

# **ABF Pan Asia Bond Index Fund**

## **Annual Report 2017**

1st July 2016 to 30th June 2017

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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 (the "Underlying 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 of the Underlying Index were reviewed in October 2016 and new weights were effective from 31st October 2016 and were implemented in six equal monthly steps from this date. The previous and current market weights of the Underlying Index are:

Market	Current Weights* (%)	Previous Weights (%)
China	23.17	22.11
Hong Kong	8.73	11.67
Indonesia	7.73	7.27
Malaysia	11.21	11.02
Philippines	6.09	5.76
Singapore	16.09	15.64
South Korea	17.23	17.09
Thailand	9.75	9.45

\* Source: Markit, SSgA (as of 30th June 2017).

As part of the 2016 Asian Annual Index Review, IHS Markit has calculated the 2016 weights of the eight markets included in the iBoxx ABF indices. The current weights shown above are as of 30 June 2017. Please visit [www.markit.com](http://www.markit.com) for the weights for each month of the 6-monthly implementation from 31st October 2016 to 31st March 2017.

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

### PERFORMANCE SUMMARY

Periods Ended						Annualised since Inception <sup>(a)</sup>
30th June 2017	3 months	6 months	1 Year	3 Years	5 Years	
ABF Pan Asia Bond Index Fund (PAIF) <sup>(b)</sup>	1.48%	5.21%	-1.49%	0.17%	0.96%	4.38%
Markit iBoxx ABF Pan-Asia Index	1.59%	5.46%	-0.97%	0.70%	1.49%	5.01%

*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. Performance returns for periods of less than one year are not annualised.

### PORTFOLIO AND MARKET REVIEW

Since inception, the annualised total return of PAIF, including dividends, was 4.38% compared to an index return of 5.01%. This is a difference of 0.63% and is principally attributable to an amount of 0.54% due to the estimated impact of certain relevant factors that are unavoidable in the performance of an indexed fund relative to its benchmark (the relevant factors are the permitted fees and expenses under the Trust Deed, and withholding taxes); the balance of 0.09% is attributable to tracking difference resulting from 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 5.01% since inception. This performance was generated from resilient bond markets (contributing 3.62% to returns) as well as from Asian currencies' movement (contributing 1.39%).

### 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.

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

### **FUND GROWTH**

PAIF's total net asset value has grown to US\$3,904 million, representing a 5.8% growth during the past year. In terms of units outstanding, these increased by 10.1% for the 12-month period with 34,018,734 units outstanding at the year-end. During the year ended 30th June 2017, fund subscriptions (including dividend reinvestments) net of redemptions totaled 3,111,680 units.

### **EXPOSURE TO FINANCIAL DERIVATIVES**

PAIF had no exposure to derivatives in the years ended 30th June 2017 and 30th June 2016.

### **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 2017, 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 2017, 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, HSBC Institutional Trust Services (Singapore) Limited, is required to:

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

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

In the opinion of the Manager of the Fund, the accompanying financial statements set out on pages 11 to 42, 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 2017, and its financial transactions 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**

28th September 2017

## **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 be 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 2017.

For and on behalf of the Trustee

**HSBC Institutional Trust Services (Singapore) Limited**  
28th September 2017

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

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **OUR OPINION**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ABF Pan Asia Bond Index Fund (the "Fund") as at 30th June 2017, and of its financial performance, changes in net assets attributable to holders of redeemable units and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### **WHAT WE HAVE AUDITED**

The financial statements of the Fund comprise:

- the Statement of Net Assets as at 30th June 2017;
- the Statement of Comprehensive Income for the financial year ended 30th June 2017;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the financial year ended 30th June 2017;
- the Statement of Cash Flows for the financial year ended 30th June 2017; and
- the notes to the financial statements, including a summary of significant accounting policies.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

### **INDEPENDENCE**

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### **OUR AUDIT APPROACH**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



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

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to existence and valuation of investments.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Existence and valuation of investments</p> <p>The Fund's investments as at 30th June 2017 comprised of quoted debt securities valued at US\$3,907,610,455.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Fund's net asset value.</p> <p>Refer to note 10 to the financial statements.</p>	<p>We tested the existence of investments by obtaining a direct confirmation from the Fund's custodian and agreeing the Fund's holdings of investments to the confirmation. Based on the procedures we performed, we found the Fund's holdings of investments to be in agreement with the confirmation received.</p> <p>We agreed the valuation of the Fund's investments by comparing the pricing used by the Fund to external pricing sources as at 30th June 2017. The results of our testing were consistent with the pricing used by the management.</p>

**OTHER INFORMATION**

The Manager and the Trustee (the "Management") of the Fund are responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

### **RESPONSIBILITIES OF THE MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

In preparing the financial statements, the Management of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Management's responsibilities include overseeing the Fund's financial reporting process.

In addition, the Management of the Fund is required to ensure 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 ("Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS** *(Continued)*

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

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

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

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS** *(Continued)*

We also provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **REPORT ON MATTERS UNDER THE RELEVANT DISCLOSURE PROVISIONS OF THE TRUST DEED AND THE RELEVANT DISCLOSURE PROVISIONS OF APPENDIX E OF THE SFC CODE**

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 relevant disclosure provisions of Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Yeo Hian Chong.

**PricewaterhouseCoopers LLP**

*Public Accountants and Chartered Accountants*

Singapore, 28th September 2017

**ABF Pan Asia Bond Index Fund**  
Annual Report 2017

**STATEMENT OF NET ASSETS**

As at 30th June 2017

	Notes	30th June 2017 US\$	30th June 2016 US\$
<b>Assets</b>			
<b>Current assets</b>			
Investments	10(b)&(c)	3,907,610,455	3,683,751,240
Amounts due from brokers		24,119,685	49,794,066
Interest receivable	8(e)	1	–
Cash at banks	8(e)	14,930,650	12,710,609
<b>Total assets</b>		<u>3,946,660,791</u>	<u>3,746,255,915</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Amounts payable on redemption of units		2,295,278	–
Amounts due to brokers		33,279,804	52,662,241
Audit fee payable		74,518	25,806
Trustee fee payable	8(d)	161,327	140,692
Management fee payable	8(c)	1,422,383	880,125
Index license fee payable	9(a)	121,216	34,195
Other payables		5,311,738	4,175,759
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>		<u>42,666,264</u>	<u>57,918,818</u>
<b>Net assets attributable to holders of redeemable units</b>	3	<u>3,903,994,527</u>	<u>3,688,337,097</u>

HSBC Institutional Trust  
Services (Singapore) Limited

State Street Global Advisors  
Singapore Limited

The notes on pages 15 to 42 form part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2017

		For the year ended 30th June 2017 US\$	For the year ended 30th June 2016 US\$
<b>Income</b>			
Interest income on bank deposits	8(e)	22,462	28,934
Net (loss)/gain on investments	6	(54,115,046)	115,762,002
Net foreign exchange loss		(1,296,620)	(2,007,233)
Other income	5	692,920	1,273,433
		<u>                    </u>	<u>                    </u>
<b>Total investment (loss)/income</b>		(54,696,284)	115,057,136
		<u>-----</u>	<u>-----</u>
<b>Expenses</b>			
Management fee	8(c)	4,404,858	3,483,077
Trustee fee	8(d)	1,959,440	1,522,281
Index license fee	9(a)	349,999	349,023
Publication and printing expenses		38,903	41,549
Audit fee		114,746	47,466
Processing agent fee	9(b)	15,199	21,402
Safe custody and bank charges	8(e)	63,982	53,535
Legal and professional fees		311,730	475,657
Annual insurance premium		26,750	31,000
Other operating expenses		15,401	8,769
		<u>                    </u>	<u>                    </u>
<b>Total operating expenses</b>		7,301,008	6,033,759
		<u>-----</u>	<u>-----</u>
<b>Operating (loss)/profit</b>		(61,997,292)	109,023,377
		<u>-----</u>	<u>-----</u>
<b>Finance costs</b>			
Distributions to holders of redeemable units	12	(91,855,546)	(87,818,362)
		<u>                    </u>	<u>                    </u>
<b>(Loss)/profit after distributions and before tax</b>		(153,852,838)	21,205,015
Withholding taxes	7	(8,067,845)	(7,143,760)
		<u>                    </u>	<u>                    </u>
<b>(Loss)/profit after distributions and tax/ (decrease)/increase in net assets attributable to holders of redeemable units from operations</b>		<u>                    </u> <u>                    </u>	<u>                    </u> <u>                    </u>

The notes on pages 15 to 42 form part of these financial statements.

