ABF Pan Asia Bond Index Fund

Annual Report 2016

1st July 2015 to 30th June 2016

ABF Pan Asia Bond Index Fund

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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 2015 and changed effective 31st October 2015. The previous and current market weights of the Underlying Index are:

Market	Current Weights* *(%)*	Previous Weights *(%)*
China	21.05	20.11
Hong Kong	14.60	14.90
Indonesia	6.80	6.74
Malaysia	10.82	11.41
Philippines	5.44	5.56
Singapore	15.20	15.45
South Korea	16.95	16.90
Thailand	9.14	8.93

* *Source: Markit, SSgA (as of 30th June 2016).*

MANAGER'S INVESTMENT REPORT *(Continued)*

PERFORMANCE SUMMARY

Periods Ended 30th June 2016	3 months	6 months	1 Year	3 Years	5 Years	Annualised since Inception[a]
ABF Pan Asia Bond Index Fund (PAIF)[b]	0.09%	6.22%	3.41%	1.53%	2.10%	4.93%
Markit iBoxx ABF Pan-Asia Index	0.26%	6.45%	3.92%	2.04%	2.63%	5.57%

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 4.93% compared to an index return of 5.57%. This is a difference of -0.64% and is principally attributable to an amount of -0.56% due to the estimated impact of certain relevant factors that are unavoidable in the performance of an indexed fund relative to its benchmark (the relevant factors are the permitted fees and expenses under the Trust Deed, and withholding taxes); the balance of -0.08% 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 5.57% since inception. This performance was generated from resilient bond markets (contributing 4.01% to returns) as well as from Asian currencies' appreciation (contributing 1.57%).

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$3,688 million, representing a 16.8% growth during the past year. In terms of units outstanding, these increased by 16.3% for the 12-month period with 30,907,054 units outstanding at the year-end. During the year ended 30th June 2016, fund subscriptions (including dividend reinvestments) net of redemptions totaled 4,333,790 units.

EXPOSURE TO FINANCIAL DERIVATIVES

PAIF had no exposure to derivatives in the years ended 30th June 2016 and 30th June 2015.

GLOBAL EXPOSURE TO FINANCIAL DERIVATIVES

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

(a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;

(b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and

(c) the sum of the values of cash collateral received pursuant to:

   i) the reduction of exposure to counterparties of OTC financial derivatives; and

   ii) EPM technique relating to securities lending and repurchase transactions,

   and that are reinvested.

OTHER INFORMATION

During the year ended 30th June 2016, 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 2016, PAIF had no borrowings, securities lending or repurchase transactions. There is no other material information that would adversely impact the valuation of PAIF.

STATEMENT BY THE MANAGER

MANAGER'S RESPONSIBILITIES

The Manager of ABF Pan Asia Bond Index Fund (the "Fund") is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 21st June 2005, as amended (the "Trust Deed"), to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund at the end of the year and of the transactions for the year then ended. In respect of these financial statements the Manager, with the assistance of the service provider, is required to:

– select suitable accounting policies and then apply them consistently;

– make judgments and estimates that are prudent and reasonable; and

– prepare or arrange for the preparation of the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

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

In the opinion of the Manager of the Fund, the accompanying financial statements set out on pages 8 to 38, comprising the Statement of Net Assets, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 30th June 2016, and it's 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
26th September 2016

REPORT OF THE TRUSTEE

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

– ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;

– satisfy itself that sufficient accounting and other records have been maintained;

– safeguard the property of the Fund and rights attaching thereto; and

– report to the Unitholders for each annual accounting year should the Manager not managing the Fund in accordance to the Trust Deed.

The Trustee is under a duty to take into custody and hold the accounts of the Fund in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as sent 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 2016.

For and on behalf of the Trustee

HSBC Institutional Trust Services (Singapore) Limited
26th September 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the ABF Pan Asia Bond Index Fund (the "Fund") set out on pages 8 to 38, which comprise the Statement of Net Assets as at 30th June 2016, and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager (the "Management") of the Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and is responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 21st June 2005, as amended, and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30th June 2016, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 26th September 2016

STATEMENT OF NET ASSETS

As at 30th June 2016

	Notes	30th June 2016 US$	30th June 2015 US$
Assets			
Current assets			
Investments	*10(b)&(c)*	3,683,751,240	3,151,668,101
Amounts due from brokers		49,794,066	15,096,590
Cash at banks	*8(e)*	12,710,609	21,118,077
Total assets		3,746,255,915	3,187,882,768
Liabilities			
Current liabilities			
Amounts due to brokers		52,662,241	26,170,651
Audit fee payable		25,806	47,336
Trustee fee payable	*8(d)*	140,692	261,910
Management fee payable	*8(c)*	880,125	586,559
Index license fee payable	*9(a)*	34,195	173,561
Other payables		4,175,759	4,001,327
Liabilities (excluding net assets attributable to holders of redeemable units)		57,918,818	31,241,344
Net assets attributable to holders of redeemable units	*3*	3,688,337,097	3,156,641,424

HSBC Institutional Trust Services (Singapore) Limited

State Street Global Advisors Singapore Limited

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2016

	Notes	For the year ended 30th June 2016 US$	For the year ended 30th June 2015 US$
Income			
Interest income on bank deposits		28,934	73,502
Net gain/(loss) on investments	6	115,762,002	(27,739,255)
Net foreign exchange loss		(2,007,233)	(833,671)
Other income	5	1,273,433	410,798
Total investment income/(loss)		115,057,136	(28,088,626)
Expenses			
Management fee	8(c)	3,483,077	3,409,263
Trustee fee	8(d)	1,522,281	1,620,132
Index license fee	9(a)	349,023	295,756
Publication and printing expenses		41,549	171,284
Audit fee		47,466	75,694
Processing agent fee	9(b)	21,402	12,381
Safe custody and bank charges		53,535	27,727
Legal and professional fees		475,657	181,350
Annual insurance premium		31,000	31,000
Other operating expenses		8,769	27,584
Total operating expenses		6,033,759	5,852,171
Operating profit/(loss)		109,023,377	(33,940,797)
Finance costs			
Distributions to holders of redeemable units	12	(87,818,362)	(99,677,237)
Profit/(loss) after distributions and before tax		21,205,015	(133,618,034)
Withholding taxes	7	(7,143,760)	(8,570,211)
Profit/(loss) after distributions and tax/increase/(decrease) in net assets attributable to holders of redeemable units from operations		14,061,255	(142,188,245)

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

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

For the year ended 30th June 2016

	For the year ended 30th June 2016 *US$*	For the year ended 30th June 2015 *US$*
Balance at beginning of the year	3,156,641,424	3,048,386,166
Issue of units	812,583,869	343,478,697
Redemption of units	(294,949,451)	(93,035,194)
Net issue of units	517,634,418	250,443,503
Increase/(decrease) in net assets attributable to holders of redeemable units from operations	14,061,255	(142,188,245)
Balance at the end of the year	3,688,337,097	3,156,641,424

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

STATEMENT OF CASH FLOWS

For the year ended 30th June 2016

	For the year ended 30th June 2016 *US$*	For the year ended 30th June 2015 *US$*
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of redeemable units from operations	14,061,255	(142,188,245)
Adjustment for:		
Interest income on bank deposits	(28,934)	(73,502)
Distributions to holders of redeemable units	87,818,362	99,677,237
Withholding taxes	5,426,349	8,332,133
Operating profit/(loss) before working capital changes	107,277,032	(34,252,377)
Net increase in investments	(532,083,139)	(124,425,440)
Net (increase)/decrease in amounts due from brokers	(34,697,476)	11,720,118
Net increase/(decrease) in amounts due to brokers	26,491,590	(13,431,817)
Net decrease in amounts due to the Manager	–	(407,298)
Net increase in accounts payable and accrued expenses	185,884	888,038
Cash used in operations	(432,826,109)	(159,908,776)
Interest income on bank deposits received	28,934	73,502
Withholding taxes paid	(5,426,349)	(8,332,133)
Net cash used in operating activities	(438,223,524)	(168,167,407)
Cash flows from financing activities		
Distributions paid to holders of redeemable units	(87,818,362)	(99,677,237)
Issue of units	812,583,869	343,478,697
Redemption of units	(294,949,451)	(93,035,194)
Net cash generated from financing activities	429,816,056	150,766,266
Net decrease in cash and cash equivalents	(8,407,468)	(17,401,141)
Cash and cash equivalents at the beginning of the year	21,118,077	38,519,218
Cash and cash equivalents at the end of the year	12,710,609	21,118,077
Analysis of balance of cash and cash equivalents:		
Cash at banks	12,710,609	21,118,077

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ABF Pan Asia Bond Index Fund (the "Fund") is a Singapore unit trust authorised under Section 286 of the Securities and Futures Act (Cap. 289) of Singapore and Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The Fund was constituted by a trust deed dated 21st June 2005 between State Street Global Advisors Singapore Limited and HSBC Institutional Trust Services (Singapore) Limited (the "Trust Deed"). The Trust Deed was amended and restated by an Amending and Restating Deed on 28th June 2006, a Second Amending and Restating Deed dated 28th June 2007, a supplemental deed dated 27th June 2008 and a Third Amending and Restating Deed dated 24th June 2011. The Trust Deed and all supplemental deeds are governed in accordance with the laws of Singapore. The Fund is also listed on The Stock Exchange of Hong Kong Limited and Tokyo Stock Exchange. The date of commencement of operation of the Fund was 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 2015 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 Manager of the Fund is yet to assess IFRS 9's full impact.

