

平成 26 年 6 月期 決算短信 (平成 25 年 7 月 1 日～平成 26 年 6 月 30 日)

平成 26 年 10 月 1 日

ファンド名 ABF 汎アジア債券インデックス・ファンド 上場取引所 東京証券取引所
 コード番号 1349
 連動対象指標 Markit iBoxx ABF パン・アジア指数
 主要投資資産 有価証券
 売買単位 1口
 管理会社 ステート・ストリート・グローバル・アドバイザーズ・シンガポール・リミテッド
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 有価証券報告書提出予定日 平成 26 年 11 月 27 日

I ファンドの運用状況

1. 2014 年 6 月期の運用状況 (平成 25 年 7 月 1 日～平成 26 年 6 月 30 日)

(1) 資産内訳 (百万円未満切捨て)

	主要投資資産		現金・預金・その他の資産 (負債控除後)		合計 (純資産)	
	金額	構成比	金額	構成比	金額	構成比
2014 年 6 月期	百万円	%	百万円	%	百万円	%
2014 年 6 月期	324,580	(99)	2,267	(1)	326,847	(100)
2013 年 6 月期	371,840	(100)	497	(0)	372,338	(100)

(2) 設定・交換実績 (千口未満四捨五入)

	前計算期間末 発行済口数(①)	設定口数(②)	交換口数(③)	当計算期間末 発行済口数 (①+②-③)
	千口	千口	千口	千口
2014 年 6 月期	27,758	1,926	5,170	24,514
2013 年 6 月期	23,828	5,428	1,498	27,758

(3) 基準価額 (百万円未満切捨て)

	総資産 (①)	負債 (②)	純資産 (③(①-②))	1口当たり基準価額 (③/当計算期間末発行済口数×1口)
	百万円	百万円	百万円	円
2014 年 6 月期	331,586	4,738	326,847	13,333
2013 年 6 月期	377,084	4,746	372,338	13,414

(4) 分配金

		1口当たり分配金	
*		*円	(米ドル)
2014 年 6 月期	2014 年 7 月 22 日	224	(2.09)
2013 年 12 月期	2014 年 1 月 22 日	219	(2.04)
2013 年 6 月期	2013 年 7 月 22 日	190	(1.77)
2012 年 12 月期	2013 年 1 月 22 日	179	(1.67)

* 各期間における分配のための基準日を記載しております。
 * 日本円への換算は下記(注)記載の換算率で計算されており(円位未満切捨て)、実際に受益者に分配される金額とは異なることがあります。
 (注) 日本円への換算は、1米ドル=107.22円の換算率(2014年9月12日に株式会社三菱東京UFJ銀行が発表した対顧客電信売・買相場の仲値)により計算されています。

2. 会計方針の変更

- ① 会計基準等の改正に伴う会計方針の変更 有・無
 ② ①以外の会計方針の変更 有・無

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STATEMENT OF NET ASSETS

As at 30th June 2014

	Notes	30th June 2014 US\$	30th June 2013 US\$
Assets			
Current assets			
Investments	10(b)	3,027,242,661	3,468,016,554
Amounts receivable on subscription		–	2,626,810
Amounts due from brokers		26,816,708	35,555,094
Other receivables		–	72,813
Cash at banks	8(f)	38,519,218	10,649,277
		<u>3,092,578,587</u>	<u>3,516,920,548</u>
Total assets		<u>3,092,578,587</u>	<u>3,516,920,548</u>
Liabilities			
Current liabilities			
Amounts due to brokers		39,602,468	41,838,946
Amounts due to the Manager	8(c)	407,298	–
Audit fee payable		32,012	41,714
Trustee fee payable	8(e)	128,934	135,576
Management fee payable	8(d)	289,716	299,920
Index license fee payable	9(a)	90,136	88,219
Other payables		3,641,857	1,860,117
		<u>39,602,468</u>	<u>41,838,946</u>
Liabilities (excluding net assets attributable to holders of redeemable units)		<u>44,192,421</u>	<u>44,264,492</u>
Net assets attributable to holders of redeemable units	3	<u>3,048,386,166</u>	<u>3,472,656,056</u>

HSBC Institutional Trust
Services (Singapore) Limited

State Street Global Advisors
Singapore Limited

The notes on pages 12 to 39 form part of these financial statements.

