

ABF Pan Asia Bond Index Fund

Annual Report 2015

1st July 2014 to 30th June 2015

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MANAGER'S INVESTMENT REPORT

ABOUT ABF PAN ASIA BOND INDEX FUND

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.

PAIF is designed to track the performance of the Markit iBoxx ABF Pan-Asia Index and invests primarily in domestic currency-denominated bonds and other debt obligations issued or guaranteed by government, quasi-government organizations and supranational financial institutions in eight EMEAP markets, namely, China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea and Thailand.

ABOUT THE MARKIT IBOXX ABF PAN-ASIA INDEX

PAIF is benchmarked to the Markit iBoxx ABF Pan-Asia Index, which is constructed and published by Markit Indices Limited. The Markit iBoxx ABF Pan-Asia Index is an indicator of investment returns of Asian currency denominated bonds and other debt obligations issued or guaranteed by government, quasi-government organisations and supranational financial institutions in China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, and Thailand.

Country weights were reviewed in October 2014 and changed effective 31st October 2014. The previous and current market weights of the index are:

Market	Current Weights (%)	Previous Weights (%)
China	20.11	20.80
Hong Kong	14.90	15.36
Indonesia	6.74	6.55
Malaysia	11.41	11.35
Philippines	5.56	5.19
Singapore	15.45	15.25
South Korea	16.90	16.64
Thailand	8.93	8.86

* Source: Markit, S5gA (as of 30th June 2015).

MANAGER'S INVESTMENT REPORT *(Continued)*

PERFORMANCE SUMMARY

Periods Ended						Annualised since Inception ^(a)
30th June 2015	3 months	6 months	1 Year	3 Years	5 Years	
ABF Pan Asia Bond Index Fund (PAIF) ^(b)	-0.81%	-0.73%	-1.34%	0.98%	3.45%	5.08%
Markit iBoxx ABF Pan-Asia Index	-0.64%	-0.43%	-0.76%	1.52%	3.99%	5.74%

Notes:

- (a) Performance inception date is from 29th June 2005 when the units of PAIF were first issued.
- (b) PAIF's returns have been computed from Net Asset Values in USD terms including dividends.

PORTFOLIO AND MARKET REVIEW

Since inception, the annualised total return of PAIF, including dividends, was 5.08% compared to an index return of 5.74%. This is a difference of -0.66% and is principally attributable to an amount of -0.56% 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 -0.10% is attributable to tracking difference resulting from trading costs and the sampling approach used in the management of PAIF.

The Markit iBoxx ABF Pan-Asia Index annualised performance on an unhedged basis was 5.74% since inception. This performance was generated from resilient bond markets (contributing 3.88% to returns) as well as from Asian currencies' appreciation (contributing 1.86%).

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 a representative sampling approach to match the index's characteristics and returns through investing in a well-diversified portfolio of securities that represents the underlying 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.

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MANAGER'S INVESTMENT REPORT *(Continued)*

FUND GROWTH

PAIF has grown to a total net asset value of US\$3,157 million, representing in a 3.6% growth during the past year. In terms of units outstanding, PAIF increased by 8.4% for the 12-month period with 26,573,264 units outstanding at the year-end. During the year ended 30th June 2015, fund redemptions net of subscriptions (including dividend reinvestments) totaled 2,059,024 units.

EXPOSURE TO FINANCIAL DERIVATIVES

PAIF had no exposure to derivatives for the year ended 30th June 2015.

GLOBAL EXPOSURE TO FINANCIAL DERIVATIVES

The global exposure to financial derivatives is computed using the commitment approach which is calculated as the sum of:

- (a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (c) the sum of the values of cash collateral received pursuant to:
 - i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii) EPM technique relating to securities lending and repurchase transactions,and that are reinvested.

OTHER INFORMATION

During the year ended 30th June 2015, PAIF had no exposure to other unit trusts, mutual funds and collective investment schemes and did not hold any collateral. During the year ended 30th June 2015, PAIF had no borrowings, securities lending or repurchase transactions. There is no other material information that would adversely impact the valuation of PAIF.

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, as amended (the "Trust Deed"), to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund at the end of the year and of the transactions for the year 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 judgements 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 38, comprising the Statement of Net Assets, Statement of Comprehensive Income, 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 2015, and the results of its operation for the financial year then 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 materialise.

For and on behalf of the Manager

STATE STREET GLOBAL ADVISORS SINGAPORE LIMITED
25th September 2015

REPORT OF THE TRUSTEE

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

- ensure that the Fund in all material respects is managed 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 year should the Manager not managing the Fund in accordance to the Trust Deed.

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 year 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 2015.

For and on behalf of the Trustee

HSBC Institutional Trust Services (Singapore) Limited
25th September 2015

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 the ABF Pan Asia Bond Index Fund (the "Fund") set out on pages 8 to 38, which comprise the Statement of Net Assets as at 30th June 2015, and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager (the "Management") of the Fund is responsible for the preparation of financial statements that give a true and fair view 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, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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 judgement, 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 Fund's preparation of financial statements that give a true and fair view 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 Fund'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 financial statements give a true and fair view of the financial position of the Fund as at 30th June 2015, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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 Chartered Accountants
Singapore, 25th September 2015

STATEMENT OF NET ASSETS

As at 30th June 2015

		30th June 2015 US\$	30th June 2014 US\$
	<i>Notes</i>		
Assets			
Current assets			
Investments	<i>10(b)</i>	3,151,668,101	3,027,242,661
Amounts due from brokers		15,096,590	26,816,708
Cash at banks	<i>8(f)</i>	<u>21,118,077</u>	<u>38,519,218</u>
Total assets		<u>3,187,882,768</u>	<u>3,092,578,587</u>
Liabilities			
Current liabilities			
Amounts due to brokers		26,170,651	39,602,468
Amounts due to the Manager	<i>8(c)</i>	–	407,298
Audit fee payable		47,336	32,012
Trustee fee payable	<i>8(e)</i>	261,910	128,934
Management fee payable	<i>8(d)</i>	586,559	289,716
Index license fee payable	<i>9(a)</i>	173,561	90,136
Other payables		<u>4,001,327</u>	<u>3,641,857</u>
Liabilities (excluding net assets attributable to holders of redeemable units)		<u>31,241,344</u>	<u>44,192,421</u>
Net assets attributable to holders of redeemable units	3	<u><u>3,156,641,424</u></u>	<u><u>3,048,386,166</u></u>

HSBC Institutional Trust
Services (Singapore) Limited

State Street Global Advisors
Singapore Limited

The notes on pages 12 to 38 form part of these financial statements.

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2015

		For the year ended 30th June 2015 US\$	For the year ended 30th June 2014 US\$
	<i>Notes</i>		
Income			
Interest income on bank deposits		73,502	47,979
Net (loss)/gain on investments	6	(27,739,255)	77,806,304
Net foreign exchange (loss)/gain		(833,671)	4,234,169
Other income	5	410,798	918,948
		<u> </u>	<u> </u>
Total investment (loss)/income		(28,088,626)	83,007,400
		<u> </u>	<u> </u>
Expenses			
Management fee	8(d)	3,409,263	3,316,792
Trustee fee	8(e)	1,620,132	1,596,965
Index license fee	9(a)	295,756	354,087
Publication and printing expenses		171,284	49,795
Audit fee		75,694	47,596
Processing agent fee	9(b)	12,381	17,535
Safe custody and bank charges		27,727	45,332
Legal and professional fees		181,350	156,427
Annual insurance premium		31,000	31,072
Other operating expenses		27,584	30,604
		<u> </u>	<u> </u>
Total operating expenses		5,852,171	5,646,205
		<u> </u>	<u> </u>
Operating (loss)/profit		(33,940,797)	77,361,195
		<u> </u>	<u> </u>
Finance costs			
Distributions to holders of redeemable units	12	(99,677,237)	(100,903,520)
		<u> </u>	<u> </u>
Loss after distributions and before tax		(133,618,034)	(23,542,325)
Withholding taxes	7	(8,570,211)	(10,440,073)
		<u> </u>	<u> </u>
Loss after distributions and tax/decrease in net assets attributable to holders of redeemable units from operations		(142,188,245)	(33,982,398)
		<u> </u>	<u> </u>

The notes on pages 12 to 38 form part of these financial statements.

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

For the year ended 30th June 2015

	For the year ended 30th June 2015 US\$	For the year ended 30th June 2014 US\$
Balance at beginning of the year	3,048,386,166	3,472,656,056
Issue of units	343,478,697	234,528,738
Redemption of units	(93,035,194)	(624,816,230)
Net issue/(redemption) of units	250,443,503	(390,287,492)
Decrease in net assets attributable to holders of redeemable units from operations	(142,188,245)	(33,982,398)
Balance at the end of the year	<u>3,156,641,424</u>	<u>3,048,386,166</u>

The notes on pages 12 to 38 form part of these financial statements.