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(b) Investments

The Fund invests in debt securities which are classified as financial assets at fair value through profit or loss. These investments are designated by the Manager at fair value through profit or loss at inception. Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the Statement of Comprehensive Income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices. Investments which are not listed on an exchange are valued by using quotes from brokers. The investments are fair valued based on quoted bid prices inclusive of accrued interests.

Foreign exchange contracts are valued at the difference between forward rates ruling at the valuation date and the contract rates. Realised and unrealised gains and losses on foreign exchange contracts are recognised in the Statement of Comprehensive Income.

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

(c) Income

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method. Interest income on investments is accounted for as part of net gain/loss on investments in the Statement of Comprehensive Income. Other income is accounted for in the Statement of Comprehensive Income on an accrual basis.

(d) Expenses

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

(e) Cash and cash equivalents

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

(f) Amounts due from/to brokers

Amounts due from/to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(g) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States dollars ("US$"), which is the Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

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

(h) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Statement of Net Assets, where the Fund currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. 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.

(i) Redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund for cash equal to a proportionate share of the Fund's net asset value. The redeemable unit is carried at the redemption amount that is payable at the date of redemption if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(j) Segmental information

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

(k) Distributions

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

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

	2016 *units*	2015 *units*
Units in issue at the beginning of the year	26,573,264	24,514,240
Issue of units	6,921,210	2,826,024
Redemption of units	(2,587,420)	(767,000)
Units in issue at the end of the year	30,907,054	26,573,264

	2016 *US$*	2015 *US$*
Net assets attributable to holders of redeemable units	3,688,337,097	3,156,641,424
Net assets attributable to holders of redeemable units (per unit)	119.34	118.79
Net asset value per Creation unit (1 Creation unit is equivalent to 10,000 units)	1,193,364	1,187,901

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments

The Fund holds a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Manager exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded at as of 30th June 2016. Actual transacted prices may differ from the quotes provided by the brokers. The Manager considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

5. OTHER INCOME

For each application for the creation or redemption of units, the Fund is entitled to receive a transaction fee of HK$1,000 (approximately US$128) per application and 0.125% for dilution charges.

6. NET GAIN/(LOSS) ON INVESTMENTS

	2016 *US$*	2015 *US$*
Change in unrealised gain/loss in value of investments	79,741,365	(138,442,302)
Realised gain on sale of investments	36,020,637	110,703,047
	115,762,002	(27,739,255)

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 2016, the Fund made provision of US$2,472,594 for withholding tax on interest income from PRC non-government securities (2015: US$2,467,840). The amount is included in "Other payables" in the Statement of Net Assets.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). The Manager and the Trustee of the Fund are State Street Global Advisors Singapore Limited and HSBC Institutional Trust Services (Singapore) Limited, respectively. State Street Global Advisors Singapore Limited is a subsidiary of State Street Corporation. HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings plc. All transactions entered into during the year between the Fund and the related parties including the Manager and its Connected Persons were carried out in the ordinary course of business and on normal commercial terms.

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

During the year ended 30th June 2016, the Manager transacted in foreign currency transactions totaling US$1,758,674,562 (2015: US$952,293,341) 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% (2015: 100%) of the Fund's foreign currency transactions during the year ended 30th June 2016.

Name of company	Aggregate value of foreign currency transactions *US$*	% of total foreign currency transactions %
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
2015		
HSBC Australia	610,839,626	64.15
HSBC Hong Kong	200,594,715	21.06
State Street Global Markets, Australia	100,000	0.01
State Street Global Markets, LLC	140,759,000	14.78

During the years ended 30th June 2016 and 2015, the Connected Persons of the Manager and the Trustee as listed above had included normal bid-offer spread for the foreign currency transactions entered with the Fund, which were carried out in the ordinary course of business and on normal commercial terms. There were no direct commissions paid to Connected Persons of the Manager or the Trustee during the years ended 30th June 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(b) Manager's holding in the Fund

As at 30th June 2016, the directors and officers of the Manager did not hold any units in the Fund (2015: Nil).

(c) Management fee

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

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

* 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.

(e) Bank balances

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

	As at 30th June 2016 *US$*	As at 30th June 2015 *US$*
Bank balances	12,710,609	21,118,077

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 (2015: 0.0175% per annum) on the daily average net asset value of the Fund, subject to a minimum of US$184,000 per annum (2015: 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:

	2016			2015		
	Fair value *US$*	Cost *US$*	% of net assets	Fair value *US$*	Cost *US$*	% of net assets
Investments						
– Debt securities	3,683,751,240	3,662,198,123	99.88	3,151,668,101	3,209,856,349	99.84
	3,683,751,240	3,662,198,123	99.88	3,151,668,101	3,209,856,349	99.84

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.

	2016 *US$ equivalent*	2015 *US$ equivalent*
Markets exposed to		
China	775,383,132	628,722,154
Hong Kong	537,568,507	469,541,966
Indonesia	250,113,130	211,968,335
Malaysia	401,198,637	360,634,839
Philippines	194,525,471	170,698,455
Singapore	558,716,835	488,808,972
South Korea	629,785,241	538,430,816
Thailand	336,460,287	282,862,564
	3,683,751,240	3,151,668,101

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 2016 and 30th June 2015, as follows:

	2016 %	2015 %
Hong Kong Government	13.89	14.08
China Government	19.70	18.11
Korea Treasury	16.82	15.93
Singapore Government	14.15	14.22
Malaysia Government	9.98	10.01

During the year ended 30th June 2016, the Underlying Index increased by 3.92% (2015: decreased by 0.76%), while the returns of the Fund including dividends increased by 3.41% (2015: decreased by 1.34%).

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.

	2016		2015	
	Change in market index % +/-	Impact *US$* +/-	Change in market index % +/-	Impact *US$* +/-
Markit iBoxx ABF Pan-Asia Index in US$	6.00	221,025,074	6.00	189,100,086

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

The 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 2016

	Up to 1 year *US$*	1-5 years *US$*	Over 5 years *US$*	Non-interest bearing *US$*	Total *US$*
Assets					
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
Total assets	95,959,010	1,637,536,846	1,962,965,993	49,794,066	3,746,255,915
Liabilities					
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)
Total liabilities	–	–	–	(3,746,255,915)	(3,746,255,915)
Total interest sensitivity gap	95,959,010	1,637,536,846	1,962,965,993		

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Interest rate risk *(Continued)*

As at 30th June 2015

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

At 30th June 2016, should interest rates have lowered/risen by 50 basis points (2015: 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$114,134,786 and US$121,494,903, respectively (2015: US$90,899,095 and US$95,406,522), 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 2016 and 2015:

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

As at 30th June 2015

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

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)	2016 *% of Investment*	2015 *% of Investment*
AAA	28	28
AA	38	20
A	11	28
BBB	14	14
BB	7	7
Non-rated	2	3
Total	100	100

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 2016 and 2015 is the carrying amount of the financial assets as set out below:

	2016 *US$*	2015 *US$*
Investments	3,683,751,240	3,151,668,101
Amounts due from brokers	49,794,066	15,096,590
Cash at banks	12,710,609	21,118,077
	3,746,255,915	3,187,882,768

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

The Manager limits the Fund's exposure to counterparty risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Manager considers to be well established.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk

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

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

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the year-end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month *US$*	1 month to less than 3 months *US$*	Over 3 months *US$*
As at 30th June 2016			
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	3,688,337,097	–	–
Contractual cash out flows	3,741,035,368	1,146,794	4,073,753
As at 30th June 2015			
Amounts due to brokers	26,170,651	–	–
Audit fee payable	–	47,336	–
Trustee fee payable	–	261,910	–
Management fee payable	–	586,559	–
Index license fee payable	–	173,561	–
Other payables	19,786	49,759	3,931,782
Net assets attributable to holders of redeemable units	3,156,641,424	–	–
Contractual cash out flows	3,182,831,861	1,119,125	3,931,782

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 2016 and 2015, there were 2 unitholders holding more than 10% of the Fund's units.

