

Press Release

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State Street Global Advisors Announces the Launch of Securities Lending by ABF Pan Asia Bond Index Fund

Aims to Generate Additional Income for Investors

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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

www.abf-paif.com

- 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.
- PAIF is not "actively managed" and will not try to "beat" the market it tracks.
- The Executives' Meeting of East Asia and Pacific Central Banks group (the "EMEAP") member central banks and monetary authorities are like any other investors in PAIF and each of them may dispose of their respective interest in the Units they hold. There are no guarantees that the EMEAP member central banks and monetary authorities will continue to be investors in PAIF.
- 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 press release 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, SINGAPORE, June 26, 2018 — State Street Global Advisors, the asset management business of State Street Corporation (NYSE: STT), today announced that ABF Pan-Asia Bond Index Fund ("PAIF" or "the Fund") has launched a securities lending program. With effect from July 10, 2018, certain Asian local-currency-denominated bonds held by PAIF will be available to qualified borrowers in the securities lending markets.

As the manager of PAIF, State Street Global Advisors believes engaging in securities lending will bring benefits to the Fund's investors. "The Fund is expected to generate income from the securities lending program, which can offset some of the associated costs of the Fund and potentially enhance its returns," June Wong, senior managing director and head of Asia ex-

Japan at State Street Global Advisors. “At the same time, we believe the addition of Asian local-currency denominated bonds into the lending pool will deepen liquidity in the secondary markets, ultimately benefiting all investors.”

PAIF primarily invests in local currency government and quasi-government bonds in Asia. It is a component of the Asian Bond Fund (ABF), the EMEAP¹ (Executives' Meeting of East-Asia and Pacific Central Banks) Group's initiative to further develop the bond markets in Asia. Since the inception of the ABF in 2003 until 2017, the amount of local currency-denominated bonds in Asia recorded a nearly eight-fold increase from around USD 1.3 trillion to more than USD 10 trillion.

Wong added: “Since the launch of PAIF in 2005, State Street Global Advisors has been working closely with EMEAP to develop the Asian local currency bond markets as well as to promote the asset class among investors in the region. We are very pleased to see the remarkable growth of the markets over the past years.”

PAIF is the first fund among EMEAP's ABF series to launch a securities lending program. It is an important milestone for the ABF initiative to further develop the Asian bond markets. HSBC is the lending agent of the securities lending program.

“The launch of PAIF into the securities lending market is an important milestone in the growth of secondary market demand for Asian local-currency government bonds,” said Roy Zimmerhansl, global head of Securities Lending at HSBC Securities Services. “The assets available from the fund will broaden and deepen the liquidity pools in underlying assets contributing to a better market for all investors while contributing revenue to the fund. HSBC is honoured to be involved in this landmark development.”

“Many major investors participate in securities lending and we are proud to be part of this significant market development and contribute to the development of local currency bond markets in the region. We are also very excited about the markets' future growth as we see Asian local currency bonds becoming an increasingly important asset class for investors both in the region and globally,” concluded Wong.

About State Street Global Advisors

For nearly four decades, State Street Global Advisors has been committed to helping financial professionals and those who rely on them achieve their investment objectives. We partner with institutions and financial professionals to help them reach their goals through a rigorous, research-driven process spanning both active and index disciplines. We take pride in working closely with our clients to develop precise investment strategies, including our pioneering family of SPDR® ETFs. With trillions* in assets under management, our scale and global footprint provide access to markets and asset classes, and allow us to deliver expert insights and investment solutions.

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

*Assets under management were \$2.70 trillion as of March 31, 2018. Please note that AUM totals are unaudited. AUM reflects approx. US\$36 billion (as of March 31, 2018) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

¹ The EMEAP Group comprises 11 central banks and monetary authorities in East Asia and Pacific region, namely Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore and Thailand.

[^] This website has not been reviewed by the Securities and Futures Commission of Hong Kong ("SFC").

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Nothing contained here constitutes investment advice or should be relied on as such. The value of PAIF and the income from it, if any, may fall or rise. Past performance of PAIF is not indicative of future performance. The prospectus for PAIF is available and may be obtained from the Manager and downloaded from PAIF's website: www.abf-paif.com[^]. The semi-annual distributions are dependent on PAIF's performance and are not guaranteed. Listing of PAIF on the SEHK does not guarantee a liquid market for the units and the Fund may be delisted from the SEHK. PAIF may use or invest in financial derivatives.

All forms of investments carry risks, including the risk of losing all of the invested amount. Such activities may not be suitable for everyone.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

International government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term 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.

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. Frequent trading of ETF's could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the collateral may decline in value and may at any point be worth less than the original cost of that investment.

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The Markit iBoxx ABF Pan-Asia Index referenced herein is the property of Markit Indices Limited and is used under license. The PAIF is not sponsored, endorsed, or promoted by Markit Indices Limited or any of its members.

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