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STATEMENT OF CASH FLOWS

For the year ended 30th June 2015

	For the year ended 30th June 2015 US\$	For the year ended 30th June 2014 US\$
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable units from operations	(142,188,245)	(33,982,398)
Adjustment for:		
Interest income on bank deposits	(73,502)	(47,979)
Distributions to holders of redeemable units	99,677,237	100,903,520
	<hr/>	<hr/>
Operating (loss)/profit before working capital changes	(42,584,510)	66,873,143
	-----	-----
Net (increase)/decrease in investments	(124,425,440)	440,773,893
Net decrease in amounts due from brokers	11,720,118	8,738,386
Net decrease in other receivables	-	72,813
Net (decrease) in amounts due to brokers	(13,431,817)	(2,236,478)
Net (decrease)/increase in amounts due to the Manager	(407,298)	407,298
Net increase in accounts payable and accrued expenses	888,038	1,757,109
	<hr/>	<hr/>
Cash (used in)/generated from operations	(168,240,909)	516,386,164
	-----	-----
Interest income on bank deposits received	73,502	47,979
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(168,167,407)	516,434,143
	-----	-----
Cash flows from financing activities		
Distributions paid to holders of redeemable units	(99,677,237)	(100,903,520)
Issue of units	343,478,697	237,155,548
Redemption of units	(93,035,194)	(624,816,230)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	150,766,266	(488,564,202)
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(17,401,141)	27,869,941
Cash and cash equivalents at the beginning of the year	38,519,218	10,649,277
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	21,118,077	38,519,218
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balance of cash and cash equivalents:		
Cash at banks	21,118,077	38,519,218
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ABF Pan Asia Bond Index Fund (the "Fund") is a Singapore unit trust authorised 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"). 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, a supplemental deed dated 27th June 2008 and a Third Amending and Restating Deed dated 24th June 2011. The Trust Deed and all supplemental 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 Markit iBoxx ABF Pan-Asia Index (the "Underlying Index"), before fees and expenses. The Underlying Index is determined and composed by Markit Indices Limited (the "Index Provider"). The Underlying Index is an indicator of investment returns of debt obligations denominated in China Renminbi, Hong Kong Dollars, Indonesian Rupiah, Korean Won, Malaysian Ringgits, Philippine Pesos, Singapore Dollars or Thai Baht (each an "Asian Currency") issued or guaranteed by government, quasi-government organizations or supranational financial institutions, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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 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.

New and amended standards that are effective in the current year and have been adopted by the Fund

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1st July 2014 that would be expected to have a material impact on the Fund.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of preparation *(Continued)*

New standards and amendments to the standards that are relevant to the Fund but are not yet effective and have not been early adopted by the Fund

IFRS 9, "Financial instruments" (effective for annual periods beginning on or after 1st January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. Early adoption is permitted. The Manager of the Fund is yet to assess IFRS 9's full impact.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Investments

The Fund invests in debt securities which are classified as financial assets at fair value through profit or loss. These investments are designated by the Manager at fair value through profit or loss at inception. 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 Comprehensive Income 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 bid 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 Comprehensive Income.

Transfers between levels of fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(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 Comprehensive Income. Other income is accounted for in the Statement of Comprehensive Income on an accrual basis.

(d) Expenses

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand 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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(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 ("US\$"), 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 currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

(h) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Statement of Net Assets, where the Fund currently has 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 date of redemption if the holder exercises the right to put the unit back to the Fund.

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)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Segmental information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

(k) Distributions

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

(l) Comparatives

Certain comparative year balances have been reclassified to conform with the current year's presentation.

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, redeemable units are generally only issued and redeemed in blocks of 10,000 units with effect from 20th June 2013 or in whole multiples thereof. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS AND NUMBER OF UNITS IN ISSUE *(Continued)*

Number of units in issue

	2015 <i>units</i>	2014 <i>units</i>
Units in issue at the beginning of the year	24,514,240	27,757,780
Issue of units	2,826,024	1,926,460
Redemption of units	<u>(767,000)</u>	<u>(5,170,000)</u>
Units in issue at the end of the year	<u><u>26,573,264</u></u>	<u><u>24,514,240</u></u>

	2015 <i>US\$</i>	2014 <i>US\$</i>
Net assets attributable to holders of redeemable units	<u><u>3,156,641,424</u></u>	<u><u>3,048,386,166</u></u>
Net assets attributable to holders of redeemable units (per unit)	<u><u>118.79</u></u>	<u><u>124.35</u></u>
Net asset value per Creation unit (1 Creation unit is equivalent to 10,000 units)	<u><u>1,187,901</u></u>	<u><u>1,243,516</u></u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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 2015. 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.

5. OTHER INCOME

For each application for the creation or 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 (LOSS)/GAIN ON INVESTMENTS

	2015 US\$	2014 US\$
Change in unrealised gain/loss in value of investments	(138,442,302)	(27,899,869)
Realised gain on sale of investments	<u>110,703,047</u>	<u>105,706,173</u>
	<u>(27,739,255)</u>	<u>77,806,304</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION

No provision for Hong Kong profits tax has been made as the Fund was authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Section 26A(1A) 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 sections 35(12) and (12)A of the Income Tax Act (Cap 134):

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in future contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities of financial index; and
- (e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

The Fund invests in RMB denominated bonds ("RMB bonds") listed on the stock exchanges in the People's Republic of China ("PRC"). Under the prevailing PRC tax regulations, there are no specific rules or regulations governing the taxation of the disposal of RMB bonds. Under the general taxing provision of the Corporate Income Tax Law, the Fund may potentially be liable to pay PRC withholding income tax on the PRC sourced capital gains, unless reduced or exempted under relevant tax treaty. It is uncertain as to the PRC tax authorities' position on whether gain on disposal of RMB bond is PRC sourced and hence subject to PRC withholding income tax. However, in practice, the PRC tax authorities have not strictly enforced the collection of PRC withholding income tax in respect of gains derived by non-PRC tax resident enterprises from the trading of RMB bonds. The Manager has assessed the likelihood of such exposure and believes that there is no material tax exposure on the basis that no collection has been made by the China government since the commencement of operation of the Fund. As such, no provision was made for taxation from such gains in the financial statements. The Manager continues to monitor the position and will make an appropriate adjustment if and when it is considered that there are sufficient grounds to do so.

Overseas and PRC withholding tax was charged on certain interest income received during the year. As at 30th June 2015, the Fund made provision of US\$2,467,840 for withholding tax on interest income from PRC non-government securities (2014: US\$2,237,707). The amount is included in "Other payables" in the Statement of Net Assets.

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 the Manager and its Connected Persons were carried out in the ordinary course of business and on normal commercial terms.

(a) Foreign currency transactions with connected persons of the Manager and the Trustee

During the year ended 30th June 2015, the Manager transacted total of US\$952,293,341 (2014: US\$1,344,670,609) in foreign currency transactions through its affiliated party, State Street Global Markets, LLC, State Street Global Markets, Australia and Trustee's affiliated parties, HSBC Hong Kong and HSBC Australia for the Fund's investments and settlement purpose. The amount represents 100% (2014: 90.06%) of all the Fund's foreign currency transactions during the year ended 30th June 2015.

Name of company	Aggregate value of foreign currency transactions US\$	% of total foreign currency transactions %
2015		
HSBC Australia	610,839,626	64.15
HSBC Hong Kong	200,594,715	21.06
State Street Global Markets, Australia	100,000	0.01
State Street Global Markets, LLC	140,759,000	14.78
2014		
HSBC Australia	49,360,778	3.31
HSBC Hong Kong	1,044,550,862	69.96
State Street Global Markets, LLC	250,758,969	16.79

During the years ended 30th June 2015 and 2014, the Connected Persons of the Manager and the Trustee as listed above had included normal bid-offer spread for the foreign currency transactions entered with the Fund, which were carried out in the ordinary course of business and on normal commercial terms. There were no direct commission paid to the Connected Persons of the Manager and the Trustee during the years ended 30th June 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS *(Continued)*

(b) Manager's holding in the Fund

As at 30th June 2015, the directors and officers of the Manager did not hold any units in the Fund (2014: Nil).

(c) Amounts due to the Manager

During the year, some of the Fund's expenses such as audit fee, index license fee etc. are paid by the Manager on behalf of the Fund. As at 30th June 2015, Nil (2014: US\$407,298) was payable to the Manager.

(d) 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%

* This fee may be increased to a maximum of 0.25% per annum upon three months' notice in writing to unitholders.

(e) 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.

* This fee may be increased to a maximum of 0.15% per annum upon three months' notice in writing to unitholders.

(f) Bank balances

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

	As at 30th June 2015 US\$	As at 30th June 2014 US\$
Bank balances	<u>21,118,077</u>	<u>38,519,218</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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 a scale rate with a maximum of 0.0175% per annum (2014: 0.0175% per annum) on the daily average net asset value of the Fund, subject to a minimum of US\$184,000 per annum (2014: US\$184,000 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 Securities Clearing Company Limited, certain of its services in connection with the creation and redemption of Units by authorised participants including facilitating the deposit of units into Central Clearing and Settlement System ("CCASS") upon creation of units and the withdrawal of units from CCASS upon redemption.

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

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 Underlying Index, before fees and expenses. The Underlying Index is determined and composed by 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, quasi Asian government organisations or supranational financial institutions, 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 and derivative financial instruments, which are classified as financial assets at fair value through profit or loss.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. FINANCIAL RISK MANAGEMENT (Continued)

(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 the investment portfolio. As at year end, the overall market exposures were as follows:

	2015			2014		
	Fair value US\$	Cost US\$	% of net assets	Fair value US\$	Cost US\$	% of net assets
Investments						
– Debt securities	3,151,668,101	3,209,856,349	99.84	3,027,242,661	2,948,245,547	99.31
	<u>3,151,668,101</u>	<u>3,209,856,349</u>	<u>99.84</u>	<u>3,027,242,661</u>	<u>2,948,245,547</u>	<u>99.31</u>

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.

	2015 US\$ equivalent	2014 US\$ equivalent
Markets exposed to		
China	628,722,154	615,063,945
Hong Kong	469,541,966	467,353,903
Indonesia	211,968,335	200,687,278
Malaysia	360,634,839	346,117,398
Philippines	170,698,455	153,919,771
Singapore	488,808,972	464,820,873
South Korea	538,430,816	508,820,540
Thailand	282,862,564	270,458,953
	<u>3,151,668,101</u>	<u>3,027,242,661</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Market price risk *(Continued)*

There were investments issued by a single issuer with market value exceeding 10% of the Fund's net asset value at 30th June 2015 and 30th June 2014, as follows:

	2015	2014
	%	%
Hong Kong Government	14.08	13.79
China Government	18.11	18.03
Korea Treasury	15.93	14.95
Singapore Government	14.22	13.74
Malaysia Government	10.01	–

During the year ended 30th June 2015, the Underlying Index decreased by 0.76% (2014: increased by 3.04%), while the returns of the Fund including dividends decreased by 1.34% (2014: increased by 2.58%).