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

	Less than 1 month *US$*	1-12 months *US$*
As at 30th June 2016		
Total assets	3,746,255,915	–

	Less than 1 month *US$*	1-12 months *US$*
As at 30th June 2015		
Total assets	3,187,882,768	–

(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:

	2016 *US$* *equivalents*	2015 *US$* *equivalents*
Hong Kong Dollar	538,648,251	470,975,128
Indonesian Rupiah	251,412,814	211,824,183
Malaysian Ringgit	401,736,580	360,842,948
Philippine Peso	195,044,809	171,071,612
Renminbi	775,915,737	632,088,938
Singapore Dollar	558,888,333	488,986,001
South Korean Won	630,013,607	537,859,791
Thai Baht	336,952,450	282,846,237

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.

	2016		2015	
	Change % +/-	Impact *US$* +/-	Change % +/-	Impact *US$* +/-
Hong Kong Dollar	1	5,386,483	1	4,709,751
Indonesian Rupiah	12	30,169,538	12	25,418,902
Malaysian Ringgit	11	44,191,024	10	36,084,295
Philippine Peso	11	21,454,929	10	17,107,161
Renminbi	8	62,073,259	3	18,962,668
Singapore Dollar	8	44,711,067	6	29,339,160
South Korean Won	11	69,301,497	10	53,785,979
Thai Baht	11	37,064,770	10	28,284,624

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 2016 and 2015:

As at 30th June 2016	Level 1	Level 2	Level 3	Total balance
	US$	*US$*	*US$*	*US$*
Investments				
– Debt securities	–	3,683,751,240	–	3,683,751,240
	–	3,683,751,240	–	3,683,751,240

As at 30th June 2015	Level 1	Level 2	Level 3	Total balance
	US$	*US$*	*US$*	*US$*
Investments				
– Debt securities	–	3,151,668,101	–	3,151,668,101
	–	3,151,668,101	–	3,151,668,101

Investments whose values are based on quoted market prices in active markets are classified within Level 1. As of 30th June 2016 and 2015, 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 2016 and 2015, 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 2016 and 2015, the Fund did not hold any investments classified in Level 3.

There was no transfer between levels for the years ended 30th June 2016 and 2015.

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

	2016 *US$*	2015 *US$*
Interim distribution		
– US$1.64 on 26,121,836 units paid on 4th February 2016	42,839,811	–
– US$1.89 on 25,542,474 units paid on 4th February 2015	–	48,275,276
Final distribution		
– US$1.67 on 26,933,264 units paid on 4th August 2015	44,978,551	–
– US$2.09 on 24,594,240 units paid on 5th August 2014	–	51,401,961
Total distribution	87,818,362	99,677,237

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 2016 and 2015.

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

The Fund has no assets classified as non-current assets. The Fund has a diversified portfolio of investments. During the year ended 30th June 2016, there were no investments which each accounted for more than 10% of the Fund's income (2015: Nil). Please refer to note 10 for investment holdings issued by a single issuer that account for more than 10% of the Fund's net assets.

The Fund also has a diversified unitholder population. As at 30th June 2016, there were two unitholders, which were the nominee account holders of the Fund (2015: two unitholders) holding more than 10% of the Fund's units. The two nominee account holders hold 77% and 14% (2015: 73% and 18%) of the Fund's units as at 30th June 2016.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. SUPPLEMENTAL RATIOS

	2016	2015
Expense ratio[1]	0.20%	0.19%
Turnover ratio[2]	39.72%	18.35%

[1] The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end was based on total operating expenses of US$6,033,759 (2015: US$5,852,171) divided by the average net asset value of US$3,038,349,524 (2015: US$3,104,129,510) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

[2] The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales, being sales of US$1,206,847,992 (2015: purchases of US$569,631,923) of the underlying investments, divided by the average daily net asset value of US$3,038,349,524 (2015: US$3,104,129,510). In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants in June 2012, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

15. EVENT OCCURRING AFTER YEAR END DATE

Subsequent to the year end, the Fund announced a dividend distribution of US$1.25 per unit on 14th July 2016. The dividend was paid on 4th August 2016. The net assets attributable to holders of redeemable units as at 30th June 2016 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 26th September 2016.

INVESTMENT PORTFOLIO

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY

Listed investments	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
CHINA (21.02%)			
AGRICUL DEV BANK CHINA 3.5% 16DEC2018	20,000,000	3,101,196	0.08
AGRICUL DEV BANK CHINA 3.65% 26MAR2020	50,000,000	7,777,945	0.21
CHINA (GOV OF) 3.51%16JUL2025(INTERBANK)	20,000,000	3,197,269	0.09
CHINA GOVT BOND 3.77%18DEC2024(INTERBANK)	60,000,000	9,657,965	0.26
CHINA (GOVT OF) 2.92% 11MAR2017	60,000,000	9,147,665	0.25
CHINA (GOVT OF) 2.95% 16AUG2017	100,000,000	15,515,446	0.42
CHINA (GOVT OF) 3.02% 07MAY2019	30,000,000	4,592,199	0.12
CHINA (GOVT OF) 3.1% 28MAY20(INTERBANK)	50,000,000	7,659,524	0.21
CHINA (GOVT OF) 3.14% 07JUN19(INTERBANK)	60,000,000	9,191,673	0.25
CHINA (GOVT OF) 3.27% 15NOV2021	25,000,000	3,849,721	0.10
CHINA (GOVT OF) 3.36% 25MAR2020	30,000,000	4,666,070	0.13
CHINA (GOVT OF) 3.4% 17APR2023	65,663,000	10,231,416	0.28
CHINA (GOVT OF) 3.41% 24JUN2020	30,000,000	4,627,940	0.13
CHINA (GOVT OF) 3.43% 04FEB2020	30,000,000	4,698,344	0.13
CHINA (GOVT OF) 3.44% 17SEP2019	50,000,000	7,794,002	0.21
CHINA (GOVT OF) 3.48% 23JUL2019	30,000,000	4,703,547	0.13
CHINA (GOVT OF) 3.51% 23FEB2022	120,000,000	18,855,693	0.51
CHINA (GOVT OF) 3.65% 13OCT2018 1121	50,000,000	7,908,145	0.21
CHINA (GOVT OF) 3.68% 22SEP2018	50,000,000	7,787,831	0.21
CHINA (GOVT OF) 3.7% 07JUL2018	70,000,000	11,151,502	0.30
CHINA (GOVT OF) 3.82% 02SEP2030	80,000,000	12,806,704	0.35
CHINA (GOVT OF) 3.83% 27JAN2018	130,000,000	20,279,937	0.55
CHINA (GOVT OF) 3.91% 23OCT2038	30,000,000	4,861,644	0.13
CHINA (GOVT OF) 3.93% 18AUG2021	110,000,000	17,623,301	0.48
CHINA (GOVT OF) 3.96% 29JUL2040	40,000,000	6,614,492	0.18
CHINA (GOVT OF) 3.99% 16JUN2021	80,000,000	12,682,985	0.34
CHINA (GOVT OF) 4% 19JUN2024	60,000,000	9,714,334	0.26
CHINA (GOVT OF) 4% 27AUG2029	30,000,000	4,927,179	0.13
CHINA (GOVT OF) 4.03% 23APR2032	30,000,000	4,873,414	0.13
CHINA (GOVT OF) 4.07% 17OCT2020 1320	220,000,000	35,941,761	0.97
CHINA (GOVT OF) 4.08% 01MAR2040	110,000,000	18,369,614	0.50
CHINA (GOVT OF) 4.23% 09DEC2040	30,000,000	5,071,241	0.14
CHINA (GOVT OF) 4.31% 24FEB2041	20,000,000	3,458,629	0.09
CHINA (GOVT OF) 4.35% 15NOV2062	40,000,000	6,951,825	0.19

