5% 15JUL2023 FR46	62,000,000,000	5,332,953	0.34
INDONESIA (REP OF) 9.75% 15MAY2037 FR45	15,000,000,000	1,185,346	0.08
INDONESIA GOVERNMENT 10% 15JUL2017 FR28	14,000,000,000	1,378,579	0.09
INDONESIA GOVERNMENT 11% 15OCT2014 FR26	4,000,000,000	414,881	0.03
INDONESIA GOVERNMENT 9.5% 15JUN2015 FR27	34,000,000,000	3,247,299	0.21
INDONESIA GOVT 10.25% 15JUL2027 SER FR42	54,000,000,000	4,749,729	0.31
INDONESIA GOVT 11% 15NOV2020 SER FR31	30,000,000,000	2,924,046	0.19
INDONESIA GOVT 11% 15OCT2014 FR26 (1)	35,000,000,000	3,630,211	0.23
INDONESIA RECAP BD 13.4% 15FEB2011 FR15	28,000,000,000	3,057,873	0.20
		86,518,052	5.59
		-----	-----

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>KOREA (16.88%)</b>			
Denominated in KRW			
KDICB REDEMPTION FUND 4.81% 16AUG2010	10,000,000,000	8,020,146	0.52
KDICB REDEMPTION FUND 5.6% 9MAY2013	10,000,000,000	8,090,054	0.52
KOREA DEVELOPMENT BANK 5% 6JUL09 SER0706	10,000,000,000	7,944,563	0.51
KOREA HIGHWAY CORP 5.1% 14MAR2014 SR 412	10,000,000,000	7,834,997	0.51
KOREA MONETARY STAB 6.13% 26AUG2010 8739	8,000,000,000	6,522,423	0.42
KOREA MONETARY STAB BD 3.52% 2JUN2011	4,000,000,000	3,116,925	0.20
KOREA TREASURY BD 4.25% 10SEP2014 1409	16,600,000,000	12,882,381	0.83
KOREA TREASURY BD 4.75% 17SEP2013 1309	6,000,000,000	4,777,764	0.31
KOREA TREASURY BD 6.91% 18JUL2011 1107	10,000,000,000	8,403,123	0.54
KOREA TREASURY BOND 4% 10JUN2012 1206	15,000,000,000	11,729,017	0.76
KOREA TREASURY BOND 4.75% 10DEC2011 1112	6,000,000,000	4,787,016	0.31
KOREA TREASURY BOND 4.75% 10MAR2012 1203	10,000,000,000	8,053,236	0.52
KOREA TREASURY BOND 4.75% 10MAR2014 1403	10,000,000,000	8,000,857	0.52
KOREA TREASURY BOND 4.75% 10SEP2011 1109	15,500,000,000	12,509,537	0.81
KOREA TREASURY BOND 5% 10MAR2011 1103	19,500,000,000	15,834,175	1.02
KOREA TREASURY BOND 5% 10SEP2016 1609	14,000,000,000	11,101,359	0.72
KOREA TREASURY BOND 5% 26MAR2013 1303	9,000,000,000	7,239,524	0.47
KOREA TREASURY BOND 5.25% 10DEC2010 1012	7,000,000,000	5,636,107	0.36
KOREA TREASURY BOND 5.25% 10MAR2013 1303	13,000,000,000	10,610,160	0.69
KOREA TREASURY BOND 5.25% 10MAR2027 2703	7,000,000,000	5,453,150	0.35
KOREA TREASURY BOND 5.25% 10SEP2012 1209	12,000,000,000	9,803,192	0.63
KOREA TREASURY BOND 5.25% 10SEP2015 1509	22,000,000,000	17,839,331	1.15
KOREA TREASURY BOND 5.25% 17MAR2014	10,000,000,000	8,128,284	0.53
KOREA TREASURY BOND 5.5% 10JUN2011 1106	10,000,000,000	8,095,981	0.52
KOREA TREASURY BOND 5.5% 10MAR2028 2803	7,000,000,000	5,633,148	0.36
KOREA TREASURY BOND 5.5% 10SEP2017 1709	21,000,000,000	17,086,036	1.10
KOREA TREASURY BOND 5.75% 10DEC2010 1012	9,000,000,000	7,297,907	0.47
KOREA TREASURY BOND 5.75% 10MAR2026 2603	7,000,000,000	5,756,251	0.37
KOREA TREASURY BOND 5.75% 10SEP2013 1309	11,000,000,000	9,145,488	0.59
KOREA TREASURY BOND 5.75% 10SEP2018 1809	5,000,000,000	4,159,427	0.27
		261,491,559	16.88