The table below summarises the impact on net assets attributable to holders of redeemable units as a result of increases/decreases of the Underlying Index to which the Fund is exposed. The analysis is based on the assumption that the Underlying 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 Underlying Index.

	2015		2014	
	Change in market index %	Impact US\$	Change in market index %	Impact US\$
	+/-	+/-	+/-	+/-
Market iBoxx ABF Pan-Asia Index in US\$	6.00	189,100,086	7.00	211,906,986

Assumption: The change is based on the annualised return of the Underlying Index since inception and takes into consideration the Fund's historical correlation with the Underlying Index, which would be revised when there is evidence that the Underlying Index have become significantly more volatile.

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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(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. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments.

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 2015

	Up to 1 year <i>US\$</i>	1-5 years <i>US\$</i>	Over 5 years <i>US\$</i>	Non-interest bearing <i>US\$</i>	Total <i>US\$</i>
Assets					
Investments	180,815,881	1,304,166,030	1,666,686,190	–	3,151,668,101
Cash at banks	21,118,077	–	–	–	21,118,077
Amounts due from brokers	–	–	–	15,096,590	15,096,590
Total assets	<u>201,933,958</u>	<u>1,304,166,030</u>	<u>1,666,686,190</u>	<u>15,096,590</u>	<u>3,187,882,768</u>
Liabilities					
Amounts due to brokers	–	–	–	(26,170,651)	(26,170,651)
Other liabilities	–	–	–	(5,070,693)	(5,070,693)
Net assets attributable to holders of redeemable units	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,156,641,424)</u>	<u>(3,156,641,424)</u>
Total liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,187,882,768)</u>	<u>(3,187,882,768)</u>
Total interest sensitivity gap	<u>201,933,958</u>	<u>1,304,166,030</u>	<u>1,666,686,190</u>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk (Continued)

As at 30th June 2014

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	91,153,748	1,371,822,563	1,564,266,350	–	3,027,242,661
Cash at banks	38,519,218	–	–	–	38,519,218
Amounts due from brokers	–	–	–	26,816,708	26,816,708
Total assets	<u>129,672,966</u>	<u>1,371,822,563</u>	<u>1,564,266,350</u>	<u>26,816,708</u>	<u>3,092,578,587</u>
Liabilities					
Amounts due to brokers	–	–	–	(39,602,468)	(39,602,468)
Amounts due to the Manager	–	–	–	(407,298)	(407,298)
Other liabilities	–	–	–	(4,182,655)	(4,182,655)
Net assets attributable to holders of redeemable units	–	–	–	(3,048,386,166)	(3,048,386,166)
Total liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,092,578,587)</u>	<u>(3,092,578,587)</u>
Total interest sensitivity gap	<u>129,672,966</u>	<u>1,371,822,563</u>	<u>1,564,266,350</u>		

At 30th June 2015, should interest rates have lowered/risen by 50 basis points (2014: 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\$90,899,095 and US\$ 95,406,522, respectively (2014: US\$87,085,551 and US\$84,475,979), arising substantially from the increase/decrease in market values of debt securities.

Assumption: The change is based on the historical interest rate fluctuations and would be revised when there is evidence that interest rates have become significantly more volatile.

The Manager manages the investment portfolio by ensuring that the Fund replicates the Underlying Index movements effectively based on market exposures as well as duration risks across the yield curve.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit and counterparty risk

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

All transactions in securities are settled/paid for upon delivery using approved brokers. The risk of default from transactions 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 counterparty 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 2015 and 2014:

As at 30th June 2015

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,172,786,178	Aa2	Moody's

As at 30th June 2014

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,065,761,879	Aa2	Moody's

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit and counterparty risk *(Continued)*

The table below categorised the investment portfolio by credit rating sourced from Markit iBoxx and supplemented by Standard & Poor's (converted to the Markit iBoxx credit rating for disclosure purpose):

Portfolio by rating category

Rating (Markit iBoxx)	2015 % of Investment	2014 % of Investment
AAA	28	19
AA	20	46
A	28	18
BBB	14	15
BB	7	–
Non-rated	3	2
Total	<u>100</u>	<u>100</u>

The Manager has assessed the credit quality of the investments based on the nature of the issuers and historical information about the issuers' default rates.

The maximum exposure to credit and counterparty risk as at 30th June 2015 and 2014 is the carrying amount of the financial assets as set out below:

	2015 US\$	2014 US\$
Investments	3,151,668,101	3,027,242,661
Amounts due from brokers	15,096,590	26,816,708
Cash at banks	21,118,077	38,519,218
	<u>3,187,882,768</u>	<u>3,092,578,587</u>

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

The Manager limits the Fund's exposure to counterparty 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 Manager considers to be well established.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty or incur higher costs in settling a liability, including a redemption request.

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

The table below analyses the Fund's non-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 month to less than 3 months US\$	Over 3 months US\$
As at 30th June 2015			
Amounts due to brokers	26,170,651	–	–
Audit fee payable	–	47,336	–
Trustee fee payable	–	261,910	–
Management fee payable	–	586,559	–
Index license fee payable	–	173,561	–
Other payables	19,786	49,759	3,931,782
Net assets attributable to holders of redeemable units	3,156,641,424	–	–
Contractual cash out flows	3,182,831,861	1,119,125	3,931,782
As at 30th June 2014			
Amounts due to brokers	39,602,468	–	–
Amounts due to the Manager	–	407,298	–
Audit fee payable	–	32,012	–
Trustee fee payable	–	128,934	–
Management fee payable	–	289,716	–
Index license fee payable	–	90,136	–
Other payables	57,862	20,380	3,563,615
Net assets attributable to holders of redeemable units	3,048,386,166	–	–
Contractual cash out flows	3,088,046,496	968,476	3,563,615

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk *(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 2015 and 2014, there were two unitholders holding more than 10% of the Fund's units.

The Fund manages its liquidity risk by investing in investments that it expects to be able to liquidate within one month or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month US\$	1-12 months US\$
As at 30th June 2015		
Total assets	<u>3,187,882,768</u>	<u>–</u>
	Less than 1 month US\$	1-12 months US\$
As at 30th June 2014		
Total assets	<u>3,092,578,587</u>	<u>–</u>

(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 dollars, 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 changes in exchange rates. Although the Fund has not actively engaged in hedging activities, the Manager may enter into spot and forward foreign exchange contracts from time to time to hedge against the fluctuations in exchange rates in relation to the settlement of creation and redemption of units, and other operational uses such as covering the Fund's exposure to currency risk from re-balancing the portfolios prior to market closure due to holiday.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Currency risk *(Continued)*

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

	2015	2014
	US\$	US\$
	<i>equivalents</i>	<i>equivalents</i>
Hong Kong Dollar	470,975,128	468,782,124
Indonesian Rupiah	211,824,183	201,004,628
Malaysian Ringgit	360,842,948	346,522,369
Philippine Peso	171,071,612	154,467,785
Renminbi	632,088,938	633,500,568
Singapore Dollar	488,986,001	465,409,025
South Korean Won	537,859,791	508,572,727
Thai Baht	282,846,237	270,480,483

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 (based on historical currency fluctuations and would be revised when the currency have become significantly more volatile) with all other variables held constant.

	2015		2014	
	Change	Impact	Change	Impact
	%	US\$	%	US\$
	+/-	+/-	+/-	+/-
Hong Kong Dollar	1	4,709,751	1	4,687,821
Indonesian Rupiah	12	25,418,902	12	24,120,555
Malaysian Ringgit	10	36,084,295	10	34,652,237
Philippine Peso	10	17,107,161	10	15,446,779
Renminbi	3	18,962,668	3	19,005,017
Singapore Dollar	6	29,339,160	6	27,924,542
South Korean Won	10	53,785,979	10	50,857,273
Thai Baht	10	28,284,624	10	27,048,048

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(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 risks associated with foreign investment in these emerging markets including, but not limited to: generally 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 Underlying 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 Underlying Index. As an index 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 Underlying Index.

(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 objectives when managing capital are 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 and supplemental deeds.

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(i) Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Fund is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

IFRS 13, requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. FINANCIAL RISK MANAGEMENT (Continued)

(i) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Fund's investments (by class) measured at fair value at 30th June 2015 and 2014:

As at 30th June 2015	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total balance US\$
Investments				
– Debt securities	–	3,151,668,101	–	3,151,668,101
	–	3,151,668,101	–	3,151,668,101
	<u>–</u>	<u>3,151,668,101</u>	<u>–</u>	<u>3,151,668,101</u>
As at 30th June 2014	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total balance US\$
Investments				
– Debt securities	–	3,027,242,661	–	3,027,242,661
	–	3,027,242,661	–	3,027,242,661
	<u>–</u>	<u>3,027,242,661</u>	<u>–</u>	<u>3,027,242,661</u>

Investments whose values are based on quoted market prices in active markets are classified within Level 1. As of 30th June 2015 and 2014, the Fund did not hold any investments classified in Level 1.

Financial instruments that trade in markets that are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As of 30th June 2015 and 2014, the Fund held investments in debt securities which were classified in Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As of 30th June 2015 and 2014, the Fund did not hold any investments classified in Level 3.

There was no transfer between levels for the years ended 30th June 2015 and 2014.

The assets and liabilities included in the Statement of Net Assets, except for investments are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

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 specialised 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. DISTRIBUTIONS

	2015	2014
	<i>US\$</i>	<i>US\$</i>
Interim distribution		
– US\$1.89 on 25,542,474 units paid on 4th February 2015	48,275,276	–
– US\$2.04 on 25,387,230 units paid on 6th February 2014	–	51,789,949
	<hr/>	<hr/>
Final distribution		
– US\$2.09 on 24,594,240 units paid on 5th August 2014	51,401,961	–
– US\$1.77 on 27,747,780 units paid on 5th August 2013	–	49,113,571
	<hr/>	<hr/>
Total distribution	<u>99,677,237</u>	<u>100,903,520</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager, which are used to make strategic decisions.