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
CHINA (21.02%) *(Continued)*			
CHINA (GOVT OF) 4.44% 16JAN2021 1403	50,000,000	8,297,566	0.23
CHINA (GOVT OF) 4.46% 24SEP2017	30,000,000	4,676,578	0.13
CHINA (GOVT OF) 4.5% 08MAY2038	20,000,000	3,510,035	0.10
CHINA (GOVT OF) 4.5% 23JUN2041	150,000,000	26,348,096	0.71
CHINA (GOVT OF) 4.55% 29SEP2022	50,000,000	8,344,543	0.23
CHINA (GOVT OF) 4.94% 11AUG2028	40,000,000	7,197,572	0.20
CHINA (REP OF) 2.9% 5MAY2026 (INTERBANK)	190,000,000	28,419,401	0.77
CHINA (REP OF) 3.05% 22OCT22 (INTERBANK)	30,000,000	4,690,287	0.13
CHINA DEVELOPMENT BANK 3.8% 30OCT2036	10,000,000	1,504,331	0.04
CHINA DEVELOPMENT BANK 3.97% 20JAN2017	30,000,000	4,630,237	0.13
CHINA DEVELOPMENT BANK 4.1% 30AUG2025	28,000,000	4,469,139	0.12
CHINA DEVELOPMENT BANK 4.3% 17MAR2030	30,000,000	4,938,642	0.13
CHINA DEVELOPMENT BANK 4.42% 07APR2040	40,000,000	6,614,174	0.18
CHINA GOV BND 3.36% 24MAY2022(INTERBANK)	160,000,000	24,895,194	0.68
CHINA GOVERNMENT BOND 2.51% 19MAY2018	90,000,000	13,581,703	0.37
CHINA GOVERNMENT BOND 2.75% 17MAR2023	130,000,000	19,569,747	0.53
CHINA GOVERNMENT BOND 2.85% 28JAN2026	110,000,000	16,694,360	0.45
CHINA GOVERNMENT BOND 2.9% 24MAY2032	20,000,000	2,822,170	0.08
CHINA GOVERNMENT BOND 2.92% 26SEP2016	4,000,000	607,717	0.02
CHINA GOVERNMENT BOND 3.14% 08SEP2020	20,000,000	3,146,697	0.09
CHINA GOVERNMENT BOND 3.3% 09JUL2022	100,000,000	15,941,697	0.43
CHINA GOVERNMENT BOND 3.41% 08MAR2019	120,000,000	18,650,707	0.51
CHINA GOVERNMENT BOND 3.42% 24JAN2020	10,000,000	1,572,775	0.04
CHINA GOVERNMENT BOND 3.57% 17NOV2021	20,000,000	3,125,043	0.08
CHINA GOVERNMENT BOND 3.68% 05NOV2019	20,000,000	3,129,271	0.09
CHINA GOVERNMENT BOND 3.7% 26JUN2026	10,000,000	1,599,113	0.04
CHINA GOVERNMENT BOND 3.86% 19FEB2029	20,000,000	3,250,407	0.09
CHINA GOVERNMENT BOND 3.96% 15APR2030	20,000,000	3,264,458	0.09
CHINA GOVERNMENT BOND 4.03% 21JUN2040	20,000,000	3,278,367	0.09
CHINA GOVERNMENT BOND 4.12% 02AUG2042	20,000,000	3,373,365	0.09
CHINA GOVERNMENT BOND 4.16% 28FEB2023	6,000,000	986,011	0.03
CHINA GOVERNMENT BOND 4.18% 24OCT2018	10,000,000	1,572,144	0.04
CHINA GOVERNMENT BOND 4.25% 17MAY2062	20,000,000	3,406,513	0.09
CHINA GOVERNMENT BOND 4.27% 17MAY2037	10,000,000	1,697,850	0.05
CHINA GOVERNMENT BOND 4.3% 30NOV2059	20,000,000	3,426,391	0.09

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
CHINA (21.02%) *(Continued)*			
CHINA GOVERNMENT BOND 4.4% 25JUN2017	20,000,000	3,068,321	0.08
CHINA GOVERNMENT BOND 4.41% 17DEC2017	10,000,000	1,548,701	0.04
CHINA GOVT 2.99% 15OCT2025 (INTERBANK)	90,000,000	13,705,197	0.37
CHINA GOVT BOND 2.6% 20SEP2017 1213	58,767,000	8,920,375	0.24
CHINA(GOVT OF) 2.9% 15DEC2018(INTERBANK)	30,000,000	4,551,051	0.12
CHINA(GOVT OF) 3.64% 09APR25 (INTERBANK)	180,000,000	28,943,023	0.78
CHINA(GOVT OF) 3.53% 30OCT2019 (INTERBANK)	30,000,000	4,753,315	0.13
CHINA(GOVT OF) 2.55% 28APR2019 (INTERBANK)	150,000,000	22,661,019	0.61
CHINA(GOVT OF) 2.55% 28JAN2019 (INTERBANK)	200,000,000	30,482,439	0.83
CHINA(GOVT OF) 3.52% 25APR2046 (INTERBANK)	210,000,000	31,680,404	0.86
CHINA GOVT BOND 2.58% 14APR2021 (INTERBANK)	170,000,000	25,589,451	0.69
EXPORT-IMPORT BK CHINA 3.94% 21AUG2019	100,000,000	15,955,382	0.43
		775,383,132	21.02
HONG KONG (13.89%)			
HK (GOVT OF) 2.13% 16JUL2030	105,000,000	14,959,364	0.41
HK GOVERNMENT BOND 0.79% 18JUN2018	80,000,000	10,384,916	0.28
HK GOVERNMENT BOND 1.09% 05JUN2023	35,000,000	4,607,069	0.13
HK GOVERNMENT BOND 2.39% 20AUG2025	47,000,000	6,886,251	0.19
HK GOVERNMENT BOND 3.27% 28AUG2023	51,000,000	7,771,918	0.21
HK GOVT BOND PROGRAMME 0.61% 05FEB2018	172,000,000	22,304,613	0.60
HK GOVT BOND PROGRAMME 1.02% 10APR2017	30,000,000	3,897,238	0.11
HONG KONG (GOVT OF) 0.46% 21AUG2017	75,000,000	9,699,888	0.26
HONG KONG (GOVT OF) 0.46% 22MAY2017	100,000,000	12,918,043	0.35
HONG KONG (GOVT OF) 0.8% 27AUG2027	50,000,000	6,279,205	0.17
HONG KONG (GOVT OF) 1.32% 23DEC2019	40,000,000	5,293,402	0.14
HONG KONG (GOVT OF) 1.34% 24JUN2019	80,000,000	10,562,214	0.29
HONG KONG (GOVT OF) 1.35% 25MAR2019	90,000,000	11,907,722	0.32
HONG KONG (GOVT OF) 1.47% 20FEB2019	100,000,000	13,284,064	0.36
HONG KONG (GOVT OF) 1.49% 22FEB2028	50,000,000	6,743,928	0.18
HONG KONG (GOVT OF) 1.61% 10DEC2018	67,000,000	8,879,499	0.24
HONG KONG (GOVT OF) 1.73% 20FEB2024	54,000,000	7,466,156	0.20

