

令和3年6月期 決算短信 (令和2年7月1日～令和3年6月30日)

令和3年9月24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
 URL <http://www.abf-paif.com/>
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 有価証券報告書提出予定日 令和3年12月17日

I ファンドの運用状況

1. 2021年6月期の運用状況 (令和2年7月1日～令和3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
2021年6月期	百万円 410,375	% (100)	百万円 (670)	% (0)	百万円 409,704	% (100)
2020年6月期	397,945	(100)	251	(0)	398,197	(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)
2021年6月期	千口 30,315	千口 841	千口 490	千口 30,666
2020年6月期	31,636	1,129	2,450	30,315

(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)
2021年6月期	百万円 417,604	百万円 7,900	百万円 409,704	円 13,359
2020年6月期	405,472	7,275	398,197	13,135

(4) 分配金

		1口当たり分配金	
*		*円	(米ドル)
2021年6月期	2021年7月22日	150	(1.37)
2020年12月期	2021年1月22日	139	(1.27)
2020年6月期	2020年7月22日	134	(1.23)
2019年12月期	2020年1月22日	155	(1.42)

* 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=109.57円の換算率(2021年9月21日に株式会社三菱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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ABF Pan Asia Bond Index Fund
Annual Report 2021

STATEMENT OF NET ASSETS

As at 30th June 2021

	<i>Notes</i>	30.06.2021 <i>US\$</i>	30.06.2020 <i>US\$</i>
Assets			
Current assets			
Investments	<i>8(f), 10(b)&(c)</i>	3,745,325,374	3,631,886,293
Amounts due from brokers		36,614,428	59,839,372
Other receivables		118,973	22,809
Cash at banks	<i>8(e)</i>	<u>29,247,055</u>	<u>8,828,282</u>
Total assets		<u>3,811,305,830</u>	<u>3,700,576,756</u>
Liabilities			
Current liabilities			
Amounts payable on redemption of units		32,939,703	–
Amounts due to brokers		30,596,646	58,639,086
Audit fee payable		62,630	65,163
Trustee fee payable	<i>8(d)</i>	155,835	158,657
Management fee payable	<i>8(c)</i>	1,036,114	675,608
Index license fee payable	<i>9(a)</i>	208,472	208,473
Other payables		<u>7,104,935</u>	<u>6,649,248</u>
Liabilities (excluding net assets attributable to unitholders)		<u>72,104,335</u>	<u>66,396,235</u>
Net assets attributable to unitholders	<i>3</i>	<u><u>3,739,201,495</u></u>	<u><u>3,634,180,521</u></u>

HSBC Institutional Trust
Services (Singapore) Limited

State Street Global Advisors
Singapore Limited

The notes on pages 16 to 53 form part of these financial statements.

ABF Pan Asia Bond Index Fund
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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2021

	<i>Notes</i>	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
Income			
Interest income on bank deposits	<i>8(e)</i>	13,631	58,703
Net gains on investments	<i>6</i>	155,332,293	195,219,332
Net foreign exchange losses		(666,590)	(1,636,139)
Security lending income	<i>5, 8(g)</i>	295,972	216,370
Other income	<i>5</i>	2,432	248,186
		<u>154,977,738</u>	<u>194,106,452</u>
Total investment income			
Expenses			
Management fee	<i>8(c)</i>	4,297,391	4,203,379
Trustee fee	<i>8(d)</i>	1,888,113	1,834,195
Index license fee	<i>9(a)</i>	349,999	352,876
Publication and printing expenses	<i>8(i)</i>	20,475	44,852
Audit fee		72,307	72,901
Processing agent fee	<i>9(b)</i>	13,021	14,373
Safe custody and bank charges	<i>8(i)</i>	1,291	2,741
Transaction handling fee	<i>8(i)</i>	11,975	14,970
Legal and professional fees	<i>8(i)</i>	239,302	329,692
Annual insurance premium		32,368	29,425
Other operating expenses	<i>8(i)</i>	13,276	13,376
		<u>6,939,518</u>	<u>6,912,780</u>
Total operating expenses			
		<u>148,038,220</u>	<u>187,193,672</u>
Operating profit			
Finance costs			
Distributions to unitholders	<i>12</i>	(76,308,442)	(95,672,992)
Interest expense	<i>8(e)</i>	(8,392)	(15,564)
		<u>(76,316,834)</u>	<u>(95,688,556)</u>
Profit after distributions and before tax			
Taxation	<i>7</i>	(10,082,237)	(8,978,949)
Profit after distributions and tax/ increase in net assets attributable to unitholders from operations			
		<u>61,639,149</u>	<u>82,526,167</u>

The notes on pages 16 to 53 form part of these financial statements.