The Manager is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Manager's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to seek to provide investment results that correspond to the total return of the Markit iBoxx ABF Pan-Asia Index, before fees and expenses.

The internal reporting provided to the Manager for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segments during the years ended 30th June 2015 and 2014.

All activities of the Fund are in a single business of investment activities conducted mainly in the Asia Pacific region. The Fund's income is from investments in debt securities issued by organisations in the Asia Pacific region.

The Fund has no assets classified as non-current assets. The Fund has a diversified portfolio of investments. During the year ended 30th June 2015, there were no investments which each accounted for more than 10% of the Fund's income (2014: Nil). Please refer to note 10 for investment holdings issued by a single issuer that account for more than 10% of the Fund's net assets.

The Fund also has a diversified unitholder population. As at 30th June 2015, there were two unitholders, which were the nominee account holders of the Fund (2014: two unitholders) holding more than 10% of the Fund's units. The two nominee account holders hold 73% and 18% (2014: 73% and 18%) of the Fund's units as at 30th June 2015.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. SUPPLEMENTAL RATIOS

	2015	2014
Expense ratio ¹	0.19%	0.18%
Turnover ratio ²	18.35%	23.51%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end was based on total operating expenses of US\$5,852,171 (2014: US\$5,646,205) divided by the average net asset value of US\$3,104,129,510 (2014: US\$3,152,726,285) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales, being sales of US\$569,631,923 (2014: purchases of US\$741,129,571) of the underlying investments, divided by the average daily net asset value of US\$3,104,129,510 (2014: US\$3,152,726,285). In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants in June 2012, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

15. EVENT OCCURRING AFTER YEAR END DATE

Subsequent to the year end, the Fund announced a dividend distribution of US\$1.67 per unit on 14 July 2015. The dividend was paid on 4th August 2015. The net assets attributable to holders of redeemable units as at 30th June 2015 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 25th September 2015.

ABF Pan Asia Bond Index Fund
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INVESTMENT PORTFOLIO

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY

Listed investments	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
CHINA (19.92%)			
AGRICUL DEV BANK CHINA 3.1% 24NOV2015	30,000,000	4,924,807	0.16
AGRICUL DEV BANK CHINA 3.5% 16DEC2018	20,000,000	3,271,407	0.10
AGRICUL DEV BANK CHINA 3.65% 26MAR2020	50,000,000	8,055,799	0.26
CH GOVT BOND 3.77% 18DEC2024(INTERBANK)	60,000,000	9,819,527	0.31
CHINA (GOVT OF) 2.71% 24NOV2015	60,000,000	9,867,601	0.31
CHINA (GOVT OF) 2.92% 11MAR2017	90,000,000	14,680,963	0.47
CHINA (GOVT OF) 2.95% 16AUG2017	100,000,000	16,544,766	0.52
CHINA (GOVT OF) 3.02% 07MAY2019	30,000,000	4,822,197	0.15
CHINA (GOVT OF) 3.14% 07JUN19(INTERBANK)	60,000,000	9,661,368	0.31
CHINA (GOVT OF) 3.17% 20AUG2016	60,000,000	10,010,994	0.32
CHINA (GOVT OF) 3.27% 15NOV2021	25,000,000	4,012,671	0.13
CHINA (GOVT OF) 3.36% 25MAR2020	30,000,000	4,856,212	0.15
CHINA (GOVT OF) 3.4% 17APR2023	65,663,000	10,584,252	0.34
CHINA (GOVT OF) 3.41% 24JUN2020	30,000,000	4,808,118	0.15
CHINA (GOVT OF) 3.43% 04FEB2020	30,000,000	4,904,431	0.16
CHINA (GOVT OF) 3.44% 17SEP2019	50,000,000	8,184,317	0.26
CHINA (GOVT OF) 3.48% 23JUL2019	30,000,000	4,952,388	0.16
CHINA (GOVT OF) 3.51% 23FEB2022	120,000,000	19,720,572	0.62
CHINA (GOVT OF) 3.55% 20OCT2016	60,000,000	10,032,409	0.32
CHINA (GOVT OF) 3.64% 02DEC2015	30,000,000	4,976,703	0.16
CHINA (GOVT OF) 3.65% 13OCT2018	50,000,000	8,376,709	0.27
CHINA (GOVT OF) 3.68% 22SEP2018	50,000,000	8,254,038	0.26
CHINA (GOVT OF) 3.7% 07JUL2018	70,000,000	11,850,326	0.38
CHINA (GOVT OF) 3.82% 02SEP2030	80,000,000	13,045,405	0.41
CHINA (GOVT OF) 3.83% 27JAN2018	130,000,000	21,682,158	0.69
CHINA (GOVT OF) 3.91% 23OCT2038	30,000,000	4,740,006	0.15
CHINA (GOVT OF) 3.93% 18AUG2021	110,000,000	18,459,691	0.59
CHINA (GOVT OF) 3.96% 29JUL2040	40,000,000	6,341,674	0.20
CHINA (GOVT OF) 3.99% 16JUN2021	80,000,000	13,280,220	0.42
CHINA (GOVT OF) 4% 19JUN2024	60,000,000	9,707,769	0.31
CHINA (GOVT OF) 4% 27AUG2029	30,000,000	5,023,791	0.16
CHINA (GOVT OF) 4.03% 23APR2032	30,000,000	4,973,417	0.16
CHINA (GOVT OF) 4.07% 17OCT2020	220,000,000	37,387,261	1.18
CHINA (GOVT OF) 4.08% 01MAR2040	110,000,000	17,749,390	0.56
CHINA (GOVT OF) 4.23% 09DEC2040	30,000,000	4,904,612	0.16
CHINA (GOVT OF) 4.23% 18AUG2015	30,000,000	5,029,871	0.16

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
CHINA (19.92%) <i>(Continued)</i>			
CHINA (GOVT OF) 4.31% 24FEB2041	20,000,000	3,356,688	0.11
CHINA (GOVT OF) 4.35% 15NOV2062	40,000,000	6,662,568	0.21
CHINA (GOVT OF) 4.44% 16JAN2021	50,000,000	8,595,342	0.27
CHINA (GOVT OF) 4.46% 24SEP2017	30,000,000	5,049,309	0.16
CHINA (GOVT OF) 4.5% 08MAY2038	20,000,000	3,450,862	0.11
CHINA (GOVT OF) 4.5% 23JUN2041	150,000,000	25,634,937	0.81
CHINA (GOVT OF) 4.55% 29SEP2022	50,000,000	8,743,579	0.28
CHINA (GOVT OF) 4.94% 11AUG2028	40,000,000	7,395,781	0.23
CHINA DEVELOPMENT BANK 3.42% 02AUG2015	11,000,000	1,828,779	0.06
CHINA DEVELOPMENT BANK 3.8% 30OCT2036	10,000,000	1,474,109	0.05
CHINA DEVELOPMENT BANK 3.97% 20JAN2017	30,000,000	4,969,924	0.16
CHINA DEVELOPMENT BANK 4.1% 30AUG2025	28,000,000	4,553,524	0.14
CHINA DEVELOPMENT BANK 4.3% 17MAR2030	30,000,000	4,880,106	0.15
CHINA DEVELOPMENT BANK 4.42% 07APR2040	40,000,000	6,438,846	0.20
CHINA GOV BND 3.36% 24MAY2022 (INTERBANK)	160,000,000	25,874,418	0.82
CHINA GOVERNMENT BOND 2.8% 27MAR2016	20,000,000	3,269,937	0.10
CHINA GOVERNMENT BOND 2.82% 16APR2016	20,000,000	3,269,200	0.10
CHINA GOVERNMENT BOND 2.9% 24MAY2032	20,000,000	2,851,405	0.09
CHINA GOVERNMENT BOND 2.92% 26SEP2016	4,000,000	652,895	0.02
CHINA GOVERNMENT BOND 3.41% 08MAR2019	120,000,000	19,673,245	0.62
CHINA GOVERNMENT BOND 3.42% 24JAN2020	10,000,000	1,636,020	0.05
CHINA GOVERNMENT BOND 3.54% 16APR2022	50,000,000	8,129,278	0.26
CHINA GOVERNMENT BOND 3.57% 17NOV2021	20,000,000	3,265,796	0.10
CHINA GOVERNMENT BOND 3.68% 05NOV2019	20,000,000	3,286,005	0.10
CHINA GOVERNMENT BOND 3.7% 26JUN2026	10,000,000	1,633,370	0.05
CHINA GOVERNMENT BOND 3.86% 19FEB2029	20,000,000	3,312,148	0.11
CHINA GOVERNMENT BOND 3.96% 15APR2030	20,000,000	3,304,678	0.10
CHINA GOVERNMENT BOND 4.03% 21JUN2040	20,000,000	3,154,336	0.10
CHINA GOVERNMENT BOND 4.12% 02AUG2042	20,000,000	3,306,617	0.11
CHINA GOVERNMENT BOND 4.16% 28FEB2023	6,000,000	1,024,798	0.03
CHINA GOVERNMENT BOND 4.18% 24OCT2018	10,000,000	1,672,926	0.05
CHINA GOVERNMENT BOND 4.25% 17MAY2062	20,000,000	3,264,164	0.10
CHINA GOVERNMENT BOND 4.27% 17MAY2037	10,000,000	1,679,011	0.05
CHINA GOVERNMENT BOND 4.3% 30NOV2059	20,000,000	3,291,314	0.10
CHINA GOVERNMENT BOND 4.4% 25JUN2017	20,000,000	3,320,554	0.11
CHINA GOVERNMENT BOND 4.41% 17DEC2017	10,000,000	1,666,905	0.05
CHINA GOVT BOND 2.6% 20SEP2017	58,767,000	9,471,544	0.30