ABF Pan Asia Bond Index Fund
Annual Report 2014

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2014

	Notes	For the year ended 30th June 2014 US\$	For the year ended 30th June 2013 US\$
Income			
Interest income on bank deposits		47,979	64,041
Net gain on investments	6	77,806,304	22,390,256
Net foreign exchange gain		4,234,169	27,145,403
Other income	5	918,948	902,369
		<u>83,007,400</u>	<u>50,502,069</u>
Total investment income			
Expenses			
Management fee	8(d)	3,316,792	3,468,620
Trustee fee	8(e)	1,596,965	1,665,493
Index license fee	9(a)	354,087	354,376
Publication and printing expenses		49,795	88,060
Audit fee		47,596	73,117
Processing agent fee	9(b)	17,535	14,697
Safe custody and bank charges		45,332	47,951
Legal and professional fees		156,427	161,948
Annual insurance premium		31,072	18,576
SFC fee expenses		–	1,546
Other operating expenses		30,604	29,067
		<u>5,646,205</u>	<u>5,923,451</u>
Total operating expenses			
Operating profit		<u>77,361,195</u>	<u>44,578,618</u>
Finance costs			
Distributions to holders of redeemable units	12	<u>(100,903,520)</u>	<u>(86,651,306)</u>
Loss after distributions and before tax		<u>(23,542,325)</u>	<u>(42,072,688)</u>
Withholding taxes	7	<u>(10,440,073)</u>	<u>(7,455,130)</u>
Loss after distributions and tax/decrease in net assets attributable to holders of redeemable units from operations		<u><u>(33,982,398)</u></u>	<u><u>(49,527,818)</u></u>

The notes on pages 12 to 39 form part of these financial statements.

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

For the year ended 30th June 2014

	For the year ended 30th June 2014 US\$	For the year ended 30th June 2013 US\$
Balance at beginning of the year	3,472,656,056	3,009,736,806
Issue of units	234,528,738	704,980,414
Redemption of units	(624,816,230)	(192,533,346)
Net (redemption)/issue of units	(390,287,492)	512,447,068
Decrease in net assets attributable to holders of redeemable units from operations	(33,982,398)	(49,527,818)
Balance at the end of the year	<u>3,048,386,166</u>	<u>3,472,656,056</u>

The notes on pages 12 to 39 form part of these financial statements.

ABF Pan Asia Bond Index Fund
Annual Report 2014

STATEMENT OF CASH FLOWS

For the year ended 30th June 2014

	For the year ended 30th June 2014 US\$	For the year ended 30th June 2013 US\$
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable units from operations	(33,982,398)	(49,527,818)
Adjustment for:		
Interest income on bank deposits	(47,979)	(64,041)
Distributions to holders of redeemable units	100,903,520	86,651,306
	<u>66,873,143</u>	<u>37,059,447</u>
Operating profit before working capital changes	----- 66,873,143	----- 37,059,447
Net decrease/(increase) in investments	440,773,893	(472,655,614)
Net decrease in amounts due from brokers	8,738,386	6,027,936
Net decrease/(increase) in other receivables	72,813	(72,813)
Net decrease in amounts due to brokers	(2,236,478)	(21,652,146)
Net increase amounts due to the Manager	407,298	-
Net increase in accounts payable and accrued expenses	1,757,109	354,870
	<u>516,386,164</u>	<u>(450,938,320)</u>
Cash generated from/(used in) operations	----- 516,386,164	----- (450,938,320)
Interest income on bank deposits received	47,979	64,041
	<u>516,434,143</u>	<u>(450,874,279)</u>
Net cash generated from/(used in) operating activities	----- 516,434,143	----- (450,874,279)
Cash flows from financing activities		
Distributions paid to holders of redeemable units	(100,903,520)	(86,651,306)
Issue of units	237,155,548	702,353,604
Redemption of units	(624,816,230)	(192,533,346)
	<u>(488,564,202)</u>	<u>423,168,952</u>
Net cash (used in)/generated from financing activities	----- (488,564,202)	----- 423,168,952
Net increase/(decrease) in cash and cash equivalents	27,869,941	(27,705,327)
Cash and cash equivalents at the beginning of the year	10,649,277	38,354,604
	<u>38,519,218</u>	<u>10,649,277</u>
Cash and cash equivalents at the end of the year	<u>38,519,218</u>	<u>10,649,277</u>
Analysis of balance of cash and cash equivalents:		
Cash at banks	<u>38,519,218</u>	<u>10,649,277</u>