ABF Pan Asia Bond Index Fund
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30th June 2021

	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
Balance at beginning of the year	3,634,180,521	3,706,932,424
Issuance of units	103,711,991	132,497,438
Redemption of units	(60,330,166)	(287,775,508)
Net issuance/(redemption) of units	43,381,825	(155,278,070)
Increase in net assets attributable to unitholders	61,639,149	82,526,167
Balance at the end of the year	<u>3,739,201,495</u>	<u>3,634,180,521</u>

NUMBER OF UNITS IN ISSUE

	For the year ended 30.06.2021 <i>Units</i>	For the year ended 30.06.2020 <i>Units</i>
Units in issue at the beginning of the year	30,314,614	31,635,774
Issuance of units	841,390	1,128,840
Redemption of units	(490,000)	(2,450,000)
Units in issue at the end of the year	<u>30,666,004</u>	<u>30,314,614</u>

The notes on pages 16 to 53 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30th June 2021

	For the year ended 30.06.2021 US\$	For the year ended 30.06.2020 US\$
Cash flows from operating activities		
Increase in net assets attributable to unitholders	61,639,149	82,526,167
Adjustment for:		
Interest income on bank deposits	(13,631)	(58,703)
Interest expense	8,392	15,564
Distributions to unitholders	76,308,442	95,672,992
Taxation	10,082,237	8,978,949
Revaluation loss in foreign exchange	120,688	1,830,207
	<hr/>	<hr/>
Operating profit before working capital changes	148,145,277	188,965,176
Net (increase)/decrease in investments	(113,439,081)	71,228,743
Net decrease/(increase) in amounts due from brokers	23,224,944	(12,880,964)
Net increase in other receivables	(96,164)	(15,622)
Net (decrease)/increase in amounts due to brokers	(28,042,440)	8,637,756
Net increase/(decrease) in accounts payable and accrued expenses	207,759	(197,320)
	<hr/>	<hr/>
Cash generated from operations	30,000,295	255,737,769
Interest income on bank deposits received	13,631	58,703
Taxes paid	(9,479,159)	(8,806,418)
	<hr/>	<hr/>
Net cash generated from operating activities	20,534,767	246,990,054
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from financing activities		
Distributions paid to unitholders	(76,308,442)	(95,672,992)
Interest expense paid	(8,392)	(15,564)
Issuance of units	103,711,991	136,012,040
Redemption of units	(27,390,463)	(288,942,833)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	4,694	(248,619,349)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	20,539,461	(1,629,295)
Effect of currency translation	(120,688)	(1,830,207)
Cash and cash equivalents at the beginning of the year	8,828,282	12,287,784
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	29,247,055	8,828,282
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of balance of cash and cash equivalents:		
Cash at banks	29,247,055	8,828,282
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The notes on pages 16 to 53 form part of these financial statements.

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STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 30th June 2021

Reconciliation of liabilities arising from financing activities

	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
At 1st July	----- -	----- 1,167,325
Changes from financing cash flows		
Redemptions paid	(27,390,463)	(288,942,833)
Other changes		
Redemption of units	<u>60,330,166</u>	<u>287,775,508</u>
At 30th June	<u><u>32,939,703</u></u>	<u><u>-</u></u>

The notes on pages 16 to 53 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, a Third Amending and Restating Deed dated 24th June 2011, a Fourth Amending and Restating Deed dated 10th July 2018, a Fifth Amending and Restating Deed dated 27th December 2019 and a Sixth Amending and Restating deed dated 17th August 2020. 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 GmbH (the “**Index Provider**”). The Underlying Index is an indicator of investment returns of debt obligations denominated in China Renminbi, Hong Kong Dollar, Indonesian Rupiah, Korean Won, Malaysian Ringgit, Philippine Peso, Singapore Dollar 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 (“**IFRSs**”). 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 IFRSs 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.

Standards and amendments to existing standards effective 1st July 2020

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1st July 2020 that have a material effect on the financial statements of the Fund.

New standards, amendments and interpretations effective after 1st July 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(b) Investments

Classification

Assets

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets at fair value through profit or loss.

Recognition, derecognition and measurement

Purchases and sales of investments are accounted for on the trade date basis – the date on which the Fund commits to purchase or sell the investment. 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 year in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the statement of comprehensive income within net gains/(losses) on investments in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(b) Investments *(Continued)*

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market and participants at the measurement date. 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 reporting date.

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 interest.

Transfers between levels of the fair value hierarchy

Transfers between levels of the 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 gains/losses on investments in the Statement of Comprehensive Income. Security lending income and other income are accounted for in the Statement of Comprehensive Income on an accrual basis.

(d) Expenses

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

(e) Taxation

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

The Fund may potentially be liable to pay PRC withholding income tax on the PRC sourced capital gains and interest income, unless reduced or exempted under relevant tax treaty. Withholding taxes are disclosed separately in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(f) Cash and cash equivalents

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

(g) Amounts due from and to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Net Assets date respectively. The amounts due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant known financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. For the purposes of measurement for presentation in the financial statements, a significant increase in credit risk is defined as any contractual payment which is more than 30 days past due, and any contractual payment which is more than 90 days past due is considered credit impaired. The Manager has measures in place to monitor exposures and increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(h) Securities lending

Securities on loan are included in the investment portfolio of the Fund as the Fund is entitled to the interest income from the fixed income securities on loan and retain substantially all the risks and rewards. Relevant securities lending income received by the Fund is included in security lending income in the Statement of Comprehensive Income.