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INVESTMENT PORTFOLIO *(Continued)*
As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
CHINA (19.92%) <i>(Continued)</i>			
CHINA(GOVT OF) 2.9% 15DEC2018(INTERBANK)	30,000,000	4,792,164	0.15
CHINA(GOVT OF) 3.64% 09APR2025 (INTERBANK)	50,000,000	8,156,549	0.26
CHINA(GOVT OF)3.14% 16FEB2017(INTERBANK)	90,000,000	14,774,885	0.47
CHINA(GOVT OF)3.28% 05AUG2020(INTERBANK)	50,000,000	8,066,404	0.26
CHN (GOVT OF) 3.66% 13MAR2017(INTERBANK)	40,000,000	6,616,068	0.21
CHN(GOVT OF) 3.53% 30OCT2019 (INTERBANK)	30,000,000	5,012,127	0.16
EXPORT-IMPORT BK CHINA 3.94% 21AUG2019	100,000,000	16,761,199	0.53
		628,722,154	19.92
		-----	-----
HONG KONG (14.08%)			
HK GOVERNMENT BOND 0.79% 18JUN2018	40,000,000	5,176,339	0.16
HK GOVERNMENT BOND 1.09% 05JUN2023	35,000,000	4,338,312	0.14
HK GOVERNMENT BOND 2.39% 20AUG2025	23,000,000	3,150,101	0.10
HK GOVERNMENT BOND 3.27% 28AUG2023	26,000,000	3,803,648	0.12
HK GOVERNMENT BOND 3.78% 6DEC2016	20,000,000	2,714,811	0.09
HK GOVT BOND PROGRAMME 0.61% 05FEB2018	172,000,000	22,268,094	0.71
HK GOVT BOND PROGRAMME 1.02% 10APR2017	30,000,000	3,919,501	0.12
HONG KONG (GOVT OF) 0.38% 17FEB2016	21,000,000	2,717,709	0.09
HONG KONG (GOVT OF) 0.43% 20FEB2017	60,000,000	7,759,930	0.25
HONG KONG (GOVT OF) 0.46% 22MAY2017	100,000,000	12,935,332	0.41
HONG KONG (GOVT OF) 0.8% 27AUG2027	25,000,000	2,853,159	0.09
HONG KONG (GOVT OF) 1.32% 23DEC2019	74,000,000	9,641,775	0.31
HONG KONG (GOVT OF) 1.35% 25MAR2019	15,000,000	1,978,355	0.06
HONG KONG (GOVT OF) 1.43% 2DEC2015	293,000,000	38,056,122	1.21
HONG KONG (GOVT OF) 1.47% 20FEB2019	100,000,000	13,267,205	0.42
HONG KONG (GOVT OF) 1.49% 22FEB2028	20,000,000	2,472,127	0.08
HONG KONG (GOVT OF) 1.61% 10DEC2018	7,000,000	927,414	0.03
HONG KONG (GOVT OF) 1.73% 20FEB2024	12,000,000	1,561,464	0.05
HONG KONG (GOVT OF) 1.96% 03JUN2024	40,000,000	5,310,726	0.17
HONG KONG (GOVT OF) 2.22% 07AUG2024	35,000,000	4,666,682	0.15
HONG KONG (GOVT OF) 2.24% 27AUG2029	18,000,000	2,439,561	0.08
HONG KONG (GOVT OF) 2.48% 28FEB2029	60,000,000	8,353,562	0.26
HONG KONG (GOVT OF) 2.6% 20AUG2024	45,000,000	6,277,991	0.20
HONG KONG (GOVT OF) 2.71% 20FEB2023	28,000,000	3,935,347	0.12
HONG KONG (GOVT OF) 2.93% 13JAN2020	318,000,000	44,962,186	1.42

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INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
HONG KONG (14.08%) <i>(Continued)</i>			
HONG KONG (GOVT OF) 2.95% 24FEB2025	45,000,000	6,464,299	0.20
HONG KONG (GOVT OF) 3.32% 25FEB2026	44,000,000	6,554,858	0.21
HONG KONG (GOVT OF) 3.52% 5DEC2017	29,000,000	4,013,310	0.13
HONG KONG (GOVT OF) 4.33% 7DEC2015	31,500,000	4,149,961	0.13
HONG KONG (GOVT OF) 4.65% 29AUG2022	14,000,000	2,214,081	0.07
HONG KONG (GOVT OF) 4.85% 27JUN2017	33,500,000	4,692,359	0.15
HONG KONG (GOVT OF) 5.125% 23JUL2019	66,500,000	10,206,888	0.32
HONG KONG (GOVT) 0.55% 05DEC2022	20,000,000	2,397,868	0.08
HONG KONG (GOVT) 0.79% 19SEP2016	50,000,000	6,511,380	0.21
HONG KONG (GOVT) 0.97% 20JUN2022	45,000,000	5,600,540	0.18
HONG KONG (GOVT) 05GB1612 0.97% 8DEC2016	225,000,000	29,362,137	0.93
HONG KONG (GOVT) 05Y1812 1.17% 19DEC2018	30,000,000	3,914,192	0.12
HONG KONG (GOVT) 1.1% 17JAN2023	120,000,000	15,003,165	0.47
HONG KONG (GOVT) 1.19% 06DEC2021	25,000,000	3,178,539	0.10
HONG KONG (GOVT) 1.51% 24FEB2027	20,000,000	2,496,373	0.08
HONG KONG (GOVT) 1.57% 13JUN2016	1,000,000	130,922	0.00
HONG KONG (GOVT) 1.84% 09DEC2024	65,000,000	8,449,921	0.27
HONG KONG (GOVT) 10GB2108 2.46% 4AUG2021	152,000,000	20,960,632	0.66
HONG KONG (GOVT) 10Y1806 3.56% 25JUN2018	27,000,000	3,778,857	0.12
HONG KONG (GOVT) 10Y2012 2.44% 7DEC2020	19,000,000	2,610,494	0.08
HONG KONG (GOVT) 10Y2106 2.31% 21JUN2021	15,000,000	2,039,154	0.06
HONG KONG (GOVT) 15Y2608 2.07% 26AUG2026	45,000,000	5,973,286	0.19
HONG KONG GOVERNMENT 0.25% 18SEP2017	93,000,000	11,924,378	0.38
HONG KONG GOVERNMENT 0.27% 18DEC2017	74,000,000	9,469,353	0.30
HONG KONG GOVERNMENT 0.44% 19JUN2017	80,000,000	10,308,353	0.33
HONG KONG GOVERNMENT 0.53% 19MAR2018	61,000,000	7,856,106	0.25
HONG KONG GOVERNMENT 0.55% 20MAR2017	57,000,000	7,383,266	0.23
HONG KONG GOVERNMENT 0.82% 19DEC2016	105,000,000	13,652,480	0.43
HONG KONG GOVERNMENT 1.52% 25SEP2018	42,000,000	5,569,024	0.18
HONG KONG GOVERNMENT 1.94% 04DEC2023	35,000,000	4,614,722	0.15
HONG KONG GOVERNMENT 2.49% 22AUG2028	26,000,000	3,600,339	0.11
HONG KONG(GOVT OF)10Y1906 2.64% 10JUN2019	28,000,000	3,846,403	0.12
		444,415,093	14.08

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INVESTMENT PORTFOLIO *(Continued)*
As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
INDONESIA (6.71%)			
INDONESIA (REP OF) 10% 15FEB2028 FR47	69,000,000,000	6,008,130	0.19
INDONESIA (REP OF) 10.25% 15JUL2022 FR43	38,000,000,000	3,278,230	0.10
INDONESIA (REP OF) 10.5% 15AUG2030 FR52	112,000,000,000	10,173,986	0.32
INDONESIA (REP OF) 10.5% 15JUL2038 FR50	54,000,000,000	5,003,655	0.16
INDONESIA (REP OF) 11% 15SEP2025 FR40	76,000,000,000	6,917,743	0.22
INDONESIA (REP OF) 11.5% 15SEP2019 FR36	43,000,000,000	3,711,001	0.12
INDONESIA (REP OF) 11.6% 15AUG2018 FR38	10,500,000,000	897,279	0.03
INDONESIA (REP OF) 11.75% 15AUG23 FR39	20,000,000,000	1,868,004	0.06
INDONESIA (REP OF) 12% 15SEP2026 FR37	14,000,000,000	1,361,910	0.04
INDONESIA (REP OF) 12.8% 15JUN2021 FR34	31,000,000,000	2,823,102	0.09
INDONESIA (REP OF) 12.9% 15JUN2022 FR35	26,000,000,000	2,429,073	0.08
INDONESIA (REP OF) 5.25% 15MAY2018	111,000,000,000	7,792,466	0.25
INDONESIA (REP OF) 6.375% 15APR2042	37,000,000,000	2,152,765	0.07
INDONESIA (REP OF) 6.625% 15MAY2033	121,000,000,000	7,588,155	0.24
INDONESIA (REP OF) 7% 15MAY2022 FR61	91,000,000,000	6,431,078	0.20
INDONESIA (REP OF) 7% 15MAY2027 FR59	78,000,000,000	5,304,796	0.17
INDONESIA (REP OF) 7.375% 15SEP2016 FR55	34,000,000,000	2,598,544	0.08
INDONESIA (REP OF) 8.25% 15JUL2021	94,100,000,000	7,312,252	0.23
INDONESIA (REP OF) 8.25% 15JUN2032 FR58	117,000,000,000	8,611,124	0.27
INDONESIA (REP OF) 8.375% 15MAR2024	281,000,000,000	21,586,818	0.68
INDONESIA (REP OF) 8.375% 15MAR2034	175,000,000,000	13,314,428	0.42
INDONESIA (REP OF) 8.375% 15SEP2026 FR56	66,000,000,000	5,078,422	0.16
INDONESIA (REP OF) 9% 15MAR2029	185,000,000,000	14,886,481	0.47
INDONESIA (REP OF) 9% 15SEP2018 FR48	15,000,000,000	1,183,552	0.04
INDONESIA (REP OF) 9.5% 15JUL2023 FR46	44,000,000,000	3,674,954	0.12
INDONESIA (REP OF) 9.5% 15JUL2031 FR54	129,000,000,000	10,953,771	0.35
INDONESIA (REP OF) 9.5% 15MAY2041 FR57	36,000,000,000	2,963,884	0.09
INDONESIA (REP OF) 9.75% 15MAY2037 FR45	20,000,000,000	1,687,891	0.05
INDONESIA GOVERNMENT 10% 15JUL2017 FR28	104,000,000,000	8,443,431	0.27
INDONESIA GOVERNMENT 5.625% 15MAY2023	105,000,000,000	6,734,014	0.21
INDONESIA GOVERNMENT 6.125% 15MAY2028	80,000,000,000	4,984,199	0.16
INDONESIA GOVERNMENT 7.875% 15APR2019	95,000,000,000	7,187,014	0.23
INDONESIA GOVERNMENT 8.75% 15FEB2044	20,000,000,000	1,559,533	0.05