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

*For the year ended 30th June 2017*

	For the year ended 30th June 2017 <i>US\$</i>	For the year ended 30th June 2016 <i>US\$</i>
Balance at beginning of the year	3,688,337,097	3,156,641,424
Issue of units	535,521,493	812,583,869
Redemption of units	(157,943,380)	(294,949,451)
Net issue of units	377,578,113	517,634,418
(Decrease)/increase in net assets attributable to holders of redeemable units from operations	(161,920,683)	14,061,255
Balance at the end of the year	<u>3,903,994,527</u>	<u>3,688,337,097</u>

*The notes on pages 15 to 42 form part of these financial statements.*

## STATEMENT OF CASH FLOWS

*For the year ended 30th June 2017*

	For the year ended 30th June 2017 US\$	For the year ended 30th June 2016 US\$
<b>Cash flows from operating activities</b>		
(Decrease)/increase in net assets attributable to holders of redeemable units from operations	(161,920,683)	14,061,255
Adjustment for:		
Interest income on bank deposits	(22,462)	(28,934)
Distributions to holders of redeemable units	91,855,546	87,818,362
Withholding taxes	8,067,845	7,143,760
	(62,019,754)	108,994,443
<b>Operating (loss)/profit before working capital changes</b>	(62,019,754)	108,994,443
Net increase in investments	(223,859,215)	(532,083,139)
Net decrease/(increase) in amounts due from brokers	25,674,381	(34,697,476)
Net increase in interest receivable	(1)	-
Net (decrease)/increase in amounts due to brokers	(19,382,437)	26,491,590
Net increase in accounts payable and accrued expenses	719,787	(1,531,527)
	(278,867,239)	(432,826,109)
<b>Cash used in operations</b>	(278,867,239)	(432,826,109)
Interest income on bank deposits received	22,461	28,934
Withholding taxes paid	(6,953,026)	(5,426,349)
	(285,797,804)	(438,223,524)
<b>Net cash used in operating activities</b>	(285,797,804)	(438,223,524)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units	(91,855,546)	(87,818,362)
Issue of units	535,521,493	812,583,869
Redemption of units	(155,648,102)	(294,949,451)
	288,017,845	429,816,056
<b>Net cash generated from financing activities</b>	288,017,845	429,816,056
Net increase/(decrease) in cash and cash equivalents	2,220,041	(8,407,468)
Cash and cash equivalents at the beginning of the year	12,710,609	21,118,077
	14,930,650	12,710,609
<b>Cash and cash equivalents at the end of the year</b>	14,930,650	12,710,609
Analysis of balance of cash and cash equivalents:		
Cash at banks	14,930,650	12,710,609

*The notes on pages 15 to 42 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 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*

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 2016 that 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 amendment is not expected to have any significant impact on the Fund's financial position or performance.

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 a 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) 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 may potentially be liable to pay PRC withholding income tax on the PRC sourced capital gains, unless reduced or exempted under relevant tax treaty. Withholding taxes are disclosed separately in the statement of comprehensive income.

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

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

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand and demand deposits with original maturities of three months or less.

**(g) 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.

**(h) 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.

**(i) 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

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

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

#### **(j) 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.

#### **(k) 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.

#### **(l) 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.

### **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

	2017 <i>units</i>	2016 <i>units</i>
Units in issue at the beginning of the year	30,907,054	26,573,264
Issue of units	4,511,680	6,921,210
Redemption of units	<u>(1,400,000)</u>	<u>(2,587,420)</u>
Units in issue at the end of the year	<u><u>34,018,734</u></u>	<u><u>30,907,054</u></u>

	2017 <i>US\$</i>	2016 <i>US\$</i>
Net assets attributable to holders of redeemable units	<u><u>3,903,994,527</u></u>	<u><u>3,688,337,097</u></u>
Net assets attributable to holders of redeemable units (per unit)	<u><u>114.76</u></u>	<u><u>119.34</u></u>
Net asset value per Creation unit (1 Creation unit is equivalent to 10,000 units)	<u><u>1,147,601</u></u>	<u><u>1,193,364</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 as of 30th June 2017. 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 0.23% for creation of units and 0.125% for redemption of units dilution charges from authorised participants.

**6. NET (LOSS)/GAIN ON INVESTMENTS**

	2017	2016
	US\$	US\$
Change in unrealised gain/loss in value of investments	(155,979,421)	79,741,365
Realised gain on sale of investments	101,864,375	36,020,637
	(54,115,046)	115,762,002



## **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 (12A) 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. Based on the current verbal interpretation of the PRC State Administration of Taxation and the local PRC tax authorities, the authorities are with the view that capital gains derived by foreign investors from investment in PRC debt securities should not be treated as PRC sourced income and thus should not be subject to PRC withholding income tax. However, there are no written tax regulations issued by the PRC tax authorities to confirm that interpretation. As a matter of practice, such 10% PRC withholding income tax on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been strictly enforced by the PRC tax authorities. 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. However, there is a possibility that the PRC tax authorities may change their current interpretation or issue specific regulation to clarify the tax treatment on bond trading gains. 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 2017, the Fund made provision of US\$3,065,400 for withholding tax on interest income from PRC non-government securities (2016: US\$2,472,594). 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. To the best of the Manager's knowledge, the Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

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

During the year ended 30th June 2017, the Manager transacted in foreign currency transactions totaling US\$1,444,903,466 (2016: US\$1,758,674,562) through its affiliated party, State Street Global Markets, LLC, State Street Global Markets, Australia and the Trustee's affiliated parties, HSBC Hong Kong and HSBC Australia for the Fund's investments and settlement purpose. The amount represents 100% (2016: 100%) of the Fund's foreign currency transactions during the year ended 30th June 2017.

Name of company	Aggregate value of foreign currency transactions US\$	% of total foreign currency transactions %
2017		
HSBC Australia	915,091,237	63.33
HSBC Hong Kong	291,942,230	20.21
State Street Global Markets, LLC	237,870,000	16.46
2016		
HSBC Australia	1,121,283,199	63.76
HSBC Hong Kong	361,111,363	20.53
State Street Global Markets, LLC	276,280,000	15.71

During the years ended 30th June 2017 and 2016, the Connected Persons of the Manager and the Trustee as listed above, which were carried out in the ordinary course of business and on normal commercial terms. There were no direct commissions paid to Connected Persons of the Manager or the Trustee during the years ended 30th June 2017 and 2016.

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

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

##### (b) Holdings of units

As at 30th June 2017, the directors and officers of the Manager did not hold any units in the Fund (2016: Nil). The HSBC Institutional Trust Services (Singapore) Limited, a related party of the Trustee, held 27,146,358 units (2016: 23,782,057 units) of the Fund as nominee on behalf of its clients, representing 79.75% (2016: 76.95%) of the Fund's net assets.

##### (c) Management fee

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

For first US\$1 billion	0.13%
For next US\$250 million	0.12%
For next US\$250 million	0.11%
Thereafter	0.10%

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

##### (d) Trustee fee

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

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

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

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

(e) Bank balances

The bank balance of the Fund is held with a related party of the Trustee, (i.e. The Hongkong Shanghai Banking Corporation Limited). The details of such transactions are as follows:

	As at 30th June 2017 US\$	As at 30th June 2016 US\$
Bank balances	14,930,650	12,710,609
Interest receivable	<u>1</u>	<u>–</u>

During the year ended 30th June 2017 and 2016, the below income and expenses related to the bank balance of the Fund stated in Statement of Comprehensive Income was earned/paid from/to a related party of the Trustee, (i.e. The Hongkong Shanghai Banking Corporation Limited).

	For the year ended 30th June 2017 US\$	For the year ended 30th June 2016 US\$
Interest income	22,462	28,934
Interest paid	39,124	29,823
Bank charges	<u>109</u>	<u>36</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 (2016: 0.0175% per annum) on the average daily net asset value of the Fund, subject to a minimum of US\$184,000 per annum (2016: 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:

	2017			2016		
	Fair value US\$	Cost US\$	% of net assets	Fair value US\$	Cost US\$	% of net assets
Investments						
– Debt securities	3,907,610,455	4,042,036,760	100.09	3,683,751,240	3,662,198,123	99.88
	<u>3,907,610,455</u>	<u>4,042,036,760</u>	<u>100.09</u>	<u>3,683,751,240</u>	<u>3,662,198,123</u>	<u>99.88</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.

	2017 <i>US\$ equivalent</i>	2016 <i>US\$ equivalent</i>
Markets exposed to		
China	904,380,723	775,383,132
Hong Kong	340,746,083	537,568,507
Indonesia	305,094,977	250,113,130
Malaysia	437,920,981	401,198,637
Philippines	235,711,011	194,525,471
Singapore	631,025,101	558,716,835
South Korea	670,696,395	629,785,241
Thailand	382,035,184	336,460,287
	<u>3,907,610,455</u>	<u>3,683,751,240</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 2017 or 30th June 2016, as follows:

	2017 %	2016 %
Hong Kong Government	8.30	13.89
China Government	18.26	19.70
Korea Treasury	16.81	16.82
Singapore Government	14.48	14.15

During the year ended 30th June 2017, the Underlying Index declined by 0.97% (1 year return as of 30th June 2016: increased by 3.92%), while the returns of the Fund including dividends declined by 1.49% (1 year return as of 30th June 2016: increased by 3.41%).

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.

	2017		2016	
	Change in market index % +/-	Impact US\$ +/-	Change in market index % +/-	Impact US\$ +/-
Markit iBoxx ABF Pan-Asia Index in US\$	6.00	234,456,627	6.00	221,025,074

Assumption: The change is based on the annualised standard deviation 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 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 2017

	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>
<b>Assets</b>					
Investments	176,332,593	1,507,049,911	2,224,227,951	–	3,907,610,455
Cash at banks	14,930,650	–	–	–	14,930,650
Amounts due from brokers	–	–	–	24,119,685	24,119,685
Other assets	–	–	–	1	1
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>191,263,243</u>	<u>1,507,049,911</u>	<u>2,224,227,951</u>	<u>24,119,686</u>	<u>3,946,660,791</u>
<b>Liabilities</b>					
Amounts due to brokers	–	–	–	(33,279,804)	(33,279,804)
Other liabilities	–	–	–	(9,386,460)	(9,386,460)
Net assets attributable to holders of redeemable units	–	–	–	(3,903,994,527)	(3,903,994,527)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(3,946,660,791)</u>	<u>(3,946,660,791)</u>
<b>Total interest sensitivity gap</b>	<u>191,263,243</u>	<u>1,507,049,911</u>	<u>2,224,227,951</u>		



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

**10. FINANCIAL RISK MANAGEMENT** (Continued)

(c) Interest rate risk (Continued)

**As at 30th June 2016**

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>					
Investments	83,248,401	1,637,536,846	1,962,965,993	-	3,683,751,240
Cash at banks	12,710,609	-	-	-	12,710,609
Amounts due from brokers	-	-	-	49,794,066	49,794,066
<b>Total assets</b>	<b>95,959,010</b>	<b>1,637,536,846</b>	<b>1,962,965,993</b>	<b>49,794,066</b>	<b>3,746,255,915</b>
<b>Liabilities</b>					
Amounts due to brokers	-	-	-	(52,662,241)	(52,662,241)
Other liabilities	-	-	-	(5,256,577)	(5,256,577)
Net assets attributable to holders of redeemable units	-	-	-	(3,688,337,097)	(3,688,337,097)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,746,255,915)</b>	<b>(3,746,255,915)</b>
<b>Total interest sensitivity gap</b>	<b>95,959,010</b>	<b>1,637,536,846</b>	<b>1,962,965,993</b>		