Collateral received for the purpose of securities on loan generally consists of fixed income securities collateral. Fixed income securities collateral received is treated as an off-balance sheet transaction and is therefore not included in the Statement of Net Assets because the Fund is not entitled to the interest income from the fixed income securities collateral and do not retain substantially all the risks and rewards. Interest received from fixed income securities collateral is paid to the counterparty that provides the collateral to the Fund.

(i) Translation of foreign currencies

Functional and presentation currency

The Fund's subscription and redemption of units are denominated in United States Dollar ("US\$"). The performance of the Fund is measured and reported to the investors in the United States Dollar, 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.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'net foreign exchange gains/(losses)'.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

(j) Redeemable units

The Fund issues redeemable units, which are redeemable at the unitholder'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 unitholder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the unitholder'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 unitholders with the total number of outstanding redeemable units.

(k) Segmental information

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

(l) Distributions

Proposed distributions to unitholders 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.

(m) Changes to presentation and comparative information

When the presentation or classification items in the financial statements is amended, comparative amounts have been updated to conform with the current year's presentation or classification.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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

Net assets attributable to unitholders

The Fund's capital is represented by the units in the Fund, and is shown as net assets attributable to unitholders 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 Unitholders. 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.

Net assets attributable to unitholders 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 unitholders exercised the right to redeem units in the Fund.

Number of units in issue

	30.06.2021 <i>units</i>	30.06.2020 <i>units</i>
Units in issue at the beginning of the year	30,314,614	31,635,774
Issuance of units	841,390	1,128,840
Redemption of units	(490,000)	(2,450,000)
Units in issue at the end of the year	<u>30,666,004</u>	<u>30,314,614</u>
	2021 <i>US\$</i>	2020 <i>US\$</i>
Net assets attributable to unitholders	<u>3,739,201,495</u>	<u>3,634,180,521</u>
Net assets attributable to unitholders (per unit)	<u>121.93</u>	<u>119.88</u>
Net asset value per Creation unit (1 Creation unit is equivalent to 10,000 units)	<u>1,219,331</u>	<u>1,198,821</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 Manager is of the opinion that the Fund has no critical accounting estimates and assumptions during the financial year.

5. SECURITY LENDING INCOME AND OTHER INCOME

Security lending income is calculated daily, determined on the closing value of loaned securities at the agreed lending fee rate.

“Other income” in the Statement of Comprehensive Income primarily includes transaction fees received by the Fund.

For each application for the subscription or redemption of units, the Fund is entitled to receive a transaction fee of HK\$1,000 (approximately US\$128) per application and 0.23% for creation of units and 0.29% (Prior to 8th April 2020: 0.125%) for redemption of units dilution charges from authorised participants.

6. NET GAINS ON INVESTMENTS

	2021 <i>US\$</i>	2020 <i>US\$</i>
Change in unrealised gains/losses in value of investments	35,531,163	104,324,399
Realised gains on sale of investments	<u>119,801,130</u>	<u>90,894,933</u>
	<u><u>155,332,293</u></u>	<u><u>195,219,332</u></u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION

Hong Kong tax

No provision for Hong Kong profits tax has been made as the Fund is 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.

Singapore tax

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.

Unless otherwise exempt from tax, any income or gains that do not fall within the above list of specified income (i.e. non-specified income) will generally be subject to tax at the prevailing corporate tax rate.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION *(Continued)*

People's Republic of China tax

The Fund invests in debt securities in People's Republic of China ("**PRC**") and therefore subject to a) withholding income tax on capital gains derived from disposal of debt securities, b) withholding income tax on interest income received from its debt securities and c) value-added tax on capital gains and interest income received from its debt securities.

(a) Withholding income tax on capital gains on debt securities in PRC

Under the general tax provision of PRC Corporate Income Tax Law ("**PRC CIT Law**"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("**WIT**") on the capital gain derived from disposal of securities, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

The Fund invests in RMB denominated bonds ("**RMB bonds**") in the China Interbank Bond Market ("**CIBM**") in the PRC. Under the prevailing PRC tax regulations, there are no specific rules or regulations governing the taxation of the disposal of RMB bonds by foreign institutional investors. 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 at the rate of 10%, unless reduced or exempted under relevant tax treaty. Based on the current verbal interpretation of the PRC State Taxation Administration ("**STA**") and the local PRC tax authorities, the authorities are with the view that capital gains derived by foreign institutional investors from disposal of 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 this interpretation. As a matter of practice, PRC withholding income tax on capital gains realised by non-PRC tax resident enterprises from the trading of debt 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 tax authority since the commencement of operations 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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION *(Continued)*

People's Republic of China tax *(Continued)*

(b) Withholding income tax on interest income on debt securities in PRC

The non-PRC residents with interest income derived from the debt securities will be subject to 10% WIT. Pursuant to the PRC CIT Law, debt securities issuers in the PRC are obligated to withhold the 10% PRC WIT on interest income for those foreign debt securities holders. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC WIT under the PRC CIT Law.

On 7th November 2018, the Ministry of Finance and the PRC STA jointly issued a notice Caishui [2018] No.108 ("**Circular 108**") which stipulates that foreign institutional investors are temporarily exempted from PRC withholding tax and Value Added Tax ("**VAT**") in respect of bond interest income received from 7th November 2018 to 6th November 2021. The Manager continues to monitor the position and will make an appropriate adjustment if necessary.