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

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
INDONESIA (6.71%) <i>(Continued)</i>			
INDONESIA GOVT 10% 15SEP2024 FR44	32,000,000,000	2,726,631	0.09
INDONESIA GOVT 10.25% 15JUL2027 SER FR42	44,000,000,000	3,919,063	0.12
INDONESIA GOVT 11% 15NOV2020 SER FR31	104,000,000,000	8,820,956	0.28
		<u>211,968,335</u>	<u>6.71</u>
SINGAPORE (15.49%)			
HOUSING &DEVELOPMENT BRD 1.23% 30JAN2018	6,000,000	4,418,285	0.14
HOUSING &DEVELOPMENT BRD 2.088% 30AUG2022	8,000,000	5,686,678	0.18
HOUSING &DEVELOPMENT BRD 2.505% 27JUN2024	11,000,000	7,773,870	0.25
LAND TRANSPORT AUTHORITY 2.9% 19JUN2023	2,000,000	1,479,872	0.05
LAND TRANSPORT AUTHORITY 4.17% 10MAY2016	3,000,000	2,296,849	0.07
PSA CORPORATION LTD 2.83% 06JUL2015	3,000,000	2,258,563	0.07
SINGAPORE (GOVT OF) 0.5% 01APR2018	34,000,000	24,825,337	0.79
SINGAPORE (GOVT OF) 2.25% 1JUN2021	44,800,000	33,394,592	1.06
SINGAPORE (GOVT OF) 2.375% 1APR2017	70,700,000	54,159,700	1.72
SINGAPORE (GOVT OF) 2.5% 1JUN2019	45,800,000	35,202,137	1.11
SINGAPORE (GOVT OF) 2.75% 01APR2042	39,000,000	27,482,215	0.87
SINGAPORE (GOVT OF) 2.75% 01JUL2023	19,000,000	14,504,945	0.46
SINGAPORE (GOVT OF) 2.875% 01SEP2030	22,500,000	16,568,240	0.52
SINGAPORE (GOVT OF) 3% 01SEP2024	64,200,000	49,502,911	1.57
SINGAPORE (GOVT OF) 3.125% 01SEP2022	36,800,000	28,856,487	0.91
SINGAPORE (GOVT OF) 3.375% 01SEP2033	21,400,000	16,736,037	0.53
SINGAPORE (GOVT OF) 3.5% 1MAR2027	38,300,000	30,703,313	0.97
SINGAPORE (GOVT OF) 3.75% 1SEP2016	26,800,000	20,838,766	0.66
SINGAPORE (GOVT OF) 4% 1SEP2018	37,350,000	30,392,143	0.96
SINGAPORE GOV 1.625% 01OCT2019	23,900,000	17,734,336	0.56
SINGAPORE GOVERNMENT 2.875% 01JUL2029	19,000,000	14,178,693	0.45
SINGAPORE GOVERNMENT 3.25% 1SEP2020	42,750,000	33,972,307	1.08
SP POWERASSETS LTD 4.84% 22OCT2018	4,100,000	3,336,974	0.11
TEMASEK FINANCIAL I LTD 3.265% 19FEB2020	10,000,000	7,842,074	0.25
TEMASEK FINANCIAL I LTD 4.2% 02AUG2050	5,750,000	4,663,648	0.15
		<u>488,808,972</u>	<u>15.49</u>

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PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
SOUTH KOREA (17.05%)			
KDICB REDEMPTION FD BD4.09%29SEP2015	10,000,000,000	9,021,292	0.29
KOREA (REP OF) 2% 10MAR2020	17,000,000,000	15,285,384	0.48
KOREA (REP OF) 3.5% 10MAR2024	11,000,000,000	10,796,650	0.34
KOREA (TREASURY) 2.75% 10JUN2017	2,000,000,000	1,830,939	0.06
KOREA MONETARY STAB 2.78% 02FEB2016	12,000,000,000	10,867,399	0.34
KOREA MONETARY STAB BD 2.9% 2DEC2015	6,000,000,000	5,417,024	0.17
KOREA NATIONAL OIL CORP 3.4% 15FEB2016	5,000,000	662,183	0.02
KOREA TREA BD 2.75% 10JUN2016	9,000,000,000	8,165,873	0.26
KOREA TREASURY 3.75% 10DEC2033	28,200,000,000	29,320,862	0.93
KOREA TREASURY BD 3% 10DEC2016	20,000,000,000	18,299,325	0.58
KOREA TREASURY BD 5% 10SEP2016	14,000,000,000	13,237,540	0.42
KOREA TREASURY BOND 2.75% 10DEC2015	10,000,000,000	9,012,237	0.29
KOREA TREASURY BOND 2.75% 10MAR2018	7,000,000,000	6,484,473	0.20
KOREA TREASURY BOND 2.75% 10SEP2017	12,000,000,000	11,078,375	0.35
KOREA TREASURY BOND 2.75% 10SEP2019	24,000,000,000	22,326,668	0.71
KOREA TREASURY BOND 3% 10DEC2042	25,000,000,000	23,545,566	0.75
KOREA TREASURY BOND 3% 10MAR2023	19,000,000,000	17,957,413	0.57
KOREA TREASURY BOND 3% 10SEP2024	14,000,000,000	13,238,711	0.42
KOREA TREASURY BOND 3.25% 10SEP2018	16,000,000,000	15,097,831	0.48
KOREA TREASURY BOND 3.375% 10SEP2023	20,000,000,000	19,410,971	0.61
KOREA TREASURY BOND 3.5% 10MAR2017	26,000,000,000	24,253,659	0.77
KOREA TREASURY BOND 3.5% 10SEP2016	16,000,000,000	14,809,818	0.47

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
Listed investments <i>(Continued)</i>			
SOUTH KOREA (17.05%) <i>(Continued)</i>			
KOREA TREASURY BOND 3.75% 10JUN2022	19,000,000,000	18,663,742	0.59
KOREA TREASURY BOND 4% 10DEC2031	23,000,000,000	24,364,096	0.77
KOREA TREASURY BOND 4.25% 10JUN2021	27,000,000,000	27,009,020	0.86
KOREA TREASURY BOND 5% 10JUN2020	23,000,000,000	23,455,552	0.74
KOREA TREASURY BOND 5.25% 10MAR2027	11,000,000,000	12,701,898	0.40
KOREA TREASURY BOND 5.5% 10DEC2029	16,000,000,000	19,351,579	0.61
KOREA TREASURY BOND 5.5% 10MAR2028	9,000,000,000	10,744,712	0.34
KOREA TREASURY BOND 5.5% 10SEP2017	17,000,000,000	16,720,068	0.53
KOREA TREASURY BOND 5.75% 10MAR2026	12,000,000,000	14,187,591	0.45
KOREA TRSY BOND 4% 10MAR2016	9,000,000,000	8,298,202	0.26
KOREA TRSY BOND 4.75% 10DEC2030	12,000,000,000	13,654,057	0.43
KOREA TRSY BOND 5.75% 10SEP2018	38,000,000,000	38,740,618	1.23
KOREA WESTERN PWR 3.46% 12SEP2018	10,000,000,000	9,382,760	0.30
KOREA(REPUBLIC OF) 2% 10DEC2017	1,000,000,000	902,382	0.03
		<u>538,296,470</u>	<u>17.05</u>

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PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
THAILAND (8.79%)			
BANK OF THAILAND 2.8% 20JAN2017	68,000,000	2,078,914	0.07
BANK OF THAILAND 2.95% 14JAN2016	170,000,000	5,139,876	0.16
BANK OF THAILAND 3.3% 16JUL2015	168,000,000	5,083,497	0.16
BANK OF THAILAND BD 2.45% 24FEB2016	110,000,000	3,304,167	0.10
BANK OF THAILAND BOND 2.2% 26JAN2018	60,000,000	1,819,358	0.06
BK OF THAI BD 2.85% 19AUG2015 2YR	100,000,000	2,995,505	0.10
PTT PCL 5.79% 12OCT2016	82,000,000	2,573,020	0.08
THAILAND (GOVT OF) 2.8% 10OCT2017	260,000,000	7,948,539	0.25
THAILAND (GOVT OF) 3.125% 11DEC2015	545,000,000	16,281,706	0.52
THAILAND (GOVT OF) 3.25% 16JUN2017	421,000,000	12,890,515	0.41
THAILAND (GOVT OF) 3.45% 8MAR2019	330,000,000	10,365,557	0.33
THAILAND (GOVT OF) 3.58% 17DEC2027	288,000,000	8,828,210	0.28
THAILAND (GOVT OF) 3.625% 16JUN2023	582,000,000	18,179,256	0.58
THAILAND (GOVT OF) 3.65% 17DEC2021	780,500,000	24,493,155	0.78
THAILAND (GOVT OF) 3.65% 20JUN2031	158,000,000	4,699,809	0.15
THAILAND (GOVT OF) 3.775% 25JUN2032	173,000,000	5,188,875	0.16
THAILAND (GOVT OF) 3.85% 12DEC2025	150,000,000	4,797,712	0.15
THAILAND (GOVT OF) 3.875% 13JUN2019	706,500,000	22,325,552	0.71
THAILAND (GOVT OF) 3.875% 07MAR2018	85,000,000	2,687,762	0.09
THAILAND (GOVT OF) 4.5% 9APR2024	89,000,000	2,982,317	0.09
THAILAND (GOVT OF) 4.675% 29JUN2044	303,000,000	10,253,427	0.32
THAILAND (GOVT OF) 4.75% 20DEC2024	160,000,000	5,436,605	0.17
THAILAND (GOVT OF) 4.85% 17JUN2061	281,000,000	9,508,952	0.30
THAILAND (GOVT OF) 4.875% 22JUN2029	535,000,000	18,453,368	0.58
THAILAND (GOVT OF) 5.125% 08NOV2022	51,000,000	1,754,647	0.06
THAILAND (GOVT OF) 5.375% 03DEC2019	129,000,000	4,342,328	0.14
THAILAND (GOVT OF) 5.5% 13AUG2019	95,000,000	3,241,908	0.10
THAILAND (GOVT OF) 5.5% 13MAR2023	150,000,000	5,327,921	0.17
THAILAND (GOVT OF) 5.5% 18JAN2017	98,000,000	3,150,598	0.10
THAILAND (GOVT OF) 5.67% 13MAR2028	164,000,000	6,143,146	0.19
THAILAND (GOVT OF) 6.15% 07JUL2026	220,000,000	8,585,742	0.27
THAILAND GOVT BOND 5% 26MAY2017	110,000,000	3,537,707	0.11
THAILAND GOVT BOND 5.125% 13MAR2018	295,500,000	9,659,778	0.31