At 30th June 2017, should interest rates have lowered/risen by 50 basis points (2016: 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\$130,620,619 and US\$122,383,282, respectively (2016: US\$121,494,903 and US\$114,134,786), 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 2017 and 2016:

**As at 30th June 2017**

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,922,541,105	Aa2	Moody's

**As at 30th June 2016**

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,696,461,849	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)	2017 % of Investment	2016 % of Investment
AAA	23	28
AA	40	38
A	11	11
BBB	22	14
BB	–	7
Non-rated	4	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 2017 and 2016 is the carrying amount of the financial assets as set out below:

	2017 US\$	2016 US\$
Investments	3,907,610,455	3,683,751,240
Amounts due from brokers	24,119,685	49,794,066
Interest receivable	1	–
Cash at banks	14,930,650	12,710,609
	<u>3,946,660,791</u>	<u>3,746,255,915</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\$
<b>As at 30th June 2017</b>			
Amounts payable on redemption	2,295,278	–	–
Amounts due to brokers	33,279,804	–	–
Audit fee payable	–	74,518	–
Trustee fee payable	–	161,327	–
Management fee payable	–	1,422,383	–
Index license fee payable	–	121,216	–
Other payables	13,976	109,190	5,188,572
Net assets attributable to holders of redeemable units	<u>3,903,994,527</u>	<u>–</u>	<u>–</u>
<b>Contractual cash out flows</b>	<b><u>3,939,583,585</u></b>	<b><u>1,888,634</u></b>	<b><u>5,188,572</u></b>
<b>As at 30th June 2016</b>			
Amounts due to brokers	52,662,241	–	–
Audit fee payable	–	25,806	–
Trustee fee payable	–	140,692	–
Management fee payable	–	880,125	–
Index license fee payable	–	34,195	–
Other payables	36,030	65,976	4,073,753
Net assets attributable to holders of redeemable units	<u>3,688,337,097</u>	<u>–</u>	<u>–</u>
<b>Contractual cash out flows</b>	<b><u>3,741,035,368</u></b>	<b><u>1,146,794</u></b>	<b><u>4,073,753</u></b>

**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 2017 and 2016, there were 2 unitholders, which were the nominee account holders of the Fund holding more than 10% of the Fund's units. Please refer to note 13 for details.

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 <i>US\$</i>	1-12 months <i>US\$</i>
<b>As at 30th June 2017</b>		
Total assets	<u>3,946,660,791</u>	<u>–</u>
	Less than 1 month <i>US\$</i>	1-12 months <i>US\$</i>
<b>As at 30th June 2016</b>		
Total assets	<u>3,746,255,915</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:

	2017	2016
	US\$	US\$
	<i>equivalents</i>	<i>equivalents</i>
Hong Kong Dollar	340,958,041	538,648,251
Indonesian Rupiah	304,932,784	251,412,814
Malaysian Ringgit	438,382,932	401,736,580
Philippine Peso	235,108,350	195,044,809
Renminbi	904,280,659	775,915,737
Singapore Dollar	631,289,945	558,888,333
South Korean Won	671,527,273	630,013,607
Thai Baht	382,240,958	336,952,450

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.

	2017		2016	
	Change	Impact	Change	Impact
	%	US\$	%	US\$
	+/-	+/-	+/-	+/-
Hong Kong Dollar	1	3,409,580	1	5,386,483
Indonesian Rupiah	12	36,591,934	12	30,169,538
Malaysian Ringgit	11	48,222,123	11	44,191,024
Philippine Peso	11	25,861,919	11	21,454,929
Renminbi	8	72,342,453	8	62,073,259
Singapore Dollar	8	50,503,196	8	44,711,067
South Korean Won	11	73,868,000	11	69,301,497
Thai Baht	11	42,046,505	11	37,064,770

## **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 judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment 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 2017 and 2016:

<b>As at 30th June 2017</b>	Level 1 <i>US\$</i>	Level 2 <i>US\$</i>	Level 3 <i>US\$</i>	Total balance <i>US\$</i>
<b>Investments</b>				
– Debt securities	–	3,907,610,455	–	3,907,610,455
	–	3,907,610,455	–	3,907,610,455
	<u>–</u>	<u>3,907,610,455</u>	<u>–</u>	<u>3,907,610,455</u>
<b>As at 30th June 2016</b>	Level 1 <i>US\$</i>	Level 2 <i>US\$</i>	Level 3 <i>US\$</i>	Total balance <i>US\$</i>
<b>Investments</b>				
– Debt securities	–	3,683,751,240	–	3,683,751,240
	–	3,683,751,240	–	3,683,751,240
	<u>–</u>	<u>3,683,751,240</u>	<u>–</u>	<u>3,683,751,240</u>

Investments whose values are based on quoted market prices in active markets are classified within Level 1. As of 30th June 2017 and 2016, 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 2017 and 2016, 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 2017 and 2016, the Fund did not hold any investments classified in Level 3.

There was no transfer between levels for the years ended 30th June 2017 and 2016.

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**

	2017	2016
	<i>US\$</i>	<i>US\$</i>
Interim distribution		
– US\$1.52 on 33,739,624 units paid on 7th February 2017	51,284,228	–
– US\$1.64 on 26,121,836 units paid on 4th February 2016	–	42,839,811
Final distribution		
– US\$1.25 on 32,457,054 units paid on 4th August 2016	40,571,318	–
– US\$1.67 on 26,933,264 units paid on 4th August 2015	–	44,978,551
Total distribution	91,855,546	87,818,362

**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 2017 and 2016.

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. Please refer to note 10(b) for investment holdings issued by a single issuer that account for more than 10% of the Fund's net assets.

The underlying index of the Fund namely Markit iBoxx ABF Pan-Asia Index, did not have any constituent stock that accounted for more than 10% of the index as at 30th June 2017 (2016: Nil).

The Fund also has a diversified unitholder population. As at 30th June 2017, there were two unitholders, which were the nominee account holders of the Fund (2016: two unitholders) holding more than 10% of the Fund's units. The two nominee account holders hold 80% and 12% (2016: 77% and 14%) of the Fund's units as at 30th June 2017.

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

**14. SUPPLEMENTAL RATIOS**

	2017	2016
Expense ratio <sup>1</sup>	0.19%	0.20%
Turnover ratio <sup>2</sup>	24.02%	39.72%

<sup>1</sup> 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\$7,261,884 (2016: US\$6,003,936) divided by the average net asset value of US\$3,921,577,363 (2016: US\$3,038,349,524) 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.

<sup>2</sup> 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\$941,927,694 (2016: sales of US\$1,206,847,992) of the underlying investments, divided by the average daily net asset value of US\$3,921,577,363 (2016: US\$3,038,349,524). In line with the recommendation of Statement of Recommended Accounting Practice 7 “Reporting framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants, 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\$1.65 per unit on 18th July 2017. The dividend was paid on 3rd August 2017. The net assets attributable to holders of redeemable units as at 30th June 2017 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 28th September 2017.

**ABF Pan Asia Bond Index Fund**  
Annual Report 2017

**INVESTMENT PORTFOLIO**

As at 30th June 2017 (Unaudited)

**PRIMARY – BY GEOGRAPHY**

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments			
<b>CHINA (23.16%)</b>			
AGRICUL DEV BANK CHINA 3.01% 06JAN2021	20,000,000	2,886,371	0.07
AGRICUL DEV BANK CHINA 3.37% 26FEB2026 (INTERBANK)	100,000,000	13,947,396	0.36
AGRICUL DEV BANK CHINA 3.5% 16DEC2018	20,000,000	2,984,986	0.08
AGRICUL DEV BANK CHINA 3.65% 26MAR2020	50,000,000	7,363,393	0.19
AGRICULDEV BANK 3.58% 22APR26 (INTERBANK)	100,000,000	14,041,440	0.36
CHINA (GOVT OF) 2.55% 28APR2019 (INTERBANK)	180,000,000	26,274,731	0.67
CHINA (GOVT OF) 2.55% 28JAN2019 (INTERBANK)	130,000,000	19,231,015	0.49
CHINA (GOVT OF) 2.75% 01SEP2023 (INTERBANK)	80,000,000	11,555,817	0.30
CHINA (GOVT OF) 2.9% 15DEC2018 (INTERBANK)	30,000,000	4,400,155	0.11
CHINA (GOVT OF) 2.95% 16JUN23 (INTERBANK)	230,000,000	32,936,150	0.84
CHINA (GOVT OF) 3.02% 07MAY2019	30,000,000	4,414,835	0.11
CHINA (GOVT OF) 3.1% 28MAY20 (INTERBANK)	50,000,000	7,327,296	0.19
CHINA (GOVT OF) 3.14% 07JUN19 (INTERBANK)	60,000,000	8,825,035	0.23
CHINA (GOVT OF) 3.27% 15NOV2021	25,000,000	3,675,962	0.09
CHINA (GOVT OF) 3.36% 25MAR2020	30,000,000	4,455,715	0.11
CHINA (GOVT OF) 3.4% 17APR2023	65,663,000	9,700,853	0.25
CHINA (GOVT OF) 3.41% 24JUN2020	30,000,000	4,423,448	0.11
CHINA (GOVT OF) 3.43% 04FEB2020	30,000,000	4,486,447	0.11
CHINA (GOVT OF) 3.44% 17SEP2019	50,000,000	7,451,664	0.19
CHINA (GOVT OF) 3.48% 23JUL2019	30,000,000	4,498,844	0.12
CHINA (GOVT OF) 3.51% 16JUL2025 (INTERBANK)	20,000,000	2,988,886	0.08
CHINA (GOVT OF) 3.51% 23FEB2022	120,000,000	17,955,098	0.46
CHINA (GOVT OF) 3.52% 25APR2046 (INTERBANK)	310,000,000	42,604,974	1.09
CHINA (GOVT OF) 3.53% 30OCT2019 (INTERBANK)	30,000,000	4,539,605	0.12
CHINA (GOVT OF) 3.64% 09APR25 (INTERBANK)	180,000,000	26,767,187	0.69
CHINA (GOVT OF) 3.65% 13OCT2018 1121	50,000,000	7,590,911	0.19
CHINA (GOVT OF) 3.68% 22SEP2018	50,000,000	7,474,716	0.19
CHINA (GOVT OF) 3.7% 07JUL2018	70,000,000	10,735,316	0.27
CHINA (GOVT OF) 3.7% 23MAY2066 (INTERBANK)	20,000,000	2,746,870	0.07
CHINA (GOVT OF) 3.77% 20FEB2047 (INTERBANK)	60,000,000	8,678,060	0.22
CHINA (GOVT OF) 3.82% 02SEP2030	50,000,000	7,488,966	0.19
CHINA (GOVT OF) 3.91% 23OCT2038	30,000,000	4,462,184	0.11
CHINA (GOVT OF) 3.93% 18AUG2021	110,000,000	16,757,155	0.43
CHINA (GOVT OF) 3.96% 29JUL2040	40,000,000	6,031,135	0.15