Pursuant to the letter to the unitholders of the Fund dated 28th February 2020 the Manager and the Trustee have decided to change the tax provision policy of the Fund and ceased to make provisions for PRC withholding tax on the interest income received from PRC non-government bonds from 7th November 2018 to 6th November 2021. The Manager will retain the PRC withholding tax provision in respect of bond interest income received before 7th November 2018 until new developments and interpretation of the relevant regulations are available.

As at 30th June 2021, the provision for 10% withholding tax on interest income from PRC non-government securities received up to 6th November 2018 amounts to US\$4,227,636 (equivalent to RMB27,285,160) (2020: US\$3,845,812, equivalent to RMB27,285,160). Movement of the provision was due to the exchange difference arising from translation. The amount is included in "Other payables" in the Statement of Net Assets.

During the year ended 30th June 2020, as a result of the change of the PRC withholding tax provision policy the Fund has reversed the withholding income tax provision of US\$802,784 for the period from 7th November 2018 to 31st December 2019.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. TAXATION *(Continued)*

People's Republic of China tax *(Continued)*

(c) Value added tax on capital gains and interest income on debt securities in PRC

According to the notice Caishui [2016] No. 36 ("**Circular 36**"), VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities effective from 1st May 2016. In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax (currently at the rate ranging from 1% to 7%), Education Surcharge (currently at the rate of 3%) and Local Education Surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the "**VAT related taxes**"). However, the gains derived from trading of RMB denominated debt securities by the foreign institutional investors recognised by People's Bank of China in CIBM are exempted from VAT in the PRC under Circular 36 and Caishui [2016] No. 70.

According to Circular 36, interest received from government bonds and local government bonds are exempted from VAT. As mentioned above, according to Circular 108, foreign institutional investors are temporarily exempted from VAT in respect of bond interest income received from 7th November 2018 to 6th November 2021. However, the prevailing VAT regulations do not specifically exempt VAT on interest received by foreign institutional investors for the period from 1st May 2016 to 6th November 2018. Hence, interest income derived during the period from 1st May 2016 to 6th November 2018 on non-government bonds (including corporate bonds) would be subject to 6.72% VAT and VAT related taxes. The Manager continues to monitor the position and will make an appropriate adjustment if necessary.

Pursuant to the letter to the unitholders of the Fund dated 28th February 2020, the Manager has considered the current PRC tax provisioning policy of the Trust and after consultation with an independent and professional tax advisor. As at 30th June 2021, the VAT provision for the bond interest income received from the Fund's investments in PRC non-government bonds during the period between 1st May 2016 and 6th November 2018 was US\$1,138,672 (equivalent to RMB7,348,992) (as at 30th June 2020: US\$1,052,306 equivalent to RMB7,348,992). Movement of the provision was due to the exchange difference arising from translation. The amount is included in "Other payables" in the Statement of Net Assets.

Other taxes

The Fund invests in debt securities in Philippines and Indonesia and therefore is subject to withholding income tax on interest income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TAXATION (Continued)

Overall tax exposure

The Fund had incurred taxes of US\$10,082,237 (2020: US\$8,978,949) during the year ended 30th June 2021. The amount includes withholding taxes from China, Philippines and Indonesia totalling US\$10,005,104 (2020: US\$7,911,443), PRC VAT provision in respect of bond interest income of Nil (2020: US\$1,052,306), and the remaining portion of US\$77,133 (2020: US\$15,200) relates to payments of Singapore corporate income tax and other taxes.

During the years ended 30th June 2021 and 2020, the movement in current tax liabilities for the Fund are as follows:

	2021 US\$	2020 US\$
Current tax liabilities		
At 1st July	6,416,425	6,243,894
Charged to the Statement of Comprehensive Income	10,082,237	9,781,733
Reversal on provision of PRC withholding tax	–	(802,784)
Tax paid	(9,479,159)	(8,806,418)
	-----	-----
At 30th June	<u>7,019,503</u>	<u>6,416,425</u>

As at 30th June 2021, the tax liabilities for the Fund were US\$5,880,831 (2020: US\$5,364,119) and US\$1,138,672 (2020: US\$1,052,306) in relation to withholding taxes and PRC VAT provision respectively.

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS

Connected Persons of the Manager or Trustee 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, Trustee and their Connected Persons were carried out in the ordinary course of business and on normal commercial terms. To the best of the Manager and Trustee’s knowledge, the Fund does not have any other transactions with the Connected Persons of the Manager or Trustee except for those disclosed below.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

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

During the year ended 30th June 2021, the Manager transacted in foreign currency transactions totalling US\$588,216,725 (2020: US\$969,581,418) through its affiliated party, State Street Global Markets, LLC and the Trustee's affiliated parties, The Hongkong and Shanghai Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited Sydney Branch, for the Fund's investments and settlement purposes. The amount represents 100% (2020: 100%) of the Fund's foreign currency transactions during the year ended 30th June 2021.