The notes on pages 12 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ABF Pan Asia Bond Index Fund (the "Fund") is a Singapore unit trust authorised under Section 286 of the Securities and Futures Act (Cap. 289) of Singapore and Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The Fund was constituted by a trust deed dated 21st June 2005 between State Street Global Advisors Singapore Limited and HSBC Institutional Trust Services (Singapore) Limited (the "Trust Deed"). The Trust Deed was amended and restated by an Amending and Restating Deed on 28th June 2006, a Second Amending and Restating Deed dated 28th June 2007, a supplemental deed dated 27th June 2008 and a Third Amending and Restating Deed dated 24th June 2011. The Trust Deed and all supplemental deeds are governed in accordance with the laws of Singapore. The Fund is also listed on The Stock Exchange of Hong Kong Limited and Tokyo Stock Exchange. The date of commencement of operation of the Fund was on 29th June 2005.

The investment objective of the Fund is to seek to provide investment results that correspond closely to the total return of the Markit iBoxx ABF Pan-Asia Index (the "Underlying Index"), before fees and expenses. The Underlying Index is determined and composed by Markit Indices Limited (the "Index Provider"). The Underlying Index is an indicator of investment returns of debt obligations denominated in China Renminbi, Hong Kong Dollars, Indonesian Rupiah, Korean Won, Malaysian Ringgits, Philippine Pesos, Singapore Dollars or Thai Baht (each an "Asian Currency") issued or guaranteed by government, quasi-government organizations or supranational financial institutions, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

IFRS 13 “Fair value measurement”, this standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. The adoption of the standard does not have any material impact on the fair value measurements of the Fund’s assets and liabilities.

Amendments to IFRS 7, “Disclosures – Offsetting financial assets and financial liabilities” require additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. The amendments did not have any impact on the Fund’s financial position, performance or disclosures.

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 2013 that have a material impact on the Fund.

NOTES TO THE FINANCIAL STATEMENTS *(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 liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new standard is not expected to have a significant impact on the Fund's financial position or performance, as it is expected that the Fund will continue to classify its financial assets and financial liabilities as being at fair value through profit or loss.

Amendments to IAS 32, "Offsetting financial assets and financial liabilities" will be effective for annual periods beginning on or after 1st January 2014. These amendments clarify the offsetting criteria in IAS 32 and address inconsistencies in their application. This includes clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not expected to have a significant impact on the Fund's financial position or performance.

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

(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)*

(g) Translation of foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

(h) Offsetting financial instruments

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

(i) Redeemable units

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

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)*

(j) Segmental information

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

(k) Distributions

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

(l) Comparatives

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

3. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS AND NUMBER OF UNITS IN ISSUE

Net assets attributable to holders of redeemable units

The Fund's capital is represented by the units in the Fund, and is shown as net assets attributable to holders of redeemable units in the Statement of Net Assets. In accordance with the Fund's Trust Deed, redeemable units are generally only issued and redeemed in blocks of 10,000 units with effect from 20th June 2013 or in whole multiples thereof. Subscriptions and redemptions of units during the year are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the defined investment policies, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

Net assets attributable to holders of redeemable units represent a liability in the Statement of Net Assets, carried at the redemption amount that would be payable at the Statement of Net Assets date if the holders of redeemable units exercised the right to redeem units in the Fund.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

Number of units in issue

	2014 <i>units</i>	2013 <i>units</i>
Units in issue at the beginning of the year	27,757,780	23,828,050
Issue of units	1,926,460	5,427,730
Redemption of units	<u>(5,170,000)</u>	<u>(1,498,000)</u>
Units in issue at the end of the year	<u><u>24,514,240</u></u>	<u><u>27,757,780</u></u>

	2014 <i>US\$</i>	2013 <i>US\$</i>
Net assets attributable to holders of redeemable units	<u><u>3,048,386,166</u></u>	<u><u>3,472,656,056</u></u>
Net assets attributable to holders of redeemable units (per unit)	<u><u>124.35</u></u>	<u><u>125.11</u></u>
Net asset value per Creation unit (1 Creation unit is equivalent to 20,000 units up to 20th June 2013 and 10,000 units with effect from 20th June 2013)	<u><u>1,243,516</u></u>	<u><u>2,502,114</u></u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Fair value of investments

The Fund holds a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Manager exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of 30th June 2014. 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 ON INVESTMENTS

	2014	2013
	<i>US\$</i>	<i>US\$</i>
Change in unrealised gain/loss in value of investments	(27,899,869)	(105,207,356)
Realised gain on sale of investments	<u>105,706,173</u>	<u>127,597,612</u>
	<u><u>77,806,304</u></u>	<u><u>22,390,256</u></u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION