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**INVESTMENT PORTFOLIO** *(Continued)*

As at 30th June 2017 (Unaudited)

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments <i>(Continued)</i>			
<b>CHINA (23.16%)</b> <i>(Continued)</i>			
CHINA (GOVT OF) 3.99% 16JUN2021	80,000,000	12,053,863	0.31
CHINA (GOVT OF) 4% 19JUN2024	60,000,000	9,082,739	0.23
CHINA (GOVT OF) 4% 27AUG2029	30,000,000	4,636,901	0.12
CHINA (GOVT OF) 4.03% 23APR2032	30,000,000	4,523,885	0.12
CHINA (GOVT OF) 4.07% 17OCT2020 1320	220,000,000	33,992,056	0.87
CHINA (GOVT OF) 4.08% 01MAR2040	80,000,000	12,260,261	0.31
CHINA (GOVT OF) 4.23% 09DEC2040	30,000,000	4,642,037	0.12
CHINA (GOVT OF) 4.31% 24FEB2041	20,000,000	3,168,212	0.08
CHINA (GOVT OF) 4.35% 15NOV2062	40,000,000	6,308,637	0.16
CHINA (GOVT OF) 4.44% 16JAN2021 1403	50,000,000	7,762,346	0.20
CHINA (GOVT OF) 4.46% 24SEP2017	30,000,000	4,494,833	0.12
CHINA (GOVT OF) 4.5% 08MAY2038	20,000,000	3,220,322	0.08
CHINA (GOVT OF) 4.5% 23JUN2041	50,000,000	8,048,329	0.21
CHINA (GOVT OF) 4.55% 29SEP2022	50,000,000	7,836,936	0.20
CHINA (GOVT OF) 4.94% 11AUG2028	40,000,000	6,728,411	0.17
CHINA (REP OF) 2.9% 5MAY2026 (INTERBANK)	140,000,000	19,745,605	0.51
CHINA (REP OF) 3.05% 22OCT22 (INTERBANK)	70,000,000	10,329,259	0.26
CHINA DEVELOPMENT 3.24% 25FEB2023 (INTERBANK)	180,000,000	25,261,059	0.65
CHINA DEVELOPMENT BANK 2.96% 18FEB2021	70,000,000	9,969,289	0.26
CHINA DEVELOPMENT BANK 3.18% 05APR2026	300,000,000	41,003,350	1.05
CHINA DEVELOPMENT BANK 3.74% 10SEP2025	80,000,000	11,700,920	0.30
CHINA DEVELOPMENT BANK 3.8% 30OCT2036	10,000,000	1,377,223	0.04
CHINA DEVELOPMENT BANK 4.1% 30AUG2025	28,000,000	4,140,022	0.11
CHINA DEVELOPMENT BANK 4.3% 17MAR2030	30,000,000	4,467,670	0.11
CHINA DEVELOPMENT BANK 4.42% 07APR2040	40,000,000	6,006,437	0.15
CHINA GOVERNMENT BOND 2.75% 17MAR2023	90,000,000	12,873,689	0.33
CHINA GOVERNMENT BOND 2.85% 28JAN2026	70,000,000	9,923,959	0.25
CHINA GOVERNMENT BOND 2.9% 24MAY2032	20,000,000	2,626,757	0.07
CHINA GOVERNMENT BOND 3.14% 08SEP2020	20,000,000	2,997,926	0.08
CHINA GOVERNMENT BOND 3.3% 09JUL2022	100,000,000	15,113,397	0.39
CHINA GOVERNMENT BOND 3.36% 24MAY2022 (INTERBANK)	160,000,000	23,571,894	0.60
CHINA GOVERNMENT BOND 3.41% 08MAR2019	120,000,000	17,891,731	0.46
CHINA GOVERNMENT BOND 3.42% 24JAN2020	10,000,000	1,496,292	0.04
CHINA GOVERNMENT BOND 3.57% 17NOV2021	20,000,000	2,975,761	0.08
CHINA GOVERNMENT BOND 3.68% 05NOV2019	20,000,000	2,983,748	0.08

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**INVESTMENT PORTFOLIO** (Continued)

As at 30th June 2017 (Unaudited)

**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments (Continued)			
<b>CHINA (23.16%)</b> (Continued)			
CHINA GOVERNMENT BOND 3.7% 26JUN2026	10,000,000	1,493,957	0.04
CHINA GOVERNMENT BOND 3.86% 19FEB2029	20,000,000	3,051,823	0.08
CHINA GOVERNMENT BOND 3.96% 15APR2030	20,000,000	3,035,630	0.08
CHINA GOVERNMENT BOND 4.03% 21JUN2040	20,000,000	3,006,178	0.08
CHINA GOVERNMENT BOND 4.12% 02AUG2042	20,000,000	3,092,959	0.08
CHINA GOVERNMENT BOND 4.16% 28FEB2023	6,000,000	927,392	0.02
CHINA GOVERNMENT BOND 4.18% 24OCT2018	10,000,000	1,501,346	0.04
CHINA GOVERNMENT BOND 4.25% 17MAY2062	20,000,000	3,097,952	0.08
CHINA GOVERNMENT BOND 4.27% 17MAY2037	10,000,000	1,559,102	0.04
CHINA GOVERNMENT BOND 4.3% 30NOV2059	20,000,000	3,120,843	0.08
CHINA GOVERNMENT BOND 4.41% 17DEC2017	10,000,000	1,486,375	0.04
CHINA GOVT 2.99% 15OCT2025 (INTERBANK)	190,000,000	27,083,988	0.69
CHINA GOVT 3.27% 22AUG2046 (INTERBANK)	100,000,000	13,175,396	0.34
CHINA GOVT BOND 2.58% 14APR2021 (INTERBANK)	250,000,000	35,948,688	0.92
CHINA GOVT BOND 2.6% 20SEP2017 1213	58,767,000	8,722,836	0.22
CHINA GOVT BOND 2.74% 04AUG2026 (INTERB)	160,000,000	22,265,645	0.57
CHINA GOVT BOND 3.77% 18DEC2024 (INTERBANK)	60,000,000	8,968,057	0.23
EXPORT-IMPORT 3.33% 22FEB2026 (INTERBANK)	200,000,000	27,858,051	0.71
EXPORT-IMPORT BANK CHINA 3.07% 22FEB2021	20,000,000	2,877,448	0.07
EXPORT-IMPORT BK CHINA 3.94% 21AUG2019	100,000,000	15,188,685	0.39
		904,380,723	23.16
<b>HONG KONG (8.30%)</b>			
HK GOVERNMENT BOND 1.09% 05JUN2023	30,000,000	3,828,867	0.10
HK GOVERNMENT BOND 2.39% 20AUG2025	55,000,000	7,684,145	0.20
HK GOVT BOND PROGRAMME 0.61% 05FEB2018	72,000,000	9,250,848	0.24
HONG KONG (GOVT OF) 0.55% 05DEC2022	70,000,000	8,697,018	0.22
HONG KONG (GOVT OF) 0.8% 27AUG2027	34,000,000	4,102,438	0.11
HONG KONG (GOVT OF) 0.91% 05NOV2020	10,000,000	1,280,287	0.03
HONG KONG (GOVT OF) 0.97% 20JUN2022	70,000,000	8,915,199	0.23
HONG KONG (GOVT OF) 1.1% 17JAN2023	120,000,000	15,360,429	0.39
HONG KONG (GOVT OF) 1.19% 06DEC2021	70,000,000	9,033,375	0.23
HONG KONG (GOVT OF) 1.32% 23DEC2019	88,000,000	11,404,897	0.29