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
HONG KONG (13.89%) *(Continued)*			
HONG KONG (GOVT OF) 1.96% 03JUN2024	40,000,000	5,602,645	0.15
HONG KONG (GOVT OF) 2.16% 9DEC2019	65,000,000	8,847,327	0.24
HONG KONG (GOVT OF) 2.22% 07AUG2024	35,000,000	4,975,074	0.14
HONG KONG (GOVT OF) 2.24% 27AUG2029	53,000,000	7,709,196	0.21
HONG KONG (GOVT OF) 2.48% 28FEB2029	55,000,000	8,211,917	0.22
HONG KONG (GOVT OF) 2.53% 22JUN2020	67,000,000	9,301,789	0.25
HONG KONG (GOVT OF) 2.6% 20AUG2024	45,000,000	6,645,415	0.18
HONG KONG (GOVT OF) 2.71% 20FEB2023	28,000,000	4,097,238	0.11
HONG KONG (GOVT OF) 2.93% 13JAN2020	318,000,000	44,944,047	1.22
HONG KONG (GOVT OF) 2.95% 24FEB2025	45,000,000	6,850,487	0.19
HONG KONG (GOVT OF) 3.32% 25FEB2026	35,000,000	5,544,883	0.15
HONG KONG (GOVT OF) 3.52% 5DEC2017	29,000,000	3,914,495	0.11
HONG KONG (GOVT OF) 4.65% 29AUG2022	34,000,000	5,485,469	0.15
HONG KONG (GOVT OF) 4.85% 27JUN2017	33,500,000	4,513,291	0.12
HONG KONG (GOVT OF) 5.125% 23JUL2019	66,500,000	9,898,673	0.27
HONG KONG (GOVT) 0.55% 05DEC2022	70,000,000	8,914,770	0.24
HONG KONG (GOVT) 0.97% 20JUN2022	70,000,000	9,160,689	0.25
HONG KONG (GOVT) 05Y1812 1.17% 19DEC2018	50,000,000	6,555,027	0.18
HONG KONG (GOVT) 1.1% 17JAN2023	120,000,000	15,882,830	0.43
HONG KONG (GOVT) 1.19% 06DEC2021	25,000,000	3,312,764	0.09
HONG KONG (GOVT) 1.49% 30SEP2019	70,000,000	9,331,969	0.25
HONG KONG (GOVT) 1.51% 24FEB2027	50,000,000	6,791,158	0.18
HONG KONG (GOVT) 1.84% 09DEC2024	43,000,000	5,980,801	0.16
HONG KONG (GOVT) 10GB2108 2.46% 4AUG2021	152,000,000	21,553,304	0.58
HONG KONG (GOVT) 10Y1806 3.56% 25JUN2018	27,000,000	3,694,610	0.10
HONG KONG (GOVT) 10Y2012 2.44% 7DEC2020	69,000,000	9,618,473	0.26
HONG KONG (GOVT) 10Y2106 2.31% 21JUN2021	70,000,000	9,760,289	0.26
HONG KONG (GOVT) 15Y2608 2.07% 26AUG2026	40,000,000	5,731,062	0.16
HONG KONG GOVERNMENT 0.25% 18SEP2017	93,000,000	11,985,899	0.33
HONG KONG GOVERNMENT 0.27% 18DEC2017	74,000,000	9,526,811	0.26
HONG KONG GOVERNMENT 0.42% 20NOV2017	40,000,000	5,163,517	0.14
HONG KONG GOVERNMENT 0.44% 19JUN2017	80,000,000	10,328,845	0.28
HONG KONG GOVERNMENT 0.53% 19MAR2018	61,000,000	7,891,931	0.21

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
HONG KONG (13.89%) *(Continued)*			
HONG KONG GOVERNMENT 0.67% 21MAY2018	95,000,000	12,310,155	0.33
HONG KONG GOVERNMENT 0.93% 19FEB2018	90,000,000	11,742,429	0.32
HONG KONG GOVERNMENT 1.52% 25SEP2018	32,000,000	4,236,900	0.12
HONG KONG GOVERNMENT 1.94% 04DEC2023	35,000,000	4,882,365	0.13
HONG KONG GOVERNMENT 2.49% 22AUG2028	56,000,000	8,370,759	0.23
HONG KONG(GOVT OF)10Y1906 2.64% 10JUN19	68,000,000	9,317,749	0.25
		512,432,542	13.89
INDONESIA (6.78%)			
INDONESIA (GOVT OF) 8.75% 15MAY2031	115,000,000,000	9,643,936	0.26
INDONESIA (REP OF) 10% 15FEB2028 FR47	69,000,000,000	6,430,806	0.17
INDONESIA (REP OF) 10.25% 15JUL2022 FR43	38,000,000,000	3,415,147	0.09
INDONESIA (REP OF) 10.5% 15AUG2030 FR52	112,000,000,000	10,911,146	0.30
INDONESIA (REP OF) 10.5% 15JUL2038 FR50	54,000,000,000	5,428,161	0.15
INDONESIA (REP OF) 11% 15SEP2025 FR40	76,000,000,000	7,279,971	0.20
INDONESIA (REP OF) 11.5% 15SEP2019 FR36	43,000,000,000	3,760,735	0.10
INDONESIA (REP OF) 11.6% 15AUG2018 FR38	10,500,000,000	899,416	0.02
INDONESIA (REP OF) 11.75% 15AUG23 FR39	20,000,000,000	1,945,056	0.05
INDONESIA (REP OF) 12% 15SEP2026 FR37	14,000,000,000	1,441,598	0.04
INDONESIA (REP OF) 12.8% 15JUN2021 FR34	31,000,000,000	2,892,278	0.08
INDONESIA (REP OF) 12.9% 15JUN2022 FR35	26,000,000,000	2,499,318	0.07
INDONESIA (REP OF) 5.25% 15MAY2018	61,000,000,000	4,514,131	0.12
INDONESIA (REP OF) 6.375% 15APR2042	37,000,000,000	2,341,658	0.06
INDONESIA (REP OF) 6.625% 15MAY2033	121,000,000,000	8,333,517	0.23
INDONESIA (REP OF) 7% 15MAY2022 FR61	70,000,000,000	5,266,014	0.14
INDONESIA (REP OF) 7% 15MAY2027 FR59	78,000,000,000	5,767,306	0.16
INDONESIA (REP OF) 8.25% 15JUL2021	144,100,000,000	11,776,695	0.32
INDONESIA (REP OF) 8.25% 15JUN2032 FR58	117,000,000,000	9,358,482	0.25
INDONESIA (REP OF) 8.25% 15MAY2036	85,000,000,000	6,853,918	0.19
INDONESIA (REP OF) 8.375% 15MAR2024	331,000,000,000	27,141,792	0.74
INDONESIA (REP OF) 8.375% 15MAR2034	175,000,000,000	14,359,212	0.39
INDONESIA (REP OF) 8.375% 15SEP2026 FR56	146,000,000,000	12,084,397	0.33

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
INDONESIA (6.78%) *(Continued)*			
INDONESIA (REP OF) 9% 15MAR2029	172,000,000,000	14,822,820	0.40
INDONESIA (REP OF) 9% 15SEP2018 FR48	15,000,000,000	1,209,848	0.03
INDONESIA (REP OF) 9.5% 15JUL2023 FR46	44,000,000,000	3,866,080	0.10
INDONESIA (REP OF) 9.5% 15JUL2031 FR54	129,000,000,000	11,784,253	0.32
INDONESIA (REP OF) 9.5% 15MAY2041 FR57	36,000,000,000	3,202,468	0.09
INDONESIA (REP OF) 9.75% 15MAY2037 FR45	20,000,000,000	1,842,385	0.05
INDONESIA GOVERNMENT 10% 15JUL2017 FR28	44,000,000,000	3,592,725	0.10
INDONESIA GOVERNMENT 5.625% 15MAY2023	105,000,000,000	7,280,896	0.20
INDONESIA GOVERNMENT 6.125% 15MAY2028	30,000,000,000	2,047,774	0.05
INDONESIA GOVERNMENT 7.875% 15APR2019	255,000,000,000	19,985,529	0.54
INDONESIA GOVT 10% 15SEP2024 FR44	32,000,000,000	2,877,054	0.08
INDONESIA GOVT 10.25% 15JUL2027 SER FR42	44,000,000,000	4,183,092	0.11
INDONESIA GOVT 11% 15NOV2020 SER FR31	104,000,000,000	9,073,516	0.25
		250,113,130	6.78
SINGAPORE (15.15%)			
HOUSING &DEVELOPMENT BRD 1.23% 30JAN2018	6,000,000	4,463,883	0.12
HOUSING &DEVELOPMENT BRD 2.088% 30AUG2022	8,000,000	6,027,572	0.16
HOUSING &DEVELOPMENT BRD 2.505% 27JUN2024	11,000,000	8,403,269	0.23
LAND TRANSPORT AUTHORITY 2.9% 19JUN2023	2,000,000	1,568,716	0.04
SINGAPORE (GOVT OF) 0.5% 01APR2018	56,000,000	41,168,060	1.12
SINGAPORE (GOVT OF) 2.25% 1JUN2021	69,300,000	53,215,593	1.44
SINGAPORE (GOVT OF) 2.375% 1APR2017	16,700,000	12,599,166	0.34
SINGAPORE (GOVT OF) 2.5% 1JUN2019	53,800,000	41,413,360	1.12
SINGAPORE (GOVT OF) 2.75% 01APR2042	36,500,000	29,209,669	0.79
SINGAPORE (GOVT OF) 2.75% 01JUL2023	41,000,000	32,591,915	0.88
SINGAPORE (GOVT OF) 2.875% 01SEP2030	39,000,000	31,496,940	0.85
SINGAPORE (GOVT OF) 3% 01SEP2024	48,700,000	39,500,132	1.07
SINGAPORE (GOVT OF) 3.125% 01SEP2022	41,800,000	33,877,719	0.92
SINGAPORE (GOVT OF) 3.375% 01SEP2033	25,400,000	21,913,796	0.59
SINGAPORE (GOVT OF) 3.5% 1MAR2027	43,300,000	36,970,446	1.00