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments <i>(Continued)</i>	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
THAILAND (8.79%) <i>(Continued)</i>			
THAILAND GOVT BOND 5.625% 12JAN2019	296,000,000	10,075,758	0.32
THAILAND GOVT BOND 5.85% 31MAR2021 06-5	288,000,000	10,160,705	0.32
THAILAND(GOVT OF) 3.8% 14JUN2041	109,000,000	3,212,562	0.10
		<u>277,508,454</u>	<u>0.89</u>
Unlisted investments			
HONGKONG (0.80%)			
CHINA DEVELOPMENT BANK HK 3.2% 30MAR2017	50,000,000	6,608,316	0.21
MTR CORP (C.I.) 4.28% 6JUL2020 EMTN	35,000,000	5,051,385	0.16
MTR CORP (C.I.) 4.75% 11MAY2020	22,000,000	3,218,217	0.10
MTR CORP (C.I.) 4.9% 25JUN2018	3,000,000	426,564	0.02
MTR CORP (C.I.) LTD 2.15% 8DEC2016	10,000,000	1,313,694	0.04
URBAN RENEWAL AUTHORITY 1.5% 13JUL2017	20,000,000	2,611,588	0.08
URBAN RENEWAL AUTHORITY 1.65% 17JAN2020	45,000,000	5,767,863	0.18
URBAN RENEWAL AUTHORITY 1.75% 02AUG2019	1,000,000	129,246	0.01
		<u>25,126,873</u>	<u>0.80</u>
MALAYSIA (11.42%)			
MALAY GOV BD (GOVT OF) 3.172% 15JUL2016	10,000,000	2,686,486	0.09
MALAYSIA (GOVT OF) 3.418% 15AUG2022	56,000,000	14,511,012	0.46
MALAYSIA (GOVT OF) 3.58% 28SEP2018	44,000,000	11,783,128	0.37
MALAYSIA (GOVT OF) 3.659% 15OCT2020	13,000,000	3,472,101	0.11
MALAYSIA (GOVT OF) 3.716% 23MAR2021	8,200,000	2,166,161	0.07
MALAYSIA (GOVT OF) 3.892% 15MAR2027	39,000,000	10,166,933	0.32
MALAYSIA (GOVT OF) 4.498% 15APR2030	26,000,000	7,180,557	0.23
MALAYSIA (GOVT OF) 4.709% 15SEP2026	1,000,000	281,354	0.01
MALAYSIA (GOVT OF) 5.734% 30JUL2019	34,000,000	9,917,901	0.31
MALAYSIA GOVT 3.814% 15FEB2017	27,500,000	7,456,145	0.24
MALAYSIA INVESTMNT ISSUE 3.309%30AUG2017	20,000,000	5,338,920	0.17
MALAYSIA INVESTMNT ISSUE 3.576%15MAY2020	1,000,000	264,023	0.01
MALAYSIA INVESTMNT ISSUE 3.699%15NOV2022	2,000,000	518,051	0.02
MALAYSIA INVESTMNT ISSUE 3.704%30SEP2019	2,000,000	533,319	0.02

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PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
Unlisted investments <i>(Continued)</i>			
MALAYSIA (11.42%) <i>(Continued)</i>			
MALAYSIA INVESTMNT ISSUE 3.82% 15NOV2016	15,000,000	4,011,311	0.13
MALAYSIA INVESTMNT ISSUE 3.871% 08AUG2028	10,000,000	2,578,537	0.08
MALAYSIA INVESTMNT ISSUE 3.899% 15JUN2027	10,000,000	2,572,702	0.08
MALAYSIA INVESTMNT ISSUE 3.941% 15JUN2017	2,000,000	535,404	0.02
MALAYSIA INVESTMNT ISSUE 4.17% 30APR2021	19,000,000	5,116,231	0.16
MALAYSIA INVESTMNT ISSUE 4.284% 15JUN2020	14,000,000	3,785,581	0.12
MALAYSIA INVESTMNT ISSUE 4.295% 31OCT2018	20,000,000	5,440,453	0.17
MALAYSIA INVESTMNT ISSUE 4.444% 22MAY2024	8,500,000	2,306,967	0.07
MALAYSIA INVESTMNT ISSUE 4.492% 30APR2020	7,420,000	2,037,601	0.06
MALAYSIAN (GOVT OF) 3.314% 31OCT2017	38,000,000	10,129,488	0.32
MALAYSIAN (GOVT OF) 3.48% 15MAR2023	43,500,000	11,222,748	0.36
MALAYSIAN (GOVT OF) 3.492% 31MAR2020	81,000,000	21,424,852	0.68
MALAYSIAN (GOVT OF) 3.502% 31MAY2027	16,300,000	4,052,252	0.13
MALAYSIAN (GOVT OF) 3.795% 30SEP2022	40,300,000	10,651,339	0.34
MALAYSIAN (GOVT OF) 3.955% 15SEP2025	29,000,000	7,716,898	0.24
MALAYSIAN (GOVT OF) 4.048% 30SEP2021	32,000,000	8,626,974	0.27
MALAYSIAN (GOVT OF) 4.127% 15APR2032	15,000,000	3,906,395	0.12
MALAYSIAN (GOVT OF) 4.16% 15JUL2021	100,000,000	27,393,554	0.87
MALAYSIAN (GOVT OF) 4.181% 15JUL2024	54,000,000	14,711,813	0.47
MALAYSIAN (GOVT OF) 4.232% 30JUN2031	15,000,000	3,934,523	0.12
MALAYSIAN (GOVT OF) 4.392% 15APR2026	29,000,000	7,925,414	0.25
MALAYSIAN GOVERNMENT 3.26% 01MAR2018	42,000,000	11,183,910	0.35
MALAYSIAN GOVERNMENT 3.733% 15JUN2028	6,500,000	1,637,127	0.05
MALAYSIAN GOVERNMENT 3.844% 15APR2033	39,000,000	9,746,825	0.31
MALAYSIAN GOVERNMENT 3.889% 31JUL2020	28,500,000	7,718,788	0.24
MALAYSIAN GOVERNMENT 4.24% 07FEB2018	6,000,000	1,645,049	0.05
MALAYSIAN GOVERNMENT 4.837% 15JUL2025	17,670,000	5,066,837	0.16
MALAYSIAN GOVERNMENT 4.935% 30SEP2043	16,000,000	4,424,819	0.14
MALAYSIAN GOVERNMENT 5.248% 15SEP2028	19,000,000	5,605,172	0.18
MALAYSIAN GOVT 4.012% 15SEP2017	69,000,000	18,755,857	0.59
MALAYSIAN GOVT 4.262% 15SEP2016	71,800,000	19,484,575	0.62
MALAYSIAN GOVT 4.378% 29NOV2019	108,000,000	29,535,207	0.94
SYARIKAT PRASARANA NEGAR 3.77% 06SEP2022	5,000,000	1,303,218	0.04
SYARIKAT PRASARANA NEGAR 4.27% 30NOV2016	10,000,000	2,678,177	0.09
SYARIKAT PRASARANA NEGAR 4.4% 30MAY2018	10,000,000	2,697,861	0.09