No provision for Hong Kong profits tax has been made as the Fund was authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

The Fund is also a designated unit trust in Singapore and therefore, the following income is exempted from tax in accordance with sections 35(12) and (12)A of the Income Tax Act (Cap 134):

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

The Fund invests in RMB denominated bonds ("RMB bonds") listed on the stock exchanges in the People's Republic of China ("PRC"). Under both the PRC Corporate Income Tax Law and Foreign Enterprise Income Tax Law, the Fund may be liable to pay PRC withholding income tax on the capital gains realised in the trading of RMB bonds. The Manager has assessed the likelihood of such exposure and believes that there is no material tax exposure on the basis that no collection has been made by the China government since the commencement of operation of the Fund. As such, no provision was made for taxation from such gains in the financial statements. The Manager continues to monitor the position and will make an appropriate adjustment if and when it is considered that there are sufficient grounds to do so.

Overseas and PRC withholding tax was charged on certain interest income received during the year. As at 30th June 2014, the Fund made provision of US\$2,237,707 for withholding tax on interest income from PRC non-government securities (2013: US\$1,838,797). 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 2014, the Manager transacted total of US\$1,344,670,609 (2013: US\$1,287,696,222) in foreign currency transactions through its affiliated party, State Street Global Markets, LLC and Trustee's affiliated parties, HSBC Hong Kong and HSBC Australia for the Fund's investments and settlement purpose. The amount represents 90.06% (2013: 84.31%) of all the Fund's foreign currency transactions during the year ended 30th June 2014.

Name of company	Aggregate value of foreign currency transactions <i>US\$</i>	% of total foreign currency transactions %
2014		
HSBC Australia	49,360,778	3.31
HSBC Hong Kong	1,044,550,862	69.96
State Street Global Markets, LLC	250,758,969	16.79
2013		
HSBC Hong Kong	977,947,818	64.03
State Street Global Markets, LLC	309,748,404	20.28

During the years ended 30th June 2014 and 2013, the connected persons of the Manager and the Trustee as listed above had included normal bid-offer spread for the foreign currency transactions entered with the Fund, which were carried out in the ordinary course of business and on normal commercial terms. There were no direct commission paid to the connected persons of the Manager and the Trustee during the years ended 30th June 2014 and 2013.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

(b) Manager's holding in the Fund

As at 30th June 2014, the directors and officers of the Manager did not hold any units in the Fund (2013: Nil).

(c) Amounts due to the Manager

During the year, some of the Fund's expenses such as audit fee, index license fee etc. are paid by the Manager on behalf of the Fund. As at 30th June 2014, US\$407,298 (2013: Nil) was payable to the Manager.

(d) Management fee

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

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

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

(e) Trustee fee

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

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

(f) Bank balances

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

	As at 30th June 2014 US\$	As at 30th June 2013 US\$
Bank balances	38,519,218	10,649,277

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 (2013: 0.0175% per annum) on the daily average net asset value of the Fund, subject to a minimum of US\$184,000 per annum (2013: 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)

(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:

	2014			2013		
	Fair value US\$	Cost US\$	% of net assets	Fair value US\$	Cost US\$	% of net assets
Investments						
– Debt securities	3,027,242,661	2,948,245,547	99.31	3,468,016,554	3,361,119,571	99.87
	<u>3,027,242,661</u>	<u>2,948,245,547</u>	<u>99.31</u>	<u>3,468,016,554</u>	<u>3,361,119,571</u>	<u>99.87</u>

Market exposures

The following table shows the market exposure the Fund has to various markets, incorporating the underlying market risk through all financial assets and liabilities held by the Fund.

	2014 US\$ equivalent	2013 US\$ equivalent
Markets exposed to		
China	615,063,945	701,985,771
Hong Kong	467,353,903	526,840,182
Indonesia	200,687,278	226,380,723
Malaysia	346,117,398	394,563,715
Philippines	153,919,771	186,495,808
Singapore	464,820,873	534,766,046
South Korea	508,820,540	600,324,435
Thailand	270,458,953	296,659,874
	<u>3,027,242,661</u>	<u>3,468,016,554</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

There were investments issued by a single issuer with market value exceeding 10% of the Fund's net asset value at 30th June 2014 and 30th June 2013, as follows:

	2014	2013
	%	%
Hong Kong Government	13.79	13.73
China Government	18.03	18.12
Korea Treasury	14.95	15.91
Singapore Government	13.74	14.11

During the year ended 30th June 2014, the Underlying Index increased by 3.04% (2013: 2.32%), while the returns of the Fund including dividends increased by 2.58% (2013: 1.74%).