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
SINGAPORE (15.15%) *(Continued)*			
SINGAPORE (GOVT OF) 4% 1SEP2018	37,350,000	29,781,206	0.81
SINGAPORE (REP OF) 2% 01JUL2020	18,000,000	13,791,307	0.37
SINGAPORE GOV 1.625% 01OCT2019	18,900,000	14,231,416	0.39
SINGAPORE GOVERNMENT 1.375% 01OCT2017	12,500,000	9,354,245	0.25
SINGAPORE GOVERNMENT 2.75% 01MAR2046	18,500,000	14,921,019	0.41
SINGAPORE GOVERNMENT 2.875% 01JUL2029	19,000,000	15,405,351	0.42
SINGAPORE GOVERNMENT 3.25% 1SEP2020	37,750,000	30,428,960	0.83
SINGAPORE(GOVT OF) 2.375% 01JUN2025	26,000,000	20,081,606	0.55
SP POWERASSETS LTD 4.84% 22OCT2018	4,100,000	3,295,025	0.09
TEMASEK FINANCIAL I LTD 3.265% 19FEB2020	10,000,000	7,904,566	0.22
TEMASEK FINANCIAL I LTD 4.2% 02AUG2050	5,750,000	5,101,898	0.14
		558,716,835	15.15
SOUTH KOREA (17.07%)			
(D) KOREA (REP OF) 2% 10MAR2020	17,000,000,000	15,222,914	0.41
(D) KOREA (REP OF) 2% 10SEP2020	26,000,000,000	23,348,148	0.63
(D) KOREA (REP OF) 3.5% 10MAR2024	22,000,000,000	22,201,315	0.60
(D) KOREA TREASURY BOND 1.5% 10JUN2019	13,000,000,000	11,374,618	0.31
(D) KOREA TREASURY BOND 2.25% 10DEC2025	16,000,000,000	14,859,844	0.40
(D) KOREA TREASURY BOND 2.75% 10MAR2018	50,000,000,000	44,833,006	1.21
(D) KOREA TREASURY BOND 3% 10DEC2042	25,000,000,000	28,449,202	0.77
(D) KOREA TREASURY BOND 3.25% 10SEP2018	16,000,000,000	14,617,855	0.40
(D) KOREA TREASURY BOND 3.375% 10SEP2023	16,000,000,000	15,913,979	0.43
(D) KOREA TREASURY BOND 3.75% 10JUN2022	14,000,000,000	13,841,854	0.37
(D) KOREA TREASURY BOND 4.25% 10JUN2021	27,000,000,000	26,765,575	0.73
(D) KOREA TREASURY BOND 5.25% 10MAR2027	6,000,000,000	7,226,219	0.20
(D) KOREA TREASURY BOND 5.5% 10DEC2029	13,000,000,000	16,778,008	0.45
(D) KOREA TREASURY BOND 5.5% 10MAR2028	9,000,000,000	11,287,858	0.31
(D) KOREA TREASURY BOND 5.75% 10MAR2026	11,000,000,000	13,401,705	0.36
(D) KOREA TRSY BOND 4.75% 10DEC2030	12,000,000,000	14,775,070	0.40
(D) KOREA TRSY BOND 5.75% 10SEP2018 1809	38,000,000,000	36,743,939	1.00
(D) KOREA WESTERN PWR 3.46% 12SEP2018	10,000,000,000	9,087,555	0.25
(D)KOREA TREASURY 3.75% 10DEC2033	15,200,000,000	17,637,237	0.48
(D)KOREA TREASURY BOND 1.625% 10JUN2018	46,000,000,000	40,238,664	1.09

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
SOUTH KOREA (17.07%) *(Continued)*			
(D)KOREA TREASURY BOND 1.75% 10DEC2018	29,000,000,000	25,487,688	0.69
(D)KOREA TREASURY BOND 1.875% 10JUN2026	21,000,000,000	18,933,620	0.51
(D)KOREA TREASURY BOND 2% 10MAR2021	15,000,000,000	13,490,659	0.37
(D)KOREA TREASURY BOND 2% 10MAR2046	12,000,000,000	11,515,293	0.31
(D)KOREA TREASURY BOND 2.25% 10JUN2025	5,000,000,000	4,634,597	0.13
(D)KOREA TREASURY BOND 2.625% 10SEP2035	20,000,000,000	20,575,175	0.56
(D)KOREA TREASURY BOND 2.75% 10DEC2044	11,000,000,000	12,128,747	0.33
(D)KOREA TREASURY BOND 2.75% 10SEP2019	24,000,000,000	21,958,221	0.59
(D)KOREA TREASURY BOND 3% 10MAR2023	19,000,000,000	18,353,481	0.50
(D)KOREA TREASURY BOND 3% 10SEP2024	10,000,000,000	9,806,059	0.27
(D)KOREA TREASURY BOND 4% 10DEC2031	21,000,000,000	24,397,046	0.66
(D)KOREA TREASURY BOND 5% 10JUN2020	23,000,000,000	22,853,833	0.62
(D)KOREA TREASURY BOND 5.5% 10SEP2017	12,000,000,000	11,111,142	0.30
(D)KOREA(REPUBLIC OF) 2% 10DEC2017	18,000,000,000	15,802,973	0.43
		629,653,099	17.07
THAILAND (9.12%)			
BANK OF THAILAND BOND 1.49% 23FEB2018	200,000,000	5,712,308	0.16
BANK OF THAILAND BOND 2.2% 26JAN2018	60,000,000	1,739,340	0.05
BANK OF THAILAND BOND 2.66% 21JUL2017	170,000,000	5,027,158	0.14
PTT PCL 5.79% 12OCT2016	82,000,000	2,387,581	0.06
THAILAND (GOVT OF) 2.8% 10OCT2017	260,000,000	7,553,650	0.21
THAILAND (GOVT OF) 3.25% 16JUN2017	285,500,000	8,277,996	0.22
THAILAND (GOVT OF) 3.4% 17JUN2036	390,000,000	12,756,225	0.35
THAILAND (GOVT OF) 3.45% 8MAR2019	330,000,000	9,945,916	0.27
THAILAND (GOVT OF) 3.58% 17DEC2027	288,000,000	9,361,817	0.25
THAILAND (GOVT OF) 3.625% 16JUN2023	852,000,000	27,098,698	0.73
THAILAND (GOVT OF) 3.65% 17DEC2021	794,500,000	24,865,275	0.67
THAILAND (GOVT OF) 3.65% 20JUN2031	158,000,000	5,169,329	0.14
THAILAND (GOVT OF) 3.775% 25JUN2032	263,000,000	8,739,099	0.24
THAILAND (GOVT OF) 3.85% 12DEC2025	520,000,000	17,210,715	0.47
THAILAND (GOVT OF) 3.875% 13JUN2019	1,276,500,000	38,760,864	1.05