**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** (Continued)  
As at 30th June 2009 (Unaudited)

**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>MALAYSIA (10.57%)</b>			
Denominated in MYR			
ASIA DEVELOPMENT BK 4.265% 25APR2011 MTN	2,000,000	587,503	0.04
KHAZ NAS BHD 0% 18JAN2010	13,000,000	3,653,222	0.24
MALAYSIA (GOVT OF) 3.461% 31JUL2013	25,000,000	7,145,271	0.46
MALAYSIA INVESTMENT ISS 3.941% 15JUN2017	2,000,000	557,404	0.04
MALAYSIA INVESTMENT ISS 4.295% 31OCT2018	9,000,000	2,575,632	0.17
MALAYSIA INVESTMENT ISS 4.635% 14JUL2011	3,500,000	1,053,561	0.07
MALAYSIAN GOVERNMENT 3.502% 31MAY2027	16,300,000	3,886,529	0.25
MALAYSIAN GOVT 3.644% 25AUG2010 1/05	17,300,000	5,052,796	0.33
MALAYSIAN GOVT 3.702% 25FEB2013 3/03	42,400,000	12,340,694	0.80
MALAYSIAN GOVT 3.718% 15JUN2012 5/06	38,500,000	11,196,094	0.72
MALAYSIAN GOVT 3.814% 15FEB2017 SER 0207	32,500,000	9,113,813	0.59
MALAYSIAN GOVT 3.833% 28SEP2011 1/01	34,500,000	10,134,375	0.65
MALAYSIAN GOVT 3.869% 13APR2010 3/06	8,000,000	2,320,414	0.15
MALAYSIAN GOVT 4.24% 7FEB2018 2/03	49,000,000	14,042,805	0.91
MALAYSIAN GOVT 4.262% 15SEP2016 1/06	24,300,000	7,045,822	0.45
MALAYSIAN GOVT 4.378% 29NOV2019 0902	1,000,000	285,126	0.02
MALAYSIAN GOVT 4.709% 15SEP2026 2/06	1,000,000	284,033	0.02
MALAYSIAN GOVT 4.72% 30SEP2015 2/05	15,830,000	4,714,353	0.30
MALAYSIAN GOVT 4.837% 15JUL2025 3/05	20,670,000	6,017,559	0.39
MALAYSIAN GOVT 5.094% 30APR2014 2/04	56,000,000	16,935,668	1.09
MALAYSIAN GOVT 5.248% 15SEP2028 0308	19,000,000	5,750,922	0.37
MALAYSIAN GOVT 5.734% 30JUL2019 3/04	25,000,000	8,078,194	0.52
MALAYSIAN GOVT INV 3.82% 15NOV2016 0603	15,000,000	4,175,623	0.27
MALAYSIAN, GOVT OF 3.756% 28APR2011	39,500,000	11,534,313	0.74
RANTAU ABANG CAP 4.39% 15MAR2011 IMTN	19,000,000	5,544,915	0.36
SILTERRA CAPITAL BHD 3.9% 6JUN2014	9,000,000	2,546,211	0.16
SYARIKAT PRASARANA NEGARA 3.8% 30NOV2011	5,000,000	1,448,310	0.09
SYARIKAT PRASARANA NEGARA 4.4% 30MAY2018	10,000,000	2,834,711	0.18
SYKT PRASARANA NEGAR 4.27% 30NOV2016	10,000,000	2,866,071	0.19
		<u>163,721,944</u>	<u>10.57</u>