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.

	2014		2013	
	Change in	Impact	Change in	Impact
	market index		market index	
	%	<i>US\$</i>	%	<i>US\$</i>
+/-	+/-	+/-	+/-	
Markit iBoxx ABF Pan-Asia Index in US\$	7.00	211,906,986	7.00	242,761,159

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

The Investment Manager has used their view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on management's current view of market volatility and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(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 2014

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30th June 2013

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	103,662,065	1,516,266,880	1,848,087,609	–	3,468,016,554
Cash at banks	10,649,277	–	–	–	10,649,277
Other assets	–	–	–	38,254,717	38,254,717
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>114,311,342</u>	<u>1,516,266,880</u>	<u>1,848,087,609</u>	<u>38,254,717</u>	<u>3,516,920,548</u>
Liabilities					
Amounts due to brokers	–	–	–	(41,838,946)	(41,838,946)
Other liabilities	–	–	–	(2,425,546)	(2,425,546)
Net assets attributable to holders of redeemable units	–	–	–	(3,472,656,056)	(3,472,656,056)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u>(3,516,920,548)</u>	<u>(3,516,920,548)</u>
Total interest sensitivity gap	<u>114,311,342</u>	<u>1,516,266,880</u>	<u>1,848,087,609</u>		

At 30th June 2014, should interest rates have lowered/risen by 50 basis points (2013: 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\$87,085,551 and US\$84,475,979, respectively (2013: US\$96,945,000 and US\$94,953,000), 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)*

(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 2014 and 2013:

As at 30th June 2014

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

As at 30th June 2013

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,452,039,888	Aa2	Moody's
Euroclear Bank Brussels	26,625,943	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS *(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)	2014 <i>% of Investment</i>	2013 <i>% of Investment</i>
AAA	19	19
AA	46	47
A	18	16
BBB	15	16
Non-rated	2	2
	<hr/>	<hr/>
Total	100	100
	<hr/> <hr/>	<hr/> <hr/>

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 2014 and 2013 is the carrying amount of the financial assets as set out below:

	2014 <i>US\$</i>	2013 <i>US\$</i>
Investments	3,027,242,661	3,468,016,554
Amounts receivable on subscription	–	2,626,810
Amounts due from brokers	26,816,708	35,555,094
Other receivables	–	72,813
Cash at banks	38,519,218	10,649,277
	<hr/>	<hr/>
	3,092,578,587	3,516,920,548
	<hr/> <hr/>	<hr/> <hr/>

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

The Fund limits its 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 Fund considers to be well established.

NOTES TO THE FINANCIAL STATEMENTS (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 Fund invests the majority of its 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 2014			
Amounts due to brokers	39,602,468	–	–
Amounts due to the Manager	–	407,298	–
Audit fee payable	–	32,012	–
Trustee fee payable	–	128,934	–
Management fee payable	–	289,716	–
Index license fee payable	–	90,136	–
Other payables	27,333,145	20,380	3,563,615
Net assets attributable to holders of redeemable units	<u>3,048,386,166</u>	<u>–</u>	<u>–</u>
Contractual cash out flows	<u><u>3,115,321,779</u></u>	<u><u>968,476</u></u>	<u><u>3,563,615</u></u>
As at 30th June 2013			
Amounts due to brokers	41,838,946	–	–
Audit fee payable	–	41,714	–
Trustee fee payable	–	135,576	–
Management fee payable	–	299,920	–
Index license fee payable	–	88,219	–
Other payables	42,942,845	21,320	1,838,797
Net assets attributable to holders of redeemable units	<u>3,472,656,056</u>	<u>–</u>	<u>–</u>
Contractual cash out flows	<u><u>3,557,437,847</u></u>	<u><u>586,749</u></u>	<u><u>1,838,797</u></u>

NOTES TO THE FINANCIAL STATEMENTS *(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 2014 and 2013, there were two unitholders holding more than 10% of the Fund's units.

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

As at 30th June 2014	Less than 1 month <i>US\$</i>	1-12 months <i>US\$</i>
Total assets	<u>3,092,578,587</u>	<u>–</u>
As at 30th June 2013	Less than 1 month <i>US\$</i>	1-12 months <i>US\$</i>
Total assets	<u>3,516,920,548</u>	<u>–</u>

(f) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than US dollars, the functional currency. The Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. 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.