**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th June 2017 (Unaudited)*

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments <i>(Continued)</i>			
<b>HONG KONG (8.30%)</b> <i>(Continued)</i>			
HONG KONG (GOVT OF) 1.34% 24JUN2019	15,000,000	1,941,468	0.05
HONG KONG (GOVT OF) 1.47% 20FEB2019	100,000,000	13,030,186	0.33
HONG KONG (GOVT OF) 1.49% 30SEP2019	50,000,000	6,521,265	0.17
HONG KONG (GOVT OF) 1.51% 24FEB2027	45,000,000	5,843,062	0.15
HONG KONG (GOVT OF) 1.68% 21JAN2026	19,000,000	2,509,224	0.07
HONG KONG (GOVT OF) 1.73% 20FEB2024	54,000,000	7,183,798	0.18
HONG KONG (GOVT OF) 1.84% 09DEC2024	73,000,000	9,733,603	0.25
HONG KONG (GOVT OF) 1.96% 03JUN2024	20,000,000	2,686,943	0.07
HONG KONG (GOVT OF) 10GB2108 2.46% 4AUG2021	152,000,000	20,731,727	0.53
HONG KONG (GOVT OF) 10Y2012 2.44% 7DEC2020	74,000,000	9,978,697	0.26
HONG KONG (GOVT OF) 10Y2106 2.31% 21JUN2021	73,000,000	9,837,495	0.25
HONG KONG (GOVT OF) 2.13% 16JUL2030	105,000,000	14,478,449	0.37
HONG KONG (GOVT OF) 2.16% 9DEC2019	70,000,000	9,261,043	0.24
HONG KONG (GOVT OF) 2.22% 07AUG2024	35,000,000	4,811,043	0.12
HONG KONG (GOVT OF) 2.24% 27AUG2029	55,000,000	7,663,657	0.20
HONG KONG (GOVT OF) 2.48% 28FEB2029	47,000,000	6,701,281	0.17
HONG KONG (GOVT OF) 2.53% 22JUN2020	72,000,000	9,675,778	0.25
HONG KONG (GOVT OF) 2.6% 20AUG2024	55,000,000	7,754,546	0.20
HONG KONG (GOVT OF) 2.71% 20FEB2023	51,000,000	7,152,347	0.18
HONG KONG (GOVT OF) 2.93% 13JAN2020	318,000,000	43,378,712	1.11
HONG KONG (GOVT OF) 2.95% 24FEB2025	55,000,000	7,965,862	0.20
HONG KONG (GOVT OF) 3.32% 25FEB2026	15,000,000	2,250,689	0.06
HONG KONG (GOVT OF) 4.65% 29AUG2022	54,000,000	8,248,332	0.21
HONG KONG (GOVT OF) 5.125% 23JUL2019	66,500,000	9,404,533	0.24
HONG KONG GOVERNMENT 0.8% 22MAY2019	70,000,000	8,974,471	0.23
HONG KONG GOVERNMENT 0.99% 20FEB2019	10,000,000	1,291,121	0.03
HONG KONG GOVERNMENT 1.94% 04DEC2023	40,000,000	5,363,649	0.14
		<u>323,930,484</u>	<u>8.30</u>



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**INVESTMENT PORTFOLIO** *(Continued)*

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

Listed investments <i>(Continued)</i>	Holdings at	Fair value at	Percentage
	30th June 2017	30th June 2017 US\$	of total net assets at 30th June 2017 (%)
<b>INDONESIA (7.81%)</b>			
INDONESIA (GOVT OF) 8.75% 15MAY2031	115,000,000,000	9,825,373	0.25
INDONESIA (REP OF) 10% 15FEB2028 FR47	69,000,000,000	6,399,522	0.16
INDONESIA (REP OF) 10.25% 15JUL2022 FR43	38,000,000,000	3,406,117	0.09
INDONESIA (REP OF) 10.5% 15AUG2030 FR52	112,000,000,000	10,922,627	0.28
INDONESIA (REP OF) 10.5% 15JUL2038 FR50	62,000,000,000	6,174,271	0.16
INDONESIA (REP OF) 11% 15SEP2025 FR40	76,000,000,000	7,321,733	0.19
INDONESIA (REP OF) 11.5% 15SEP2019 FR36	53,000,000,000	4,504,653	0.12
INDONESIA (REP OF) 11.6% 15AUG2018 FR38	10,500,000,000	870,159	0.02
INDONESIA (REP OF) 11.75% 15AUG23 FR39	20,000,000,000	1,927,350	0.05
INDONESIA (REP OF) 12% 15SEP2026 FR37	14,000,000,000	1,438,097	0.04
INDONESIA (REP OF) 12.8% 15JUN2021 FR34	31,000,000,000	2,829,823	0.07
INDONESIA (REP OF) 12.9% 15JUN2022 FR35	26,000,000,000	2,462,249	0.06
INDONESIA (REP OF) 6.375% 15APR2042	37,000,000,000	2,399,793	0.06
INDONESIA (REP OF) 6.625% 15MAY2033	121,000,000,000	8,355,435	0.21
INDONESIA (REP OF) 7% 15MAY2022 FR61	70,000,000,000	5,370,161	0.14
INDONESIA (REP OF) 7% 15MAY2027 FR59	153,000,000,000	11,707,789	0.30
INDONESIA (REP OF) 8.25% 15JUL2021	194,100,000,000	15,890,049	0.41
INDONESIA (REP OF) 8.25% 15JUN2032 FR58	117,000,000,000	9,450,567	0.24
INDONESIA (REP OF) 8.25% 15MAY2036	300,000,000,000	24,401,501	0.62
INDONESIA (REP OF) 8.375% 15MAR2024	452,000,000,000	37,477,381	0.96
INDONESIA (REP OF) 8.375% 15MAR2034	175,000,000,000	14,471,115	0.37
INDONESIA (REP OF) 8.375% 15SEP2026 FR56	236,000,000,000	19,972,193	0.51
INDONESIA (REP OF) 9% 15MAR2029	172,000,000,000	15,039,828	0.38
INDONESIA (REP OF) 9% 15SEP2018 FR48	15,000,000,000	1,186,870	0.03
INDONESIA (REP OF) 9.5% 15JUL2023 FR46	44,000,000,000	3,874,128	0.10
INDONESIA (REP OF) 9.5% 15JUL2031 FR54	129,000,000,000	11,906,598	0.30
INDONESIA (REP OF) 9.5% 15MAY2041 FR57	56,000,000,000	4,992,343	0.13
INDONESIA (REP OF) 9.75% 15MAY2037 FR45	20,000,000,000	1,824,329	0.05
INDONESIA GOVERNMENT 5.625% 15MAY2023	175,000,000,000	12,479,124	0.32
INDONESIA GOVERNMENT 6.125% 15MAY2028	30,000,000,000	2,074,045	0.05
INDONESIA GOVERNMENT 7.5% 15AUG2032	20,000,000,000	1,560,647	0.04
INDONESIA GOVERNMENT 7.875% 15APR2019	295,000,000,000	22,944,097	0.59
INDONESIA GOVERNMENT 8.75% 15FEB2044	25,000,000,000	2,176,651	0.06
INDONESIA GOVT 10% 15SEP2024 FR44	32,000,000,000	2,882,385	0.07
INDONESIA GOVT 10.25% 15JUL2027 SER FR42	44,000,000,000	4,152,083	0.11
INDONESIA GOVT 11% 15NOV2020 SER FR31	104,000,000,000	8,917,645	0.23

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As at 30th June 2017 (Unaudited)

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments <i>(Continued)</i>			
<b>INDONESIA (7.81%)</b> <i>(Continued)</i>			
PERUSAHAAN PENERBIT 6.9% 10MAR2020	20,000,000,000	1,506,246	0.04
		<u>305,094,977</u>	<u>7.81</u>
<b>MALAYSIA (0.08%)</b>			
KHAZANAH NASIONAL BHD 0% 14AUG2023	10,000,000	1,804,238	0.05
RANTAU ABANG CAPITAL 4.57% 19OCT2022	5,000,000	1,194,219	0.03
		<u>2,998,457</u>	<u>0.08</u>
<b>SINGAPORE (16.16%)</b>			
HOUSING & DEVELOPMENT 2.1% 03NOV2020	14,000,000	10,365,802	0.27
HOUSING & DEVELOPMENT 2.545% 04JUL2031	1,000,000	735,482	0.02
HOUSING & DEVELOPMENT BRD 1.23% 30JAN2018	6,000,000	4,383,489	0.11
HOUSING & DEVELOPMENT BRD 2.088% 30AUG2022	8,000,000	5,902,651	0.15
HOUSING & DEVELOPMENT BRD 2.22% 22NOV2021	15,000,000	11,154,485	0.29
HOUSING & DEVELOPMENT BRD 2.5% 29JAN2023	10,000,000	7,549,834	0.19
HOUSING & DEVELOPMENT BRD 2.505% 27JUN2024	11,000,000	8,174,689	0.21
LAND TRANSPORT AUTHORITY 2.9% 19JUN2023	2,000,000	1,527,489	0.04
SINGAPORE (GOVT OF) 0.5% 01APR2018	54,000,000	39,105,804	1.00
SINGAPORE (GOVT OF) 2.125% 01JUN2026	46,000,000	33,785,289	0.87
SINGAPORE (GOVT OF) 2.25% 1JUN2021	48,300,000	36,221,319	0.93
SINGAPORE (GOVT OF) 2.375% 01JUN2025	22,700,000	17,006,762	0.44
SINGAPORE (GOVT OF) 2.5% 1JUN2019	57,600,000	42,925,140	1.10
SINGAPORE (GOVT OF) 2.75% 01APR2042	36,500,000	28,438,323	0.73
SINGAPORE (GOVT OF) 2.75% 01JUL2023	51,000,000	39,632,445	1.02
SINGAPORE (GOVT OF) 2.875% 01SEP2030	38,000,000	29,749,646	0.76
SINGAPORE (GOVT OF) 3% 01SEP2024	48,700,000	38,345,624	0.98
SINGAPORE (GOVT OF) 3.125% 01SEP2022	41,800,000	32,950,357	0.84
SINGAPORE (GOVT OF) 3.375% 01SEP2033	29,400,000	24,489,055	0.63
SINGAPORE (GOVT OF) 3.5% 1MAR2027	43,300,000	35,679,699	0.91
SINGAPORE (GOVT OF) 4% 1SEP2018	3,350,000	2,546,553	0.07