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>PHILIPPINES (5.17%)</b>			
Denominated in PHP			
PHILIPPINE (GOVT OF) 5.5% 21FEB2010 3-16	1,097,642	23,269	0.00
PHILIPPINE (GOVT OF) 5.875% 31JAN2018	50,000,000	958,421	0.06
PHILIPPINE (GOVT OF) 7.125% 2NOV2013	91,000,000	1,977,704	0.13
PHILIPPINE (GOVT OF) 7.75% 23AUG2017	100,000,000	2,139,543	0.14
PHILIPPINE (GOVT OF) 7.875% 19FEB2019	126,000,000	2,659,797	0.17
PHILIPPINE (GOVT OF) 8.375% 22MAY2015	110,000,000	2,449,378	0.16
PHILIPPINE (GOVT OF) 8.5% 29NOV2032	100,000,000	1,828,267	0.12
PHILIPPINE (GOVT OF) 8.625% 6SEP2027	54,000,000	1,121,567	0.07
PHILIPPINE (GOVT OF) 9.375% 5OCT2031	50,000,000	1,027,228	0.07
PHILIPPINE (REP OF) 6.5% 4OCT2014	100,000,000	2,108,718	0.14
PHILIPPINE GOVT 11.375% 18AUG2012 7-40	35,000,000	851,446	0.06
PHILIPPINE GOVT 11.5% 7APR2010 (5-58)	73,000,000	1,611,421	0.10
PHILIPPINE GOVT 11.875% 29MAY2023 20-5	96,000,000	2,499,211	0.16
PHILIPPINE GOVT 12.375% 24FEB15 1036	116,000,000	3,027,985	0.20
PHILIPPINE GOVT 14.375% 24APR2017 20-1	65,500,000	1,850,717	0.12
PHILIPPINE GOVT BONDS 13% 25APR2012	104,000,000	2,549,558	0.16
PHILIPPINES (REP OF) 10.25% 19JAN2026	67,000,000	1,608,118	0.10
PHILIPPINES (REP OF) 5.75% 21FEB2012	445,000,000	9,478,773	0.61
PHILIPPINES (REP OF) 6.25% 27JAN2014	412,026,545	8,800,220	0.57
PHILIPPINES (REP OF) 7% 27JAN2016	309,702,725	6,557,481	0.42
PHILIPPINES (REP OF) 8.5% 3MAR2011 5-62	254,195,535	5,630,828	0.36
PHILIPPINES (REP OF) 8.75% 3MAR2013 7-43	273,148,282	6,278,641	0.41
PHILIPPINES (REP OF) 9.125% 4SEP2016	522,467,977	12,010,958	0.78
PHILIPPINES (REP OF) 9.5% 4DEC2028	46,000,000	998,190	0.06
		80,047,439	5.17
		80,047,439	5.17