Name of company	Aggregate value of foreign currency transactions <i>US\$</i>	% of total foreign currency transactions %
2021		
State Street Global Markets, LLC	66,271,155	11.27
The Hongkong and Shanghai Banking Corporation Limited	127,085,508	21.60
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch	394,860,062	67.13
2020		
State Street Global Markets, LLC	54,700,000	5.64
The Hongkong and Shanghai Banking Corporation Limited	249,056,833	25.69
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch	665,824,585	68.67

During the years ended 30th June 2021 and 2020, the Connected Persons of the Manager and the Trustee as listed above had included normal bid-offer spreads 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 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

(b) Holdings of units

As at 30th June 2021, the directors and officers of the Manager did not hold any units in the Fund (2020: Nil). The Hong Kong and Shanghai Banking Corporation Limited, a related party of the Trustee, held 28,593,095 units (2020: 28,083,247 units) of the Fund as a nominee on behalf of its clients, representing 93.24% (2020: 92.64%) of the Fund's net assets.

(c) Management fee

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

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

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

(d) Trustee fee

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

(e) Bank balances

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

	As at 30.06.2021 <i>US\$</i>	As at 30.06.2020 <i>US\$</i>
Bank balances	<u>29,247,055</u>	<u>8,828,282</u>

During the years ended 30th June 2021 and 2020, the below income and expenses related to the bank balance of the Fund stated in Statement of Comprehensive Income was earned/paid from/to a related party of the Trustee, (i.e. The Hongkong Shanghai Banking Corporation Limited).

	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
Interest income	13,631	58,703
Interest expenses	<u>8,392</u>	<u>15,564</u>

(f) Investments

As at 30th June 2021 and 2020, the Fund placed investments with a related party of the Trustee, (i.e. HSBC Institutional Trust Services (Asia) Limited). The details of such investments are as follows:

	As at 30.06.2021 <i>US\$</i>	As at 30.06.2020 <i>US\$</i>
Investments	<u>3,745,325,374</u>	<u>3,631,886,293</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

(g) Security lending arrangement

During the years ended 30th June 2021 and 2020, the Fund put in place a securities lending arrangement with a related party of the Trustee (i.e. HSBC Bank Plc) as a security lending agent. The details of such transactions are as follows:

	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
Collateral held by HSBC Bank Plc in segregated accounts	110,211,589	92,691,825
Aggregate securities lending transactions through HSBC Bank Plc	485,468,588	626,350,260

(h) Bond transactions with connected persons of the Manager and the Trustee

(i) During the years ended 30th June 2021 and 2020, the Fund transacted in bond trades through Trustee's affiliated party as buyers or sellers as follows:

Name of company	Aggregate value of purchase transactions <i>US\$</i>	Aggregate value of sale transactions <i>US\$</i>
2021		
HSBC Bank (China) Company Limited	32,453,018	37,816,917
The Hongkong and Shanghai Banking Corporation Limited	20,652,317	–
The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	4,425,923	–
The Hongkong and Shanghai Banking Corporation Limited, Singapore	52,008,930	21,423,036
2020		
HSBC Bank (China) Company Limited	47,353,499	66,168,745
The Hongkong and Shanghai Banking Corporation Limited	47,118,681	13,852,972
The Hongkong and Shanghai Banking Corporation Limited, Singapore	139,132,276	97,045,142

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

(h) Bond transactions with connected persons of the Manager and the Trustee *(Continued)*

(ii) During the years ended 30th June 2021 and 2020, the Fund transacted in bond trades through Trustee's affiliated party as delivering or receiving agents as follows:

Name of company	Aggregate value of transactions 30.06.2021 <i>US\$</i>	Aggregate value of transactions 30.06.2020 <i>US\$</i>
HSBC Bank (China) Company Limited	77,128,217	113,522,244
HSBC Bank Malaysia Berhad	13,892,756	55,739,887
PT Bank HSBC Indonesia	29,273,078	52,769,162
The Hongkong and Shanghai Banking Corporation Limited	23,256,591	67,375,046
The Hongkong and Shanghai Banking Corporation Limited, Bangkok	35,569,276	50,524,759
The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	21,429,748	48,020,913
The Hongkong and Shanghai Banking Corporation Limited, Singapore	50,380,033	45,040,885
The Hongkong and Shanghai Banking Corporation Ltd – Philippine Branch	13,270,197	33,582,724

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES INCLUDING THE MANAGER, TRUSTEE AND THEIR CONNECTED PERSONS *(Continued)*

(i) Other respective amounts paid to the Trustee or Manager and their connected persons

- (i) During the years ended 30th June 2021 and 2020, other than trustee fee paid to the Trustee or its Connected Persons, other respective amounts paid to the Trustee or its Connected Persons were as follows:

	For the year ended 30.06.2021 <i>US\$</i>	For the year ended 30.06.2020 <i>US\$</i>
Publication and printing expenses	76	83
Safe custody and bank charges	662	623
Transaction handling fee*	11,975	14,970
Legal and professional fees	2,250	5,000
Other operating expenses	12,501	12,603

* Transaction handling fee is charged on purchases and sales of investments.

- (ii) During the year ended 30th June 2021 and 2020, other than management fee paid to the Manager no other respective amounts were paid to the Manager or its Connected Persons.