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

Listed investments (Continued)	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
<b>SINGAPORE (16.16%)</b> (Continued)			
SINGAPORE (REP OF) 2% 01JUL2020	43,000,000	32,151,360	0.82
SINGAPORE GOV 1.625% 01OCT2019	37,400,000	27,520,899	0.70
SINGAPORE GOVERNMENT 1.25% 01OCT2021	25,000,000	18,041,521	0.46
SINGAPORE GOVERNMENT 2.25% 01AUG2036	22,500,000	16,178,177	0.41
SINGAPORE GOVERNMENT 2.75% 01MAR2046	31,000,000	24,168,185	0.62
SINGAPORE GOVERNMENT 2.875% 01JUL2029	22,000,000	17,307,914	0.44
SINGAPORE GOVERNMENT 3.25% 1SEP2020	37,750,000	29,317,168	0.75
SP POWERASSETS LTD 4.84% 22OCT2018	4,100,000	3,139,624	0.08
TEMASEK FINANCIAL I LTD 3.265% 19FEB2020	10,000,000	7,668,521	0.20
TEMASEK FINANCIAL I LTD 4.2% 02AUG2050	5,750,000	4,861,795	0.12
		631,025,101	16.16
<b>SOUTH KOREA (17.18%)</b>			
(D) KOREA (REP OF) 2% 10MAR2020	17,000,000,000	15,054,440	0.39
(D) KOREA (REP OF) 2% 10SEP2020	26,000,000,000	23,016,349	0.59
(D) KOREA (REP OF) 3.5% 10MAR2024	22,000,000,000	21,119,212	0.54
(D) KOREA (REPUBLIC OF) 2% 10DEC2017	9,000,000,000	7,893,082	0.20
(D) KOREA MONETARY STA BND 1.6% 02APR2019	6,000,000,000	5,262,338	0.14
(D) KOREA TREASURY 3.75% 10DEC2033	26,200,000,000	27,493,975	0.70
(D) KOREA TREASURY BOND 1.375% 10SEP2021	23,900,000,000	20,552,125	0.53
(D) KOREA TREASURY BOND 1.5% 10JUN2019	19,000,000,000	16,577,734	0.43
(D) KOREA TREASURY BOND 1.5% 10SEP2036	12,000,000,000	9,258,390	0.24
(D) KOREA TREASURY BOND 1.625% 10JUN2018	32,000,000,000	28,036,101	0.72
(D) KOREA TREASURY BOND 1.75% 10DEC2018	25,000,000,000	21,933,949	0.56
(D) KOREA TREASURY BOND 1.875% 10JUN2026	31,000,000,000	26,398,002	0.68
(D) KOREA TREASURY BOND 2% 10MAR2021	30,000,000,000	26,526,250	0.68
(D) KOREA TREASURY BOND 2% 10MAR2046	29,000,000,000	23,847,577	0.61
(D) KOREA TREASURY BOND 2.125% 10JUN2027	7,000,000,000	6,087,177	0.16
(D) KOREA TREASURY BOND 2.125% 10MAR2047	7,000,000,000	5,947,990	0.15
(D) KOREA TREASURY BOND 2.25% 10DEC2025	16,000,000,000	14,063,750	0.36
(D) KOREA TREASURY BOND 2.25% 10JUN2025	16,000,000,000	14,087,860	0.36
(D) KOREA TREASURY BOND 2.625% 10SEP2035	17,000,000,000	15,674,511	0.40
(D) KOREA TREASURY BOND 2.75% 10DEC2044	11,000,000,000	10,480,863	0.27

**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th June 2017 (Unaudited)*

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments <i>(Continued)</i>			
<b>SOUTH KOREA (17.18%)</b> <i>(Continued)</i>			
(D) KOREA TREASURY BOND 2.75% 10MAR2018	29,000,000,000	25,795,717	0.66
(D) KOREA TREASURY BOND 2.75% 10SEP2019	24,000,000,000	21,631,984	0.55
(D) KOREA TREASURY BOND 3% 10DEC2042	25,000,000,000	24,765,815	0.63
(D) KOREA TREASURY BOND 3% 10MAR2023	19,000,000,000	17,646,473	0.45
(D) KOREA TREASURY BOND 3% 10SEP2024	10,000,000,000	9,333,108	0.24
(D) KOREA TREASURY BOND 3.125% 10MAR2019	7,000,000,000	6,329,395	0.16
(D) KOREA TREASURY BOND 3.25% 10SEP2018	15,000,000,000	13,507,101	0.35
(D) KOREA TREASURY BOND 3.375% 10SEP2023	16,000,000,000	15,203,892	0.39
(D) KOREA TREASURY BOND 3.75% 10JUN2022	14,000,000,000	13,303,252	0.34
(D) KOREA TREASURY BOND 4% 10DEC2031	27,000,000,000	28,634,619	0.73
(D) KOREA TREASURY BOND 4.25% 10JUN2021	27,000,000,000	25,784,347	0.66
(D) KOREA TREASURY BOND 4.75% 10DEC2030	16,000,000,000	18,036,592	0.46
(D) KOREA TREASURY BOND 5% 10JUN2020	23,000,000,000	22,027,088	0.56
(D) KOREA TREASURY BOND 5.25% 10MAR2027	6,000,000,000	6,707,975	0.17
(D) KOREA TREASURY BOND 5.5% 10DEC2029	13,000,000,000	15,391,114	0.39
(D) KOREA TREASURY BOND 5.5% 10MAR2028	9,000,000,000	10,433,673	0.27
(D) KOREA TREASURY BOND 5.75% 10MAR2026	11,000,000,000	12,468,832	0.32
(D) KOREA TREASURY BOND 5.75% 10SEP2018 1809	38,000,000,000	35,446,628	0.91
(D) KOREA WESTERN PWR 3.46% 12SEP2018	10,000,000,000	8,937,115	0.23
		670,696,395	17.18
		-----	-----
<b>THAILAND (9.79%)</b>			
BANK OF THAILAND BOND 1.49% 23FEB2018	270,000,000	7,991,437	0.20
BANK OF THAILAND BOND 1.55% 20JUL2018	180,000,000	5,339,896	0.14
BANK OF THAILAND BOND 1.59% 20FEB2019	400,000,000	11,855,961	0.30
BANK OF THAILAND BOND 2.2% 26JAN2018	60,000,000	1,790,376	0.05
BANK OF THAILAND BOND 2.66% 21JUL2017	80,000,000	2,384,907	0.06
THAILAND (GOVT OF) 1.875% 17JUN2022	100,000,000	2,937,659	0.08
THAILAND (GOVT OF) 3.4% 17JUN2036	610,000,000	19,044,810	0.49
THAILAND (GOVT OF) 3.58% 17DEC2027	188,000,000	6,030,978	0.15
THAILAND (GOVT OF) 3.625% 16JUN2023	792,000,000	25,269,705	0.65

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**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Listed investments (Continued)			
<b>THAILAND (9.79%)</b> (Continued)			
THAILAND (GOVT OF) 3.65% 17DEC2021	794,500,000	25,233,018	0.65
THAILAND (GOVT OF) 3.65% 20JUN2031	248,000,000	7,883,484	0.20
THAILAND (GOVT OF) 3.775% 25JUN2032	263,000,000	8,412,242	0.22
THAILAND (GOVT OF) 3.8% 14JUN2041	109,000,000	3,461,840	0.09
THAILAND (GOVT OF) 3.85% 12DEC2025	670,000,000	21,975,333	0.56
THAILAND (GOVT OF) 3.875% 07MAR2018	35,000,000	1,059,250	0.03
THAILAND (GOVT OF) 3.875% 13JUN2019	1,726,500,000	53,217,546	1.36
THAILAND (GOVT OF) 4.5% 9APR2024	89,000,000	3,010,265	0.08
THAILAND (GOVT OF) 4.675% 29JUN2044	883,000,000	32,069,703	0.82
THAILAND (GOVT OF) 4.75% 20DEC2024	160,000,000	5,490,773	0.14
THAILAND (GOVT OF) 4.85% 17JUN2061	281,000,000	10,666,919	0.27
THAILAND (GOVT OF) 4.875% 22JUN2029	694,000,000	25,075,427	0.64
THAILAND (GOVT OF) 5.125% 08NOV2022	51,000,000	1,746,768	0.04
THAILAND (GOVT OF) 5.375% 03DEC2019	129,000,000	4,159,984	0.11
THAILAND (GOVT OF) 5.5% 13AUG2019	95,000,000	3,086,260	0.08
THAILAND (GOVT OF) 5.5% 13MAR2023	150,000,000	5,289,922	0.14
THAILAND (GOVT OF) 5.67% 13MAR2028	164,000,000	6,284,555	0.16
THAILAND (GOVT OF) 6.15% 07JUL2026	150,000,000	5,873,893	0.15
THAILAND GOVERN BOND 2.125% 17DEC2026	310,000,000	8,871,215	0.23
THAILAND GOVERNMENT BOND 2.55% 26JUN2020	795,000,000	24,074,093	0.62
THAILAND GOVERNMENT BOND 4% 17JUN2066	349,000,000	11,015,540	0.28
THAILAND GOVT BOND 5.125% 13MAR2018	395,500,000	12,113,587	0.31
THAILAND GOVT BOND 5.625% 12JAN2019	296,000,000	9,485,589	0.24
THAILAND GOVT BOND 5.85% 31MAR2021 06-5	288,000,000	9,832,249	0.25
		382,035,184	9.79
Unlisted investments			
<b>HONG KONG (0.43%)</b>			
MTR CORP (C.I.) 4.28% 6JUL2020 EMTN	35,000,000	4,856,699	0.12
MTR CORP (C.I.) 4.75% 11MAY2020	22,000,000	3,076,136	0.08
MTR CORP (C.I.) 4.9% 25JUN2018	3,000,000	399,527	0.01
URBAN RENEWAL AUTHORITY 1.5% 13JUL2017	20,000,000	2,570,893	0.07

**INVESTMENT PORTFOLIO** *(Continued)*

As at 30th June 2017 (Unaudited)