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2009 (Unaudited)*

**PRIMARY – BY GEOGRAPHY** *(Continued)*

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>SINGAPORE (15.07%)</b>			
Denominated in SGD			
ASIA DEVELOPMENT BK 3.335% 18SEP2011 MTN	2,000,000	1,437,056	0.09
HOUSING & DEV BRD 3.455% 1MAR2011 MTN	2,500,000	1,802,145	0.12
HOUSING & DEVELOPMENT BRD 3.375% 21APR15	4,500,000	3,188,402	0.21
LAND TRANSPORT AUTH 2.159% 19JUN2013	5,000,000	3,406,582	0.22
LAND TRANSPORT AUTH 2.9% 19JUN2023	2,000,000	1,259,778	0.08
LAND TRANSPORT AUTHORITY 4.08% 21MAY2012	3,000,000	2,191,013	0.14
LAND TRANSPORT AUTHORITY 4.17% 10MAY2016	3,000,000	2,243,765	0.15
LAND TRANSPORT AUTHORITY 4.81% 9JUN2010	1,800,000	1,291,503	0.08
PSA CORP LTD 2.83% 6JUL2015	3,000,000	1,989,320	0.13
PSA CORP LTD 4.91% 15AUG2010	8,000,000	5,792,484	0.37
SINGAPORE (GOVT OF) 1.625% 1APR2013	12,300,000	8,709,750	0.56
SINGAPORE (GOVT OF) 2.5% 1OCT2012	11,200,000	8,170,886	0.53
SINGAPORE (GOVT OF) 2.625% 1APR2012	15,600,000	11,388,544	0.74
SINGAPORE (GOVT OF) 2.875% 1JUL2015	16,600,000	12,357,207	0.80
SINGAPORE (GOVT OF) 3.125% 1FEB2011	20,050,000	14,591,010	0.94
SINGAPORE (GOVT OF) 3.125% 1SEP2022	15,800,000	11,158,056	0.72
SINGAPORE (GOVT OF) 3.5% 1MAR2027	21,000,000	15,248,357	0.98
SINGAPORE (REP OF) 2.5% 1JUN2019	3,500,000	2,405,313	0.16
SINGAPORE GOVERNMENT 3.25% 1SEP2020	14,950,000	10,862,582	0.70
SINGAPORE, GOVERNMENT OF 3.5% 1JUL2012	16,000,000	12,110,213	0.78
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2011	23,000,000	17,087,868	1.10
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2014	24,300,000	18,847,007	1.22
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	23,100,000	17,809,788	1.15
SINGAPORE, GOVERNMENT OF 4% 1SEP2018	22,850,000	17,979,408	1.16
SINGAPORE, GOVERNMENT OF 4.625% 1JUL2010	19,050,000	14,008,354	0.90
SINGAPORE, REPUBLIC OF 2.25% 1JUL2013	14,200,000	10,363,354	0.67
SP POWERASSETS LTD 3.73% EMTN 22OCT10	4,100,000	2,907,838	0.19
SP POWERASSETS LTD 4.84% EMTN 22OCT2018	4,100,000	2,859,585	0.18
		233,467,168	15.07

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** (Continued)  
As at 30th June 2009 (Unaudited)