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 (2020: 0.0175% per annum) on the daily average net asset value of the Fund, subject to a minimum of US\$184,000 per annum (2020: 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 subscription 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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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.

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.

(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 is designated to track the performance of the Markit iBoxx ABF Pan-Asia Index, therefore the exposures to market risk in the Fund will be substantially the same as the tracked index. The Manager manages the Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, are closely aligned with the characteristics of the tracked index. As at year-end, the overall market exposures were as follows:

	2021			2020		
	Fair value <i>US\$</i>	Cost <i>US\$</i>	% of net assets	Fair value <i>US\$</i>	Cost <i>US\$</i>	% of net assets
Investments						
– Debt securities	3,745,325,374	3,657,902,336	100.16	3,631,886,293	3,579,994,418	99.94
	<u>3,745,325,374</u>	<u>3,657,902,336</u>	<u>100.16</u>	<u>3,631,886,293</u>	<u>3,579,994,418</u>	<u>99.94</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Market price risk *(Continued)*

Market exposures

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

	2021 <i>US\$ equivalent</i>	2020 <i>US\$ equivalent</i>
Markets exposed to		
China	938,277,802	912,466,936
Hong Kong	310,815,034	308,998,779
Indonesia	294,156,346	282,523,479
Malaysia	432,695,041	417,782,801
Philippines	241,005,536	213,102,425
Singapore	588,301,708	570,539,673
South Korea	576,266,702	570,973,705
Thailand	363,807,205	355,498,495
	<u>3,745,325,374</u>	<u>3,631,886,293</u>

There were investments issued by a single issuer with market value exceeding 10% of the Fund's net asset value at 30th June 2021 or 2020, as follows:

	2021 %	2020 %
China Government	18.47	18.32
Korea Treasury	10.24	12.15
Singapore Government	13.98	13.68

During the year ended 30th June 2021, the Underlying Index increased by 4.38% (1 year return as of 30th June 2020: increased by 5.57%), while the returns of the Fund including dividends increased by 3.80% (1 year return as of 30th June 2020: increased by 5.01%).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Market price risk *(Continued)*

Market exposures (Continued)

The table below summarises the impact on net assets attributable to unitholders 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.

	2021		2020	
	Change in market index	Impact	Change in market index	Impact
	%	US\$	%	US\$
	+/-	+/-	+/-	+/-
Markit iBoxx ABF Pan-Asia Index in US\$	5.00	187,266,269	5.00	181,594,315

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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk (Continued)

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.

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 30.06.2021

	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	140,141,223	1,371,360,314	2,233,823,837	–	3,745,325,374
Amounts due from brokers	–	–	–	36,614,428	36,614,428
Other receivables	95,135	–	–	23,838	118,973
Cash at banks	29,247,055	–	–	–	29,247,055
Total assets	169,483,413	1,371,360,314	2,233,823,837	36,638,266	3,811,305,830
Liabilities					
Amounts payable on redemption of units	–	–	–	(32,939,703)	(32,939,703)
Amounts due to brokers	–	–	–	(30,596,646)	(30,596,646)
Audit fee payable	–	–	–	(62,630)	(62,630)
Trustee fee payable	–	–	–	(155,835)	(155,835)
Management fee payable	–	–	–	(1,036,114)	(1,036,114)
Index license fee payable	–	–	–	(208,472)	(208,472)
Other payables	–	–	–	(7,104,935)	(7,104,935)
Net assets attributable to unitholders	–	–	–	(3,739,201,495)	(3,739,201,495)
Total liabilities	–	–	–	(3,811,305,830)	(3,811,305,830)
Total interest sensitivity gap	169,483,413	1,371,360,314	2,233,823,837		

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Interest rate risk *(Continued)*

As at 30.06.2020

	Up to 1 year <i>US\$</i>	1-5 years <i>US\$</i>	Over 5 years <i>US\$</i>	Non-interest bearing <i>US\$</i>	Total <i>US\$</i>
Assets					
Investments	95,203,521	1,372,483,329	2,164,199,443	–	3,631,886,293
Amounts due from brokers	–	–	–	59,839,372	59,839,372
Other receivables	–	–	–	22,809	22,809
Cash at banks	8,828,282	–	–	–	8,828,282
	<u>104,031,803</u>	<u>1,372,483,329</u>	<u>2,164,199,443</u>	<u>59,862,181</u>	<u>3,700,576,756</u>
Total assets					
	<u>104,031,803</u>	<u>1,372,483,329</u>	<u>2,164,199,443</u>	<u>59,862,181</u>	<u>3,700,576,756</u>
Liabilities					
Amounts due to brokers	–	–	–	(58,639,086)	(58,639,086)
Audit fee payable	–	–	–	(65,163)	(65,163)
Trustee fee payable	–	–	–	(158,657)	(158,657)
Management fee payable	–	–	–	(675,608)	(675,608)
Index license fee payable	–	–	–	(208,473)	(208,473)
Other payables	–	–	–	(6,649,248)	(6,649,248)
Net assets attributable to unitholders	–	–	–	(3,634,180,521)	(3,634,180,521)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,700,576,756)</u>	<u>(3,700,576,756)</u>
Total liabilities					
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,700,576,756)</u>	<u>(3,700,576,756)</u>
Total interest sensitivity gap					
	<u>104,031,803</u>	<u>1,372,483,329</u>	<u>2,164,199,443</u>		

At 30th June 2021, should interest rates have lowered/risen by 50 basis points (2020: 50 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately US\$142,243,095 and US\$132,324,919 respectively (2020: US\$138,862,038 and US\$128,759,016), 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.