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Unlisted investments <i>(Continued)</i>			
<b>HONG KONG (0.43%)</b> <i>(Continued)</i>			
URBAN RENEWAL AUTHORITY 1.65% 17JAN2020	45,000,000	5,783,211	0.15
URBAN RENEWAL AUTHORITY 1.75% 02AUG2019	1,000,000	129,133	–
		<u>16,815,599</u>	<u>0.43</u>
<b>MALAYSIA (11.14%)</b>			
BANK PEMBANGUNAN MALAY 4.75% 12SEP2029	10,000,000	2,382,264	0.06
DANGA CAPITAL BHD 4.1% 09APR2020	5,000,000	1,172,851	0.03
GOVCO HOLDINGS BHD 4.29% 22FEB2024	5,000,000	1,182,532	0.03
GOVCO HOLDINGS BHD 4.95% 20FEB2032	5,000,000	1,193,333	0.03
JAMBATAN KEDUA SDN BHD 4.3% 28MAY2025	5,000,000	1,168,106	0.03
JOHOR CORP 3.84% 14JUN2022	5,000,000	1,144,846	0.03
LEMBAGA PEMBIAYAAN PERUM 4.94% 16APR2032	5,000,000	1,181,857	0.03
MALAYSIA (GOVT OF) 3.418% 15AUG2022	56,000,000	13,017,345	0.33
MALAYSIA (GOVT OF) 3.58% 28SEP2018	67,000,000	15,807,999	0.41
MALAYSIA (GOVT OF) 3.62% 30NOV2021	77,000,000	17,929,255	0.46
MALAYSIA (GOVT OF) 3.659% 15OCT2020	61,000,000	14,329,062	0.37
MALAYSIA (GOVT OF) 3.716% 23MAR2021	8,200,000	1,922,801	0.05
MALAYSIA (GOVT OF) 3.759% 15MAR2019	25,000,000	5,927,570	0.15
MALAYSIA (GOVT OF) 3.892% 15MAR2027	39,000,000	9,026,410	0.23
MALAYSIA (GOVT OF) 3.99% 15OCT2025	28,000,000	6,517,303	0.17
MALAYSIA (GOVT OF) 4.498% 15APR2030	91,000,000	21,506,206	0.55
MALAYSIA (GOVT OF) 4.709% 15SEP2026	1,000,000	247,455	0.01
MALAYSIA (GOVT OF) 4.736% 15MAR2046	60,000,000	14,087,467	0.36
MALAYSIA (GOVT OF) 4.786% 31OCT2035	30,000,000	7,169,190	0.18
MALAYSIA (GOVT OF) 5.734% 30JUL2019	34,000,000	8,473,355	0.22
MALAYSIA GOVERNMENT 3.654% 31OCT2019	73,200,000	17,231,861	0.44
MALAYSIA GOVERNMENT 3.8% 17AUG2023	70,000,000	16,470,394	0.42
MALAYSIA GOVERNMENT 3.9% 30NOV2026	45,000,000	10,481,168	0.27
MALAYSIA GOVERNMENT 4.254% 31MAY2035	17,000,000	3,850,314	0.10
MALAYSIA INVESTMNT ISSUE 3.576% 15MAY2020	1,000,000	233,309	0.01
MALAYSIA INVESTMNT ISSUE 3.699% 15NOV2022	2,000,000	463,439	0.01
MALAYSIA INVESTMNT ISSUE 3.704% 30SEP2019	2,000,000	472,134	0.01
MALAYSIA INVESTMNT ISSUE 3.871% 08AUG2028	10,000,000	2,278,143	0.06
MALAYSIA INVESTMNT ISSUE 3.899% 15JUN2027	10,000,000	2,271,417	0.06
MALAYSIA INVESTMNT ISSUE 4.07% 30SEP2026	70,000,000	16,395,611	0.42

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**INVESTMENT PORTFOLIO** (Continued)  
As at 30th June 2017 (Unaudited)

**PRIMARY – BY GEOGRAPHY** (Continued)

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Unlisted investments (Continued)			
<b>MALAYSIA (11.14%)</b> (Continued)			
MALAYSIA INVESTMNT ISSUE 4.17% 30APR2021	19,000,000	4,513,635	0.12
MALAYSIA INVESTMNT ISSUE 4.284%15JUN2020	14,000,000	3,316,409	0.08
MALAYSIA INVESTMNT ISSUE 4.295%31OCT2018	20,000,000	4,750,134	0.12
MALAYSIA INVESTMNT ISSUE 4.39% 07JUL2023	30,000,000	7,296,898	0.19
MALAYSIA INVESTMNT ISSUE 4.444% 22MAY2024	8,500,000	2,038,341	0.05
MALAYSIA INVESTMNT ISSUE 4.492% 30APR2020	7,420,000	1,777,207	0.05
MALAYSIAN (GOVT OF) 3.314% 31OCT2017	18,420,000	4,318,116	0.11
MALAYSIAN (GOVT OF) 3.48% 15MAR2023	43,500,000	10,069,347	0.26
MALAYSIAN (GOVT OF) 3.492% 31MAR2020	96,000,000	22,523,589	0.58
MALAYSIAN (GOVT OF) 3.502% 31MAY2027	16,300,000	3,610,292	0.09
MALAYSIAN (GOVT OF) 3.795% 30SEP2022	18,300,000	4,312,666	0.11
MALAYSIAN (GOVT OF) 3.955% 15SEP2025	71,000,000	16,678,240	0.43
MALAYSIAN (GOVT OF) 4.048% 30SEP2021	32,000,000	7,620,564	0.20
MALAYSIAN (GOVT OF) 4.127% 15APR2032	15,000,000	3,396,022	0.09
MALAYSIAN (GOVT OF) 4.16% 15JUL2021	91,000,000	21,981,047	0.56
MALAYSIAN (GOVT OF) 4.181% 15JUL2024	35,200,000	8,494,333	0.22
MALAYSIAN (GOVT OF) 4.232% 30JUN2031	50,200,000	11,464,047	0.29
MALAYSIAN (GOVT OF) 4.392% 15APR2026	29,000,000	6,988,456	0.18
MALAYSIAN (GOVT OF) 4.762% 07APR2037	5,000,000	1,206,199	0.03
MALAYSIAN GOVERNMENT 3.733% 15JUN2028	26,500,000	5,905,707	0.15
MALAYSIAN GOVERNMENT 3.844% 15APR2033	39,000,000	8,608,148	0.22
MALAYSIAN GOVERNMENT 3.889% 31JUL2020	28,500,000	6,803,709	0.17
MALAYSIAN GOVERNMENT 4.012% 15SEP2017 0210	9,000,000	2,124,977	0.05
MALAYSIAN GOVERNMENT 4.24% 07FEB2018	6,000,000	1,429,905	0.04
MALAYSIAN GOVERNMENT 4.378% 29NOV2019	108,000,000	25,779,301	0.66
MALAYSIAN GOVERNMENT 4.837% 15JUL2025	17,670,000	4,451,716	0.11
MALAYSIAN GOVERNMENT 4.935% 30SEP2043	20,000,000	4,793,975	0.12
MALAYSIAN GOVERNMENT 5.248% 15SEP2028	19,000,000	4,877,211	0.12
PERBADANAN TABUNG PENDID 4.85% 26JUL2041	10,000,000	2,291,456	0.06
SYARIKAT PRASARANA NEGAR 3.77% 06SEP2022	5,000,000	1,163,280	0.03
SYARIKAT PRASARANA NEGAR 4.4% 30MAY2018	10,000,000	2,353,499	0.06
SYARIKAT PRASARANA NEGAR 4.85% 27SEP2024	5,000,000	1,227,085	0.03
SYARIKAT PRASARANA NEGAR 5.07% 28SEP2029	5,000,000	1,222,016	0.03
		434,922,524	11.14

**INVESTMENT PORTFOLIO** *(Continued)*

As at 30th June 2017 (Unaudited)

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Unlisted investments <i>(Continued)</i>			
<b>PHILIPPINES (6.04%)</b>			
PHILIPPINE (GOVT OF) 3.375% 20AUG2020	570,000,000	11,299,779	0.29
PHILIPPINE (GOVT OF) 3.5% 20MAR2021	300,000,000	5,926,577	0.15
PHILIPPINE (GOVT OF) 3.5% 21APR2023	420,000,000	8,117,225	0.21
PHILIPPINE (GOVT OF) 3.875% 22NOV2019	888,000,000	17,739,353	0.45
PHILIPPINE (GOVT OF) 4% 06DEC2022	80,000,000	1,579,213	0.04
PHILIPPINE (GOVT OF) 4% 26JAN2022	540,000,000	10,896,115	0.28
PHILIPPINE (GOVT OF) 4.125% 20AUG2024	345,000,000	6,868,853	0.18
PHILIPPINE (GOVT OF) 5.875% 31JAN2018	25,000,000	516,193	0.01
PHILIPPINE (GOVT OF) 7.875% 19FEB2019	369,000,000	7,958,514	0.20
PHILIPPINE (REP OF) 2.125% 23MAY2018	410,000,000	8,110,841	0.21
PHILIPPINE GOVERNMENT 3.375% 12JAN2020	200,000,000	4,000,907	0.10
PHILIPPINE GOVERNMENT 3.625% 09SEP2025	560,000,000	10,742,250	0.28
PHILIPPINE GOVERNMENT 4.625% 09SEP2040	550,000,000	10,531,618	0.27
PHILIPPINE GOVERNMENT 5.25% 18MAY2037	285,000,000	5,878,811	0.15
PHILIPPINES (REP OF) 10.25% 19JAN2026	77,000,000	2,118,729	0.05
PHILIPPINES (REP OF) 18.25% 29NOV2025	50,000,000	1,800,603	0.05
PHILIPPINES (REP OF) 3.625% 21MAR2033	415,000,000	7,385,015	0.19
PHILIPPINES (REP OF) 4.75% 13SEP2022	113,000,000	2,325,166	0.06
PHILIPPINES (REP OF) 4.875% 02AUG2022	90,000,000	1,871,732	0.05
PHILIPPINES (REP OF) 5% 18AUG2018 7-51	237,000,000	4,872,442	0.12
PHILIPPINES (REP OF) 5.75% 16AUG2037	50,000,000	1,100,593	0.03
PHILIPPINES (REP OF) 5.75% 24NOV2021	120,000,000	2,530,211	0.06
PHILIPPINES (REP OF) 5.875% 16DEC2020	45,000,000	939,260	0.02
PHILIPPINES (REP OF) 6.375% 19JAN2022	105,000,000	2,309,078	0.06
PHILIPPINES (REP OF) 6.5% 28APR2021	170,000,000	3,651,812	0.09
PHILIPPINES (REP OF) 7.75% 18FEB2020	50,000,000	1,099,327	0.03
PHILIPPINES (REP OF) 8% 19JUL2031	1,996,174,950	52,015,235	1.33
PHILIPPINES (REP OF) 8% 30SEP2035	110,000,000	2,926,993	0.08
PHILIPPINES (REP OF) 8.125% 16DEC2035	876,902,627	23,299,992	0.60
PHILIPPINES (REP OF) 8.5% 29NOV2032	100,000,000	2,672,067	0.07
PHILIPPINES (REP OF) 8.625% 06SEP2027	54,000,000	1,396,790	0.04
PHILIPPINES (REP OF) 8.75% 27MAY2030	180,000,000	4,770,741	0.12
PHILIPPINES (REP OF) 9.25% 05NOV2034	113,000,000	3,256,141	0.08