**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2009	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 (%)
<b>THAILAND (10.31%)</b>			
Denominated in THB			
ASIA DEVELOPMENT BANK 5.34% 18SEP2011	40,000,000	1,242,611	0.08
ASIAN DEVELOPMENT BANK 3.87% 24MAY2010	20,000,000	596,635	0.04
BANK OF THAILAND BD 2.05% 25DEC2010 2YR	60,000,000	1,766,307	0.11
BANK OF THAILAND BD 2.05% 29JAN2012 3YR	60,000,000	1,762,015	0.11
BANK OF THAILAND BD 3.4% 13NOV2011	50,000,000	1,516,290	0.10
BANK OF THAILAND BD 3.7% 24JAN2011 SR3YR	144,000,000	4,408,245	0.28
METROPOL WATERWORKS AUTH 6.16% 15MAR2010	10,000,000	307,573	0.02
PTT PCL 4.86% 20MAR2015	50,000,000	1,505,780	0.10
PTT PCL 5.79% 12OCT2016	82,000,000	2,657,526	0.17
THAILAND (GOVT OF) 4.5% 9APR2024	89,000,000	2,652,082	0.17
THAILAND (GOVT OF) 5.25% 12MAY2014	265,000,000	8,731,265	0.56
THAILAND (GOVT OF) 5.25% 13JUL2013	184,000,000	5,979,573	0.39
THAILAND (GOVT OF) 5.4% 27JUL2016	191,000,000	6,397,729	0.41
THAILAND (GOVT OF) 5.5% 13MAR2023	150,000,000	5,013,598	0.32
THAILAND (GOVT OF) 5.67% 13MAR2028	54,000,000	1,812,928	0.12
THAILAND GOVT BOND 4.25% 13MAR2013	319,000,000	9,895,631	0.64
THAILAND GOVT BOND 5% 26MAY2017	110,000,000	3,609,022	0.23
THAILAND GOVT BOND 5% 3DEC2014 05-2	139,000,000	4,439,952	0.29
THAILAND GOVT BOND 5.125% 13MAR2018	192,000,000	6,325,747	0.41
THAILAND GOVT BOND 5.5% 13AUG2019 04-5	95,000,000	3,222,948	0.21
THAILAND GOVT BOND 5.625% 12JAN2019	136,000,000	4,732,170	0.31
THAILAND GOVT BOND 5.85% 31MAR2021 06-5	253,000,000	8,703,038	0.56
THAILAND GOVT BOND 6.15% 7JUL2026 06-6	235,000,000	8,383,529	0.54
THAILAND GOVT BOND SER 04-4 4.25% 13AUG10	221,000,000	6,783,132	0.44
THAILAND, GOVERNMENT OF 3.875% 7MAR2018	125,000,000	3,763,716	0.24
THAILAND, GOVERNMENT OF 3.875% 9JAN2011	118,000,000	3,631,495	0.23
THAILAND, GOVERNMENT OF 4% 17OCT2013	98,000,000	3,010,703	0.19
THAILAND, GOVERNMENT OF 4.125% 19NOV2009	143,000,000	4,260,690	0.28
THAILAND, GOVERNMENT OF 4.125% 1NOV2012	110,000,000	3,393,945	0.22
THAILAND, GOVERNMENT OF 4.5% 11MAR2012	188,000,000	5,876,273	0.38
THAILAND, GOVERNMENT OF 4.8% 9APR2010	85,000,000	2,583,588	0.17
THAILAND, GOVERNMENT OF 5.125% 8NOV2022	51,000,000	1,635,364	0.11
THAILAND, GOVERNMENT OF 5.375% 30NOV2011	193,000,000	6,095,723	0.39
THAILAND, GOVERNMENT OF 5.375% 3DEC2019	129,000,000	4,257,956	0.28
THAILAND, GOVERNMENT OF 5.5% 18JAN2017	103,000,000	3,478,683	0.22
THAILAND, GOVERNMENT OF 7.2% 7JUL2015	96,000,000	3,493,250	0.23
THAILAND, GOVERNMENT OF 7.5% 5MAR2011	178,000,000	5,823,252	0.38
THAILAND, GOVERNMENT OF 8.25% 5MAR2014	160,000,000	5,869,000	0.38
		<hr/>	
		159,618,964	10.31
		<hr/>	

## ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

### INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2009 (Unaudited)

	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 %
Total Quoted Investments	<u>1,557,328,929</u>	<u>100.54</u>
Total investments, at cost	<u><u>1,513,404,797</u></u>	

### DISTRIBUTION OF INVESTMENTS

#### (a) By credit rating

AAA	220,347,569	14.23
AA+	8,401,622	0.54
AA	287,693,346	18.57
A	704,226,787	45.46
A-	21,142,070	1.37
BBB	12,110,383	0.78
BB+	23,269	–
BB	163,972,380	10.59
B+	2,569,842	0.17
Non-rated	<u>136,841,661</u>	<u>8.83</u>
	<u><u>1,557,328,929</u></u>	<u><u>100.54</u></u>

### PORTFOLIO OF INVESTMENTS

#### (b) By asset class

Bonds	<u>1,557,328,929</u>	<u>100.54</u>
-------	----------------------	---------------