INVESTMENT PORTFOLIO *(Continued)*

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PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
Unlisted investments <i>(Continued)</i>			
MALAYSIA (11.42%) <i>(Continued)</i>			
SYARIKAT PRASARANA NEGAR 4.85% 27SEP2024	5,000,000	1,385,799	0.04
SYARIKAT PRASARANA NEGAR 5.07% 28SEP2029	5,000,000	1,408,490	0.04
		<u>360,634,839</u>	<u>11.42</u>
		-----	-----
PHILIPPINES (5.41%)			
PHILIPPINE (GOVT OF) 4% 06DEC2022	80,000,000	1,820,405	0.06
PHILIPPINE(GOVT OF) 3.5% 20MAR2021	160,000,000	3,583,098	0.11
PHILIPPINE (GOVT OF) 3.875% 22NOV2019	468,000,000	10,610,584	0.34
PHILIPPINE(GOVT OF) 4.125% 20AUG2024	485,000,000	11,259,251	0.36
PHILIPPINE (GOVT OF) 4.625% 05JUL2017	30,000,000	699,593	0.02
PHILIPPINE (GOVT OF) 5.875% 31JAN2018	25,000,000	600,196	0.02
PHILIPPINE (GOVT OF) 7.875% 19FEB2019	369,000,000	9,476,266	0.30
PHILIPPINE (REP OF) 1.625% 25APR2016	150,000,000	3,315,863	0.11
PHILIPPINE (REP OF) 2.125% 23MAY2018	250,000,000	5,440,287	0.17
PHILIPPINES (REP OF) 3.625% 21MAR2033	245,000,000	5,164,562	0.16
PHILIPPINES (REP OF) 4.75% 13SEP2022	113,000,000	2,696,764	0.09
PHILIPPINES (REP OF) 4.875% 02AUG2022	90,000,000	2,171,113	0.07
PHILIPPINES (REP OF) 5% 18AUG2018 7-51	237,000,000	5,591,061	0.18
PHILIPPINES (REP OF) 5.75% 16AUG2037	50,000,000	1,266,352	0.04
PHILIPPINES (REP OF) 5.75% 24NOV2021	120,000,000	2,952,491	0.09
PHILIPPINES (REP OF) 5.875% 16DEC2020	45,000,000	1,097,229	0.04
PHILIPPINES (REP OF) 6.375% 19JAN2022	325,000,000	8,388,755	0.27
PHILIPPINES (REP OF) 6.5% 28APR2021	170,000,000	4,295,425	0.14
PHILIPPINES (REP OF) 7% 27JAN2016	219,702,725	5,119,923	0.16
PHILIPPINES (REP OF) 7% 31MAR2017	188,000,000	4,486,970	0.14
PHILIPPINES (REP OF) 7.75% 18FEB2020	50,000,000	1,309,224	0.04
PHILIPPINES (REP OF) 7.75% 23AUG2017	100,000,000	2,460,909	0.08
PHILIPPINES (REP OF) 8% 19JUL2031	846,174,950	26,523,228	0.84
PHILIPPINES (REP OF) 8% 30SEP2035	110,000,000	3,391,961	0.11
PHILIPPINES (REP OF) 8.125% 16DEC2035	756,902,627	23,235,683	0.74
PHILIPPINES (REP OF) 8.5% 29NOV2032	100,000,000	3,238,456	0.10
PHILIPPINES (REP OF) 8.625% 06SEP2027	54,000,000	1,689,928	0.05
PHILIPPINES (REP OF) 8.75% 27MAY2030	180,000,000	5,770,782	0.18
PHILIPPINES (REP OF) 9.125% 4SEP2016	18,467,977	446,335	0.01
PHILIPPINES (REP OF) 9.25% 05NOV2034	113,000,000	3,851,751	0.12

ABF Pan Asia Bond Index Fund
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INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

	Holdings at 30th June 2015	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
Unlisted investments <i>(Continued)</i>			
PHILIPPINES (5.41%) <i>(Continued)</i>			
PHILIPPINES (REP OF) 9.375% 05OCT2031	50,000,000	1,708,154	0.05
PHILIPPINES (REP OF) 9.5% 04DEC2028	66,000,000	2,177,576	0.07
PHILIPPINES (REP OF) 10.25% 19JAN2026	77,000,000	2,585,938	0.08
PHILIPPINES (REP OF) 18.25% 29NOV2025	50,000,000	2,272,342	0.07
		<u>170,698,455</u>	<u>5.41</u>
SOUTH KOREA (0.00%)			
KOREA NATIONAL OIL CORP 3.2% 22Dec2016	1,000,000	134,346	0.00
		<u>134,346</u>	<u>0.00</u>
THAILAND (0.17%)			
THAILAND (GOVT OF) 3.22% 01MAR2016	177,000,000	5,354,110	0.17
		<u>5,354,110</u>	<u>0.17</u>
Total quoted investments		<u>3,151,668,101</u>	<u>99.84</u>
Total investments		<u>3,151,668,101</u>	<u>99.84</u>
Total investments, at cost		<u>3,209,856,349</u>	

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
DISTRIBUTION OF INVESTMENTS (Markit iBoxx)		
(a) By credit rating		
AAA	891,769,061	28.25
AA	634,317,691	20.10
A	880,570,818	27.90
BBB	427,785,592	13.55
BB	211,968,335	6.71
Non-rated	105,256,604	3.33
	<u>3,151,668,101</u>	<u>99.84</u>
PORTFOLIO OF INVESTMENTS		
(b) By asset class		
Bonds	3,145,059,785	99.63
Money Market Instruments	6,608,316	0.21
	<u>3,151,668,101</u>	<u>99.84</u>
PORTFOLIO OF INVESTMENTS		
(c) By industry		
Consumer, Non-cyclic	2,258,563	0.07
Energy	3,369,549	0.11
Financial	98,086,759	3.11
Government	3,015,750,091	95.53
Industrial	19,483,405	0.62
Utilities	12,719,734	0.40
	<u>3,151,668,101</u>	<u>99.84</u>

ABF Pan Asia Bond Index Fund
Annual Report 2015

INVESTMENT PORTFOLIO *(Continued)*
As at 30th June 2015 (Unaudited)

Top Ten Holdings

	Fair value at 30th June 2015 US\$	Percentage of total net assets at 30th June 2015 (%)
SINGAPORE (GOVT OF) 2.375% 1APR2017	54,159,700	1.72
SINGAPORE (GOVT OF) 3% 01SEP2024	49,502,911	1.57
HONG KONG (GOVT OF) 2.93% 13JAN2020	44,962,186	1.42
KOREA TRSY BOND 5.75% 10SEP2018 1809	38,740,618	1.23
HONG KONG (GOVT OF) 1.43% 2DEC2015	38,056,122	1.21
CHINA (GOVT OF) 4.07% 17OCT2020	37,387,261	1.18
SINGAPORE (GOVT OF) 2.5% 1JUN2019	35,202,137	1.11
SINGAPORE GOVERNMENT 3.25% 1SEP2020	33,972,307	1.08
SINGAPORE (GOVT OF) 2.25% 1JUN2021	33,394,592	1.06
SINGAPORE (GOVT OF) 3.5% 1MAR2027	30,703,313	0.97
	<hr/> <u>396,081,147</u>	<hr/> <u>12.55</u>

INVESTMENT PORTFOLIO *(Continued)*
As at 30th June 2014 (Unaudited)

Top Ten Holdings

	Fair value at 30th June 2014 US\$	Percentage of total net assets at 30th June 2014 (%)
HONG KONG (GOVT OF) 1.43% 2DEC2015	55,434,079	1.82
SINGAPORE, GOVERNMENT OF 3.75% 1SEP2016	42,637,663	1.40
KOREA TREASURY BOND 5.75% 10SEP2018 1809	41,382,528	1.36
SINGAPORE (GOVT OF) 2.5% 1JUN2019	39,025,093	1.28
CHINA (GOVT OF) 4.07% 17OCT2020 1320	36,709,615	1.20
HONG KONG GOVT 10GB2001 2.93% 13JAN2020	34,086,611	1.12
SINGAPORE, GOVERNMENT OF 4% 1SEP2018	34,075,250	1.12
SINGAPORE (GOVT OF) 3.5% 1MAR2027	33,431,823	1.10
KOREA (TREASURY) 3.5% 10MAR2017 1703	32,610,493	1.07
SINGAPORE GOVERNMENT 3.25% 1SEP2020	31,094,628	1.02
	<u>380,487,783</u>	<u>12.49</u>

ABF Pan Asia Bond Index Fund
Annual Report 2015

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

For the year ended 30th June 2015 (Unaudited)

	Percentage of total net assets as at 30th June 2015 (%)	Percentage of total net assets as at 30th June 2014 (%)
Quoted Investments		
Debt securities		
China	19.92	20.18
Hong Kong	14.88	15.34
Indonesia	6.71	6.58
Malaysia	11.42	11.35
Philippines	5.41	5.05
Singapore	15.49	15.25
South Korea	17.05	16.69
Thailand	8.96	8.87
Total quoted investments	99.84	99.31

PERFORMANCE RECORD (Unaudited)

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 2013	3,472,656,056	125.11
30th June 2014	3,048,386,166	124.35
30th June 2015	3,156,641,424	118.79

HIGHEST OFFER AND LOWEST BID PRICES

	Highest offer US\$	Lowest bid US\$
Financial period ended		
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
30th June 2010	118.15	109.68
30th June 2011	126.05	117.05
30th June 2012	128.45	120.85
30th June 2013	131.90	122.80
30th June 2014	125.76	118.11
30th June 2015	125.22	118.00

Performance as of 30th June 2015

PERFORMANCE SUMMARY

Periods Ended	3 Months	6 Months	1 Year	3 Years	5 Years	Annualised since inception ^(a)
30th June 2015						
ABF Pan Asia Bond Index Fund ^(b)	-0.81%	-0.73%	-1.34%	0.98%	3.45%	5.08%
Markit iBoxx ABF Pan-Asia Index	-0.64%	-0.43%	-0.76%	1.52%	3.99%	5.74%

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.

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Mr. Lochiel Cameron Crafter
Mr. James Keith MacNevin
Mr. Hon Wing Cheung
Mr. Kheng Siang Ng
(Alternate director to Mr. Hon Wing Cheung)
Ms. Susana Yeong
Mr. Matthew Montagu George
(Alternate director to Ms. Susana Yeong)
Ms. Ting Li
(Resigned on 26th May 2015)
Ms. Gigi Lau Che Man
(Resigned on 12th May 2015
as alternate director to Ms. Ting Li)
Ms. Yuen Oi Ying Phoebe
(Appointed on 22 May 2015
as alternate director to Ms. Ting Li,
resigned on 26 May 2015
as alternate director to Ms. Ting Li)

Members of the Supervisory Committee

Dr. Philip Lowe
Mr. Kazuo Momma
Mrs. Pongpen Ruengvirayudh
Mr. Eddie Yue
Mr. Huang Guobo
Mr. Grant Spencer
Mrs. Ma. Ramona G. D. T. Santiago
Mr. Hendar
Dr. Sukhdave Singh
Ms. Jacqueline Loh
Dr. Young Kyung Suh

Trustee

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Singapore 049320

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Central
Hong Kong

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Hong Kong

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