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Listed investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
THAILAND (9.12%) *(Continued)*			
THAILAND (GOVT OF) 3.875%07MAR2018	35,000,000	1,045,091	0.03
THAILAND (GOVT OF) 4.5% 9APR2024	89,000,000	3,030,078	0.08
THAILAND (GOVT OF) 4.675% 29JUN2044	653,000,000	25,689,419	0.70
THAILAND (GOVT OF) 4.75% 20DEC2024	160,000,000	5,542,722	0.15
THAILAND (GOVT OF) 4.85% 17JUN2061	281,000,000	11,284,889	0.31
THAILAND (GOVT OF) 4.875% 22JUN2029	694,000,000	25,626,536	0.69
THAILAND (GOVT OF) 5.125%08NOV2022	51,000,000	1,744,874	0.05
THAILAND (GOVT OF) 5.375% 03DEC2019	129,000,000	4,146,093	0.11
THAILAND (GOVT OF) 5.5% 13AUG2019	95,000,000	3,079,729	0.08
THAILAND (GOVT OF) 5.5% 13MAR2023	150,000,000	5,309,541	0.14
THAILAND (GOVT OF) 5.67% 13MAR2028	164,000,000	6,394,703	0.17
THAILAND (GOVT OF) 6.15% 07JUL2026	150,000,000	5,998,044	0.16
THAILAND GOVERNMENT BOND 2.55% 26JUN2020	605,000,000	17,812,293	0.48
THAILAND GOVT BOND 5.125% 13MAR2018	395,500,000	12,084,051	0.33
THAILAND GOVT BOND 5.625% 12JAN2019	296,000,000	9,475,097	0.26
THAILAND GOVT BOND 5.85% 31MAR2021 06-5	288,000,000	9,832,113	0.27
THAILAND(GOVT OF) 3.8% 14JUN2041	109,000,000	3,759,043	0.10
		336,460,287	9.12
Unlisted investments			
HONGKONG (0.68%)			
CHINA DEVELOPMENT BANK HK 3.2% 30MAR2017	50,000,000	6,532,671	0.18
MTR CORP (C.I.) 4.28% 6JUL2020 EMTN	35,000,000	5,059,683	0.14
MTR CORP (C.I.) 4.75% 11MAY2020	22,000,000	3,187,250	0.09
MTR CORP (C.I.) 4.9% 25JUN2018	3,000,000	417,047	0.01
MTR CORP (C.I.) LTD 2.15% 8DEC2016	10,000,000	1,298,372	0.03
URBAN RENEWAL AUTHORITY 1.5% 13JUL2017	20,000,000	2,603,427	0.07
URBAN RENEWAL AUTHORITY 1.65% 17JAN2020	45,000,000	5,905,838	0.16
URBAN RENEWAL AUTHORITY 1.75% 02AUG2019	1,000,000	131,677	0.00
		25,135,965	0.68

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Unlisted investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
MALAYSIA (10.88%)			
MALAYSIA (GOVT OF) 3.418% 15AUG2022	56,000,000	13,881,110	0.38
MALAYSIA (GOVT OF) 3.58% 28SEP2018	52,000,000	13,207,314	0.36
MALAYSIA (GOVT OF) 3.659% 15OCT2020	61,000,000	15,412,559	0.42
MALAYSIA (GOVT OF) 3.716% 23MAR2021	8,200,000	2,066,131	0.06
MALAYSIA (GOVT OF) 3.759% 15MAR2019	50,000,000	12,746,019	0.35
MALAYSIA (GOVT OF) 3.892% 15MAR2027	39,000,000	9,662,531	0.26
MALAYSIA (GOVT OF) 4.498% 15APR2030	31,000,000	8,006,451	0.22
MALAYSIA (GOVT OF) 4.709% 15SEP2026	1,000,000	267,121	0.01
MALAYSIA (GOVT OF) 4.736% 15MAR2046	10,000,000	2,568,912	0.07
MALAYSIA (GOVT OF) 4.786% 31OCT2035	20,000,000	5,152,166	0.14
MALAYSIA (GOVT OF) 5.734% 30JUL2019	34,000,000	9,249,098	0.25
MALAYSIA GOVERNMENT 3.8% 17AUG2023	70,000,000	17,847,061	0.48
MALAYSIA GOVERNMENT 3.9% 30NOV2026	35,000,000	8,835,689	0.24
MALAYSIA GOVT 3.654% 31OCT2019	42,000,000	10,607,639	0.29
MALAYSIA INVESTMNT ISSUE 3.576%15MAY2020	1,000,000	249,643	0.01
MALAYSIA INVESTMNT ISSUE 3.699%15NOV2022	2,000,000	494,949	0.01
MALAYSIA INVESTMNT ISSUE 3.704%30SEP2019	2,000,000	506,190	0.01
MALAYSIA INVESTMNT ISSUE 3.871%08AUG2028	10,000,000	2,408,054	0.07
MALAYSIA INVESTMNT ISSUE 3.899%15JUN2027	10,000,000	2,406,790	0.07
MALAYSIA INVESTMNT ISSUE 4.17% 30APR2021	19,000,000	4,860,952	0.13
MALAYSIA INVESTMNT ISSUE 4.284%15JUN2020	14,000,000	3,570,592	0.10
MALAYSIA INVESTMNT ISSUE 4.295%31OCT2018	20,000,000	5,123,156	0.14
MALAYSIA INVESTMNT ISSUE 4.444%22MAY2024	8,500,000	2,190,352	0.06
MALAYSIA INVESTMNT ISSUE 4.492%30APR2020	7,420,000	1,919,379	0.05
MALAYSIAN (GOVT OF) 3.314% 31OCT2017	103,420,000	26,019,708	0.71
MALAYSIAN (GOVT OF) 3.48% 15MAR2023	43,500,000	10,753,038	0.29
MALAYSIAN (GOVT OF) 3.492% 31MAR2020	96,000,000	24,156,668	0.65
MALAYSIAN (GOVT OF) 3.502% 31MAY2027	16,300,000	3,862,245	0.10
MALAYSIAN (GOVT OF) 3.795% 30SEP2022	18,300,000	4,616,186	0.12
MALAYSIAN (GOVT OF) 3.955% 15SEP2025	71,000,000	17,994,019	0.49
MALAYSIAN (GOVT OF) 4.048% 30SEP2021	32,000,000	8,256,320	0.22
MALAYSIAN (GOVT OF) 4.127% 15APR2032	15,000,000	3,694,497	0.10
MALAYSIAN (GOVT OF) 4.16% 15JUL2021	91,000,000	23,742,019	0.64
MALAYSIAN (GOVT OF) 4.181% 15JUL2024	54,000,000	14,008,584	0.38

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Unlisted investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
MALAYSIA (10.88%) *(Continued)*			
MALAYSIAN (GOVT OF) 4.232% 30JUN2031	45,000,000	11,359,731	0.31
MALAYSIAN (GOVT OF) 4.392% 15APR2026	29,000,000	7,543,960	0.20
MALAYSIAN GOVERNMENT 3.26% 01MAR2018	52,000,000	13,158,584	0.36
MALAYSIAN GOVERNMENT 3.733% 15JUN2028	26,500,000	6,367,777	0.17
MALAYSIAN GOVERNMENT 3.844% 15APR2033	39,000,000	9,209,492	0.25
MALAYSIAN GOVERNMENT 3.889% 31JUL2020	28,500,000	7,323,313	0.20
MALAYSIAN GOVERNMENT 4.24% 07FEB2018	6,000,000	1,549,095	0.04
MALAYSIAN GOVERNMENT 4.837% 15JUL2025	17,670,000	4,820,607	0.13
MALAYSIAN GOVERNMENT 4.935% 30SEP2043	20,000,000	5,219,342	0.14
MALAYSIAN GOVERNMENT 5.248% 15SEP2028	19,000,000	5,283,353	0.14
MALAYSIAN GOVT 4.012% 15SEP2017 0210	9,000,000	2,295,451	0.06
MALAYSIAN GOVT 4.378% 29NOV2019	108,000,000	27,826,215	0.75
SYARIKAT PRASARANA NEGAR 3.77% 06SEP2022	5,000,000	1,238,152	0.03
SYARIKAT PRASARANA NEGAR 4.27% 30NOV2016	10,000,000	2,500,369	0.07
SYARIKAT PRASARANA NEGAR 4.4% 30MAY2018	10,000,000	2,525,059	0.07
SYARIKAT PRASARANA NEGAR 4.85% 27SEP2024	5,000,000	1,312,589	0.04
SYARIKAT PRASARANA NEGAR 5.07% 28SEP2029	5,000,000	1,322,406	0.04
		401,198,637	10.88
PHILIPPINES (5.28%)			
PHIILIPPINE (GOVT OF) 4% 06DEC2022	80,000,000	1,795,551	0.05
PHILIPPINE (GOVT OF) 3.375% 20AUG2020	570,000,000	12,518,863	0.34
PHILIPPINE (GOVT OF) 3.5% 21APR2023	200,000,000	4,408,350	0.12
PHILIPPINE (GOVT OF) 3.875% 22NOV2019	568,000,000	12,495,999	0.34
PHILIPPINE (GOVT OF) 5.875% 31JAN2018	25,000,000	568,617	0.02
PHILIPPINE (GOVT OF) 7.875% 19FEB2019	369,000,000	8,930,981	0.24
PHILIPPINE (REP OF) 2.125% 23MAY2018	330,000,000	7,010,380	0.19
PHILIPPINE GOVERNMENT 3.625% 09SEP2025	410,000,000	8,988,665	0.24
PHILIPPINE GOVERNMENT 4.625% 09SEP2040	300,000,000	6,692,639	0.18
PHILIPPINE(GOVT OF) 3.5% 20MAR2021	300,000,000	6,595,460	0.18
PHILIPPINE(GOVT OF) 4.125% 20AUG2024	345,000,000	7,870,411	0.21
PHILIPPINES (REP OF) 10.25% 19JAN2026	77,000,000	2,471,939	0.07
PHILIPPINES (REP OF) 18.25% 29NOV2025	50,000,000	2,131,010	0.06
PHILIPPINES (REP OF) 3.625% 21MAR2033	245,000,000	5,107,390	0.14
PHILIPPINES (REP OF) 4.75% 13SEP2022	113,000,000	2,643,456	0.07
PHILIPPINES (REP OF) 4.875% 02AUG2022	90,000,000	2,125,187	0.06