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, assets held and collateral securities held with the custodians.

The table below summarises the assets placed with banks, custodians and custodians of collateral securities at 30th June 2021 and 2020:

As at 30.06.2021

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,774,572,429	Aa3	Moody's
Custodians of collateral securities			
HSBC Bank Plc	110,211,589	Aa3	Moody's
JP Morgan Bank Luxembourg S.A. ¹	288,449,854	Aa1	Moody's

As at 30.06.2020

	US\$	Credit rating	Source of credit rating
Custodians and Banks			
The Hongkong & Shanghai Banking Corporation Limited	3,640,714,575	Aa3	Moody's
Custodian of collateral securities			
HSBC Bank Plc	92,691,825	Aa3	Moody's
JP Morgan Bank Luxembourg S.A. ¹	262,828,451	Aa1	Moody's

¹ JP Morgan Bank Luxembourg S.A. is a tri-party collateral manager to whom the Securities Lending Agent, HSBC Bank Plc, delegates certain of its collateral management, margining and custodial functions.

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 Standard & Poor's or iBoxx.

Portfolio by rating category

Rating (Markit iBoxx)	2021 <i>% of Investment</i>	2020 <i>% of Investment</i>
AAA	15	14
AA	22	24
A	36	38
BBB	20	18
Non-rated	7	6
	<hr/>	<hr/>
Total	<u>100</u>	<u>100</u>

During the years ended 30th June 2021 and 2020, the Fund put in place a securities lending arrangement. Any securities lending activities for the Fund would be carried out for the sole purpose of efficient portfolio management, which aims to generate additional income for the scheme with minimal increase in risk. At the time that any securities are lent or proposed to be lent, the amount of securities of that issue being lent must not be more than 50% of the aggregate market holding of securities. The Fund will only lend securities to a borrower approved by the Trustee. Borrowers will be restricted to persons who satisfy the criteria for a counterparty to a securities lending agreement as required under all applicable laws and regulations. At present, borrowers of security lending transactions are required to have a minimum long-term rating of 'A' by Moody's, 'A' by Standard and Poor's or 'A' by Fitch. For more details, please refer to the Details of Security Lending Arrangements (Unaudited).

As part of its securities lending transactions, the Fund will receive collateral, the value of which, during the duration of the securities lending agreement, will exceed 100% of the global valuation of the securities lent, marked to market on a daily basis. The collateral that is to be acquired in respect of securities lending shall comprise securities of the underlying index, non-index securities and/or other high quality cash equivalent investments approved by the Trustee and permitted under the Trust Deed. For non-cash collateral, eligible collateral includes government debt or supranational debt with a minimum long-term rating of 'A' by Moody's, 'A' by Standard and Poor's or 'A' by Fitch. The Fund will only accept cash collateral in circumstances where collateral is accepted through the Euroclear SA collateral management system, and the collateral substitution process for the system requires the interstitial acceptance of cash collateral. No interest would be paid on such cash collateral, which would be held by HSBC Bank Plc as banker. The Fund will not reinvest collateral received in connection with its securities lending.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit and counterparty risk *(Continued)*

The table below categorised the securities on loan by credit rating of the collateral provider sourced from Moody's Rating Services.

As at 30.06.2021

Collateral provider	Credit rating of the collateral provider ²	Fair value of collateral US\$	Securities on loan US\$
BNP Paribas London	Aa3	31,226,799	29,699,652
Credit Suisse AG Singapore Branch	A1	257,223,055	245,288,001
Nomura International PLC	Baa1	110,211,589	104,495,854
		<u>398,661,443</u>	<u>379,483,507</u>

As at 30.06.2020

Collateral provider	Credit rating of the collateral provider ²	Fair value of collateral US\$	Securities on loan US\$
BNP Paribas London	Aa3	13,872,021	13,193,294
Credit Suisse Securities (Europe) Limited	A1	248,956,430	236,920,207
Nomura International PLC	Baa1	92,691,825	88,046,787
		<u>355,520,276</u>	<u>338,160,288</u>

² Credit ratings of long term counterparty risk by Moody's Rating Services

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit and counterparty risk *(Continued)*

The maximum exposure to credit and counterparty risk as at 30th June 2021 and 2020 is the carrying amount of the financial assets as set out below:

	2021	2020
	<i>US\$</i>	<i>US\$</i>
Investments	3,745,325,374	3,631,886,293
Amounts due from brokers	36,614,428	59,839,372
Other receivable	118,973	22,809
Cash at banks	29,247,055	8,828,282
	3,811,305,830	3,700,576,756

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.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. At 30th June 2021 and 2020, other receivables, amounts due from brokers, amount receivable on subscription of units, cash at banks are due to be settled within 1 month. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(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 active markets and which can be readily disposed of. During the years ended 30th June 2021 and 2020, the Fund entered into securities lending transactions. As at 30th June 2021, investments of US\$379,483,507 (2020: US\$338,160,288) were lent to the borrowers and were callable on demand.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk *(Continued)*