**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th June 2009 (Unaudited)*

**Top Ten Holdings**

	Fair value at 30th June 2009 US\$	Percentage of total net assets at 30th June 2009 %
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2014	18,847,007	1.22
SINGAPORE, GOVERNMENT OF 4% 1SEP2018	17,979,408	1.16
KOREA TREASURY BOND 5.25% 10SEP2015 1509	17,839,331	1.15
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	17,809,788	1.15
SINGAPORE, GOVERNMENT OF 3.625% 1JUL2011	17,087,868	1.10
KOREA TREASURY BOND 5.5% 10SEP2017 1709	17,086,036	1.10
CHINA (GOVT OF) 3.53% 16JUL2010 0711	17,069,174	1.10
PEOPLE'S BANK OF CHINA 4.56% 28MAR2011	17,060,171	1.10
MALAYSIAN GOVT 5.094% 30APR2014 2/04	16,935,668	1.09
KOREA TREASURY BOND 5% 10MAR2011 1103	15,834,175	1.02
	<hr/> <hr/> <b>173,548,626</b>	<hr/> <hr/> <b>11.19</b>

*As at 30th June 2008 (Unaudited)*

**Top Ten Holdings**

	Fair value at 30th June 2008 US\$	Percentage of total net assets at 30th June 2008 %
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
	<hr/> <hr/> <b>203,818,361</b>	<hr/> <hr/> <b>11.87</b>

## ABF PAN ASIA BOND INDEX FUND

Annual Report 2009

### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

For the year ended 30th June 2009 (Unaudited)

	Percentage of total net assets as at 30th June 2009 (%)	Percentage of total net assets as at 30th June 2008 (%)
<b>Quoted Investments</b>		
<b>Debt securities</b>		
China	17.85	14.94
Hong Kong	19.10	20.21
Indonesia	5.59	6.37
Korea	16.88	16.86
Malaysia	10.57	10.81
Philippines	5.17	4.73
Singapore	15.07	15.82
Thailand	10.31	10.25
<b>Total quoted investments</b>	<b>100.54</b>	<b>99.99</b>

## PERFORMANCE RECORD

### NET ASSET VALUES

	Net asset value of the Fund US\$	Net asset value per unit US\$
At the end of financial period dated		
30th June 2007	1,563,931,673	110.26
30th June 2008	1,716,743,912	110.55
30th June 2009	1,549,024,605	110.72

### HIGHEST OFFER AND LOWEST BID PRICES

Financial period ended	Highest offer US\$	Lowest bid US\$
30th June 2006 (since inception)	104.22	99.80
30th June 2007	111.79	101.94
30th June 2008	116.95	107.44
30th June 2009	113.32	101.65

Performance as of 30th June 2009

### PERFORMANCE SUMMARY

Periods Ended	3 Months	6 Months	1 Year	3 Years	Annualized since inception <sup>(a)</sup>
30th June 2009					
ABF Pan Asia Bond Index Fund (PAIF) <sup>(b)</sup>	4.10%	-0.35%	4.06%	6.31%	6.14%
iBoxx ABF Pan-Asia Index <sup>(c)</sup>	4.27%	0.15%	5.10%	7.09%	6.96%

Notes:

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



**ABF PAN ASIA BOND INDEX FUND**  
Annual Report 2009

**ADMINISTRATION AND MANAGEMENT**

**Directors of the Manager**

Bernard Patrick Reilly  
Hon Wing Cheung  
Kelly Quinn Driscoll (appointed on  
10th February 2009)  
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. Gwang-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**

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay  
#14-01 HSBC Building  
Singapore 049320

**Custodian, Administrator, Registrar  
and Receiving Agent**

HSBC Institutional Trust Services  
(Asia) Limited  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

**Manager**

State Street Global Advisors  
Singapore Limited

Singapore office:  
168 Robinson Road  
#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 LLP  
8 Cross Street  
#17-00 PWC Building  
Singapore 048424