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**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2017 (Unaudited)*

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

	Holdings at 30th June 2017	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
Unlisted investments <i>(Continued)</i>			
<b>PHILIPPINES (6.04%)</b> <i>(Continued)</i>			
PHILIPPINES (REP OF) 9.375% 05OCT2031	50,000,000	1,410,904	0.04
PHILIPPINES (REP OF) 9.5% 04DEC2028	66,000,000	1,791,931	0.05
		<u>235,711,011</u>	<u>6.04</u>
Total quoted investments		<u>3,907,610,455</u>	<u>100.09</u>
Total investments		<u>3,907,610,455</u>	<u>100.09</u>
Total investments, at cost		<u><u>4,042,036,760</u></u>	

**INVESTMENT PORTFOLIO** *(Continued)*  
*As at 30th June 2017 (Unaudited)*

	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
<b>DISTRIBUTION OF INVESTMENTS</b>		
(a) By credit rating		
AAA	888,570,428	22.76
AA	1,569,279,627	40.19
A	417,239,399	10.69
BBB	891,972,349	22.85
Non-rated	140,548,652	3.60
	<u>3,907,610,455</u>	<u>100.09</u>

**PORTFOLIO OF INVESTMENTS**

(b) By asset class		
Bonds	<u>3,907,610,455</u>	<u>100.09</u>
	<u>3,907,610,455</u>	<u>100.09</u>

**PORTFOLIO OF INVESTMENTS**

(c) By industry		
Consumer, Non-cyclical	1,144,846	0.03
Financial	200,548,591	5.14
Government	3,678,373,931	94.22
Industrial	15,466,348	0.39
Utilities	12,076,739	0.31
	<u>3,907,610,455</u>	<u>100.09</u>

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**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th June 2017 (Unaudited)*

**TOP TEN HOLDINGS**

	Fair value at 30th June 2017 US\$	Percentage of total net assets at 30th June 2017 (%)
THAILAND (GOVT OF) 3.875% 13JUN2019	53,217,546	1.36
PHILIPPINES (REP OF) 8% 19JUL2031	52,015,235	1.33
HONG KONG (GOVT OF) 2.93% 13JAN2020	43,378,712	1.11
SINGAPORE (GOVT OF) 2.5% 1JUN2019	42,925,140	1.10
CHINA (GOVT OF) 3.52% 25APR2046 (INTERBANK)	42,604,974	1.09
CHINA DEVELOPMENT BANK 3.18% 05APR2026	41,003,350	1.05
SINGAPORE (GOVT OF) 2.75% 01JUL2023	39,632,445	1.02
SINGAPORE (GOVT OF) 0.5% 01APR2018	39,105,804	1.00
SINGAPORE (GOVT OF) 3% 01SEP2024	38,345,624	0.98
INDONESIA (REP OF) 8.375% 15MAR2024	37,477,381	0.96
	<u>429,706,211</u>	<u>11.00</u>

	Fair value at 30th June 2016 US\$	Percentage of total net assets at 30th June 2016 (%)
SINGAPORE (GOVT OF) 2.25% 1JUN2021	53,215,593	1.44
HONG KONG (GOVT OF) 2.93% 13JAN2020	44,944,047	1.22
(D) KOREA TREASURY BOND 2.75% 10MAR2018	44,833,006	1.21
SINGAPORE (GOVT OF) 2.5% 1JUN2019	41,413,360	1.12
PHILIPPINES (REP OF) 8% 19JUL2031	41,230,638	1.12
SINGAPORE (GOVT OF) 0.5% 01APR2018	41,168,060	1.12
(D) KOREA TREASURY BOND 1.625% 10JUN2018	40,238,664	1.09
SINGAPORE (GOVT OF) 3% 01SEP2024	39,500,132	1.07
THAILAND (GOVT OF) 3.875% 13JUN2019	38,760,864	1.05
SINGAPORE (GOVT OF) 3.5% 1MAR2027	36,970,446	1.00
	<u>422,274,810</u>	<u>11.44</u>

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS**

*For the year ended 30th June 2017 (Unaudited)*

	Percentage of total net assets as at 30th June 2017 (%)	Percentage of total net assets as at 30th June 2016 (%)
<b>Total Investments</b>		
<b>Debt securities</b>		
China	23.16	21.02
Hong Kong	8.73	14.57
Indonesia	7.81	6.78
Malaysia	11.22	10.88
Philippines	6.04	5.28
Singapore	16.16	15.15
South Korea	17.18	17.08
Thailand	9.79	9.12
	<hr/>	<hr/>
<b>Total investments</b>	<b>100.09</b>	<b>99.88</b>
	<hr/> <hr/>	<hr/> <hr/>

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**PERFORMANCE RECORD (Unaudited)**

**NET ASSET VALUES**

	Net asset value of the Fund <i>US\$</i>	Net asset Value per unit <i>US\$</i>
At the end of financial period dated		
30th June 2015	3,156,641,424	118.79
30th June 2016	3,688,337,097	119.34
30th June 2017	3,903,994,527	114.76

**HIGHEST OFFER AND LOWEST BID PRICES**

	Highest offer <i>US\$</i>	Lowest bid <i>US\$</i>
Financial period ended		
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
30th June 2016	120.22	110.74
30th June 2017	121.55	110.15

**PERFORMANCE RECORD (Unaudited)** *(Continued)*

Performance as of 30th June 2017

**PERFORMANCE SUMMARY**

Periods Ended						Annualised since inception <sup>(a)</sup>
30th June 2017	3 Months	6 Months	1 Year	3 Years	5 Years	
ABF Pan Asia Bond Index Fund <sup>(b)</sup>	1.48%	5.21%	-1.49%	0.17%	0.96%	4.38%
Markit iBoxx ABF Pan-Asia Index	1.59%	5.46%	-0.97%	0.70%	1.49%	5.01%

Notes:

- (a) Performance inception date is from 29th June 2005 when the units of the Fund were first issued.
- (b) The Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this total return calculation. Performance returns for periods of less than one year are not annualised.
- (c) The benchmark returns are stated on a total return basis. Unlike the Fund, the benchmark returns do not include the impact of withholdings taxes, Fund expenses or Fund transaction costs.

## **ADMINISTRATION AND MANAGEMENT**

### **Directors of the Manager**

Mr. Lochiel Cameron Crafter  
Mr. James Keith MacNevin  
(Resigned on 10th March 2017)  
Mr. Hon Wing Cheung  
Mr. Kheng Siang Ng  
(Resigned on 4th July 2016 as alternate director  
to Mr. Hon Wing Cheung)  
Mr. Kevin David Anderson  
Ms. June Wong  
(Appointed on 1st November 2016)  
Mr. Louis Anthony Boscia  
(Appointed on 10th March 2017)

### **Members of the Supervisory Committee**

Dr. Philip Lowe  
(Resigned on 2nd December 2016)  
Dr. Guy Debelle  
(Appointed on 5th December 2016)  
Mr. Eiji Maeda  
Mr. Mathee Supapongse  
Mr. Eddie Yue  
Mr. Huang Guobo  
(Resigned on 22nd November 2016)  
Dr. Yong Yin  
(Appointed on 22nd November 2016)  
Mr. Grant Spencer  
Mrs. Ma. Ramona G. D. T. Santiago  
Mr. Erwin Rijanto  
(Resigned on 17th March 2017)  
Mr. Perry Warjiyo  
(Appointed on 17th March 2017)  
Dr. Sukhdave Singh  
(Resigned on 16th January 2017)  
Mr. Abdul Rasheed Ghaffour  
(Appointed on 16th January 2017)  
Ms. Jacqueline Loh  
Dr. Young Kyung Suh  
(Resigned on 2nd December 2016)  
Mr. Myun-Shik Yoon  
(Appointed on 5th December 2016)

### **Trustee**

HSBC Institutional Trust Services (Singapore)  
Limited  
21 Collyer Quay  
#13-02 HSBC Building  
Singapore 049320

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

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

### **Manager**

State Street Global Advisors  
Singapore Limited

Singapore office:  
168 Robinson Road  
#33-01 Capital Tower  
Singapore 068912

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

### **Processing Agent**

HK Conversion Agency Services Limited  
1/F One & Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### **Auditor**

PricewaterhouseCoopers LLP  
8 Cross Street  
#17-00 PWC Building  
Singapore 048424  
Singapore