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

	2014 <i>US\$ equivalents</i>	2013 <i>US\$ equivalents</i>
Hong Kong Dollar	468,782,124	527,566,485
Indonesian Rupiah	201,004,628	226,459,586
Malaysian Ringgit	346,522,369	394,943,063
Philippine Peso	154,467,785	186,312,356
Renminbi	633,500,568	719,753,603
Singapore Dollar	465,409,025	534,937,855
South Korean Won	508,572,727	601,314,049
Thai Baht	270,480,483	297,827,749

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.

	2014		2013	
	Change % +/-	Impact <i>US\$</i> +/-	Change % +/-	Impact <i>US\$</i> +/-
Hong Kong Dollar	1	4,687,821	1	5,275,665
Indonesian Rupiah	12	24,120,555	12	27,175,150
Malaysian Ringgit	10	34,652,237	10	39,494,306
Philippine Peso	10	15,446,779	10	18,631,236
Renminbi	3	19,005,017	3	21,592,608
Singapore Dollar	6	27,924,542	6	32,096,271
South Korean Won	10	50,857,273	10	60,131,405
Thai Baht	10	27,048,048	10	29,782,775

NOTES TO THE FINANCIAL STATEMENTS *(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)*

(i) Fair value estimation

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The following table analyses within the fair value hierarchy the Fund's investments (by class) measured at fair value at 30th June 2014 and 2013:

As at 30th June 2014	Level 1 <i>US\$</i>	Level 2 <i>US\$</i>	Level 3 <i>US\$</i>	Total balance <i>US\$</i>
Investments				
– Debt securities	–	3,027,242,661	–	3,027,242,661
	<u>–</u>	<u>3,027,242,661</u>	<u>–</u>	<u>3,027,242,661</u>
	–	3,027,242,661	–	3,027,242,661
	<u>–</u>	<u>3,027,242,661</u>	<u>–</u>	<u>3,027,242,661</u>
 As at 30th June 2013	 Level 1 <i>US\$</i>	 Level 2 <i>US\$</i>	 Level 3 <i>US\$</i>	 Total balance <i>US\$</i>
Investments				
– Debt securities	–	3,468,016,554	–	3,468,016,554
	<u>–</u>	<u>3,468,016,554</u>	<u>–</u>	<u>3,468,016,554</u>
	–	3,468,016,554	–	3,468,016,554
	<u>–</u>	<u>3,468,016,554</u>	<u>–</u>	<u>3,468,016,554</u>

Investments whose values are based on quoted market prices in active markets are classified within level 1. As of 30th June 2014 and 2013, 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 2014 and 2013, 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 2014 and 2013, the Fund did not hold any investments classified in level 3.

There was no transfer between levels for the years ended 30th June 2014 and 2013.

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

	2014 US\$	2013 US\$
Interim distribution		
– US\$2.04 on 25,387,230 units paid on 6th February 2014	51,789,949	–
– US\$1.67 on 25,729,830 units paid on 4th February 2013	–	42,968,816
	<hr/>	<hr/>
Final distribution		
– US\$1.77 on 27,747,780 units paid on 5th August 2013	49,113,571	–
– US\$1.80 on 24,268,050 units paid on 2nd August 2012	–	43,682,490
	<hr/>	<hr/>
Total distribution	<u>100,903,520</u>	<u>86,651,306</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. SEGMENT INFORMATION

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

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

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

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

There were no changes in the reportable segments during the years ended 30th June 2014 and 2013.

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 2014, there were no investments which each accounted for more than 10% of the Fund's income (2013: two). 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 2014, there were two unitholders (2013: two unitholders) holding more than 10% of the Fund's units.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. SUPPLEMENTAL RATIOS

	2014	2013
Expense ratio ¹	0.18%	0.18%
Turnover ratio ²	23.51%	21.63%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end was based on total operating expenses of US\$5,646,205 (2013: US\$5,923,451) divided by the average net asset value of US\$3,152,726,285 (2013: US\$3,305,000,411) 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 purchases of US\$741,129,571 (2013: sales of US\$714,862,528) of the underlying investments, divided by the average daily net asset value of US\$3,152,726,285 (2013: US\$3,305,000,411). 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\$2.09 per unit. The dividend was paid on 5th August 2014. The net assets attributable to holders of redeemable units as at 30th June 2014 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 24th September 2014.