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

PRIMARY – BY GEOGRAPHY *(Continued)*

Unlisted investments *(Continued)*	Holdings at 30th June 2016	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 *(%)*
PHILIPPINES (5.28%) *(Continued)*			
PHILIPPINES (REP OF) 5% 18AUG2018 7-51	237,000,000	5,350,722	0.15
PHILIPPINES (REP OF) 5.75% 16AUG2037	50,000,000	1,258,365	0.03
PHILIPPINES (REP OF) 5.75% 24NOV2021	120,000,000	2,865,841	0.08
PHILIPPINES (REP OF) 5.875% 16DEC2020	45,000,000	1,059,380	0.03
PHILIPPINES (REP OF) 6.375% 19JAN2022	105,000,000	2,622,794	0.07
PHILIPPINES (REP OF) 6.5% 28APR2021	170,000,000	4,139,060	0.11
PHILIPPINES (REP OF) 7.75% 18FEB2020	50,000,000	1,242,611	0.03
PHILIPPINES (REP OF) 7.75% 23AUG2017	100,000,000	2,293,165	0.06
PHILIPPINES (REP OF) 8% 19JUL2031	1,326,174,950	41,230,638	1.12
PHILIPPINES (REP OF) 8% 30SEP2035	110,000,000	3,334,936	0.09
PHILIPPINES (REP OF) 8.125% 16DEC2035	606,902,627	18,335,755	0.50
PHILIPPINES (REP OF) 8.5% 29NOV2032	100,000,000	3,153,922	0.09
PHILIPPINES (REP OF) 8.625% 06SEP2027	54,000,000	1,637,926	0.04
PHILIPPINES (REP OF) 8.75% 27MAY2030	180,000,000	5,675,807	0.15
PHILIPPINES (REP OF) 9.125% 4SEP2016	18,467,977	408,747	0.01
PHILIPPINES (REP OF) 9.25% 05NOV2034	113,000,000	3,758,500	0.10
PHILIPPINES (REP OF) 9.375% 05OCT2031	50,000,000	1,683,241	0.05
PHILIPPINES (REP OF) 9.5% 04DEC2028	66,000,000	2,119,163	0.06
		194,525,471	5.28
SOUTH KOREA (0.01%)			
KOREA NATIONAL OIL CORP 3.2% 22/12/2016	1,000,000	132,142	0.01
		132,142	0.01
Total quoted investments		3,683,751,240	99.88
Total investments		3,683,751,240	99.88
Total investments, at cost		3,662,198,123	

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

	Fair value at 30th June 2016 *US$*	Percentage of total net assets at 30th June 2016 %
DISTRIBUTION OF INVESTMENTS (Markit iBoxx)		
(a) By credit rating		
AAA	1,033,126,717	28.01
AA	1,399,375,843	37.94
A	392,300,062	10.64
BBB	518,506,952	14.06
BB	250,113,130	6.78
Non-rated	90,328,536	2.45
	3,683,751,240	99.88
PORTFOLIO OF INVESTMENTS		
(b) By asset class		
Bonds	3,677,218,569	99.70
Money Market Instruments	6,532,671	0.18
	3,683,751,240	99.88
PORTFOLIO OF INVESTMENTS		
(c) By industry		
Energy	2,519,723	0.07
Financial	52,047,141	1.41
Government	3,597,940,869	97.55
Industrial	18,860,927	0.51
Utilities	12,382,580	0.34
	3,683,751,240	99.88

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2016 (Unaudited)

Top Ten Holdings

	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
	422,274,810	11.44

INVESTMENT PORTFOLIO *(Continued)*

As at 30th June 2015 (Unaudited)

Top Ten Holdings

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

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

For the year ended 30th June 2016 (Unaudited)

	Percentage of total net assets as at 30th June 2016 *(%)*	Percentage of total net assets as at 30th June 2015 *(%)*
Quoted Investments		
Debt securities		
China	21.02	19.92
Hong Kong	14.57	14.88
Indonesia	6.78	6.71
Malaysia	10.88	11.42
Philippines	5.28	5.41
Singapore	15.15	15.49
South Korea	17.08	17.05
Thailand	9.12	8.96
Total quoted investments	99.88	99.84

PERFORMANCE RECORD (Unaudited)

NET ASSET VALUES

	Net asset value of the Fund *US$*	Net asset Value per unit *US$*
At the end of financial period dated		
30th June 2014	3,048,386,166	124.35
30th June 2015	3,156,641,424	118.79
30th June 2016	3,688,337,097	119.34

HIGHEST OFFER AND LOWEST BID PRICES

	Highest offer *US$*	Lowest bid *US$*
Financial period ended		
30th June 2007	111.79	101.94
30th June 2008	116.95	107.44
30th June 2009	113.32	101.65
30th June 2010	118.15	109.68
30th June 2011	126.05	117.05
30th June 2012	128.45	120.85
30th June 2013	131.90	122.80
30th June 2014	125.76	118.11
30th June 2015	125.22	118.00
30th June 2016	120.22	110.74

PERFORMANCE RECORD (Unaudited) *(Continued)*

Performance as of 30th June 2016

PERFORMANCE SUMMARY

Periods Ended 30th June 2016	3 Months	6 Months	1 Year	3 Years	5 Years	Annualised since Inception[a]
ABF Pan Asia Bond Index Fund[b]	0.09%	6.22%	3.41%	1.53%	2.10%	4.93%
Markit iBoxx ABF Pan-Asia Index	0.26%	6.45%	3.92%	2.04%	2.63%	5.57%

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
Mr. Hon Wing Cheung
Mr. Kheng Siang Ng
(Resigned on 4th July 2016 as alternate director to Mr. Hon Wing Cheung)
Mr. Susana Yeong
(Resigned on 30th September 2015)
Mr. Matthew Montagu George
(Resigned on 30th September 2015 as alternate director to Ms. Susana Yeong)
Mr. Kevin David Anderson
(Appointed on 12th January 2016)

Members of the Supervisory Committee
Dr. Philip Lowe
Mr. Kazuo Momma
(Resigned on 31st May 2016)
Mr. Eiji Maeda
(Appointed on 23rd June 2016)
Mrs. Pongpen Ruengvirayudh
(Resigned on 10th March 2016)
Mr. Mathee Supapongse
(Appointed on 21st April 2016)
Mr. Eddie Yue
Mr. Huang Guobo
Mr. Grant Spencer
Mrs. Ma. Ramona G. D. T. Santiago
Mr. Hendar
(Resigned on 29th February 2016)
Mr. Erwin Rijanto
(Appointed on 21st April 2016)
Dr. Sukhdave Singh
Ms. Jacqueline Loh
Dr. Young Kyung Suh

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#13-02 HSBC Building
Singapore 049320

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1/F One & Two Exchange Square
8 Connaught Place
Central
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Auditor
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