

Press Release

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APAC's First Regional Bond ETF, ABF Pan Asia Bond Index Fund Celebrates 10 Years

Asian Bonds Remain an Important Long-Term Investment in Institutional Portfolios with Strong Fundamental and Growth Potential

A unit trust authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore and section 104 of the Securities and Futures Ordinance (Cap 571) of Hong Kong

Stock Code: 2821

- ABF Pan Asia Bond Index Fund ("PAIF") is an exchange traded bond fund which seeks to provide investment returns that corresponds closely to the total return of the Markit iBoxx ABF Pan-Asia Index ("Index"), before fees and expenses, and its return may deviate from that of the Index.
- PAIF primarily invests in local currency government and quasi-government bonds in eight Asian markets, comprising of China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand.
- Investment involves risks, including risks of exposure to bonds in both developed and emerging Asia markets. Investors may lose part or all of their investments.
- The trading price of PAIF may differ from the underlying net asset value per share.
- PAIF may not be suitable for all investors. Investors should not invest based on this marketing material only. Investors should read the PAIF's prospectus, including the risk factors, take into consideration of the product features, their own investment objectives, risk tolerance level etc and seek independent financial and professional advices as appropriate prior to making any investment.

HONG KONG, 15 July, 2015 — State Street Global Advisors, the asset management business of State Street Corporation (NYSE: STT) today celebrated the 10th anniversary of its ABF Pan Asia Bond Index Fund (PAIF) (HKSE: 2821). Launched in 2005 as the first regional bond ETF, the fund's assets under management have more than tripled over the past decade to more than US\$3.16 billion as of 30 June 2015.

"PAIF was the start of something momentous for the region. As a major component of the second Asian Bond Fund (ABF2), an important regional initiative of the 11 Asia-Pacific central banks within EMEAP (Executives' Meeting of East Asia Pacific Central Banks), PAIF and ABF2 have had a major impact on the development of local currency bond markets," said Hon Cheung, regional director of the Official Institutions Group of State Street Global Advisors. "We are very pleased to have played a significant role in the development of the region's bond markets."

PAIF was the first and is currently the largest fixed income ETF in Asia. Benchmarked to the Markit iBoxx ABF Pan-Asia Index, PAIF invests in local currency-denominated government and quasi-government bonds issued in eight Asian markets, namely China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand. Before the launch of this

pioneering fixed income ETF product, access to China's interbank market by mainstream investors had been unavailable. The fund was listed in Hong Kong in 2005 and cross-listed in Tokyo in 2009. It is managed by State Street Global Advisors Singapore Limited.

Kevin Anderson, senior managing director of State Street Global Advisors and head of investments in the Asia Pacific region said, "The Asian local currency bond markets have grown tremendously in the past decade, from US\$1.7 trillion in 2005 to US\$8.2 trillion at the end of 2014, according to the Asian Development Bank's data. This has established the asset class as a significant opportunity for investors," Anderson added. "The significant growth in size of the market and the increase in investment into this asset class underline its positive prospects and fundamentals. We expect that sound macroeconomic policies, robust fundamentals, growing currency reserves and improved creditworthiness of debt in Asia will be major drivers for the continued growth local Asian currency bonds."

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About State Street Global Advisors

For nearly four decades, State Street Global Advisors has been committed to helping our clients, and those who rely on them, achieve financial security. We partner with many of the world's largest, most sophisticated investors and financial intermediaries to help them reach their goals through a rigorous, research-driven investment process spanning both indexing and active disciplines. With trillions* in assets, our scale and global reach offer clients unrivaled access to markets, geographies and asset classes, and allow us to deliver thoughtful insights and innovative solutions.

State Street Global Advisors is the investment management arm of State Street Corporation.

*Assets under management were \$2.4 trillion as of March 31, 2015.

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ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETFs may be bought and sold on the exchange through any brokerage account, ETFs are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only, please see the prospectus for more details.

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IBGAP-2689