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 <i>US\$</i>	1 month to less than 3 months <i>US\$</i>	Over 3 months <i>US\$</i>
As at 30.06.2021			
Amounts payable on redemption of units	32,939,703	–	–
Amounts due to brokers	30,596,646	–	–
Audit fee payable	–	62,630	–
Trustee fee payable	–	155,835	–
Management fee payable	–	1,036,114	–
Index license fee payable	–	208,472	–
Other payables	3,198	82,234	7,019,503
Net assets attributable to unitholders	<u>3,739,201,495</u>	<u>–</u>	<u>–</u>
Contractual cash outflows	<u>3,802,741,042</u>	<u>1,545,285</u>	<u>7,019,503</u>
As at 30.06.2020			
Amounts due to brokers	58,639,086	–	–
Audit fee payable	–	65,163	–
Trustee fee payable	–	158,657	–
Management fee payable	–	675,608	–
Index license fee payable	–	208,473	–
Other payables	176,196	56,627	6,416,425
Net assets attributable to unitholders	<u>3,634,180,521</u>	<u>–</u>	<u>–</u>
Contractual cash outflows	<u>3,692,995,803</u>	<u>1,164,528</u>	<u>6,416,425</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk *(Continued)*

Units are redeemed on demand at the unitholder'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 unitholders typically retain their units for the medium to long term. At 30th June 2021, there was 1 unitholder (2020: 1), which were the nominee account unitholders of the Fund holding more than 10% of the Fund's units. Please refer to note 13 for details.

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

	Less than 1 month <i>US\$</i>	1 to 12 months <i>US\$</i>
As at 30.06.2021		
Total assets	<u>3,811,305,830</u>	<u>–</u>
	Less than 1 month <i>US\$</i>	1 to 12 months <i>US\$</i>
As at 30.06.2020		
Total assets	<u>3,700,576,756</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\$, 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 subscription 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 holidays.

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:

	2021 <i>US\$</i> <i>equivalents</i>	2020 <i>US\$</i> <i>equivalents</i>
Hong Kong Dollar	311,626,538	310,408,976
Indonesian Rupiah	293,682,429	284,486,170
Malaysian Ringgit	433,088,934	416,589,366
Philippine Peso	240,327,117	212,642,078
Renminbi	933,189,719	910,195,461
Singapore Dollar	588,506,803	573,248,181
South Korean Won	575,873,582	570,934,316
Thai Baht	363,846,997	356,009,041

The table below summarises the impact on net assets attributable to unitholders 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.

	2021		2020	
	Change % +/-	Impact <i>US\$</i> +/-	Change % +/-	Impact <i>US\$</i> +/-
Hong Kong Dollar	1	3,116,265	1	3,104,090
Indonesian Rupiah	12	35,241,891	12	34,138,340
Malaysian Ringgit	12	51,970,672	12	49,990,724
Philippine Peso	12	28,839,254	12	25,517,049
Renminbi	11	102,650,869	11	100,121,501
Singapore Dollar	8	47,080,544	8	45,859,854
South Korean Won	12	69,104,830	12	68,512,118
Thai Baht	12	43,661,640	12	42,721,085

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; and 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 unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the unitholders. 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 unitholders 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 unitholders.

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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 measured at fair value at 30th June 2021 and 2020:

As at 30.06.2021	Level 1 <i>US\$</i>	Level 2 <i>US\$</i>	Level 3 <i>US\$</i>	Total <i>US\$</i>
Investments				
– Debt securities	–	3,745,325,374	–	3,745,325,374
	–	3,745,325,374	–	3,745,325,374
	<u>–</u>	<u>3,745,325,374</u>	<u>–</u>	<u>3,745,325,374</u>
As at 30.06.2020	Level 1 <i>US\$</i>	Level 2 <i>US\$</i>	Level 3 <i>US\$</i>	Total <i>US\$</i>
Investments				
– Debt securities	–	3,631,886,293	–	3,631,886,293
	–	3,631,886,293	–	3,631,886,293
	<u>–</u>	<u>3,631,886,293</u>	<u>–</u>	<u>3,631,886,293</u>

Investments whose values are based on quoted market prices in active markets are classified within Level 1. As of 30th June 2021 and 2020, 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 2021 and 2020, 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 2021 and 2020, the Fund did not hold any investments classified in Level 3.

There was no transfer between levels for the years ended 30th June 2021 and 2020.

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 transactions are 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.

The Manager has not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund during the years ended 30th June 2021 and 2020.

12. DISTRIBUTIONS

	2021 <i>US\$</i>	2020 <i>US\$</i>
Undistributed income brought forward at the beginning of the year	–	–
Net income for the year	137,947,591	178,199,159
Interim distribution		
– US\$1.27 on 30,686,824 units paid on 3rd February 2021	(38,972,267)	–
– US\$1.42 on 30,861,354 units paid on 5th February 2020	–	(43,823,123)
Final distribution		
– US\$1.23 on 30,354,614 units paid on 3rd August 2020	(37,336,175)	–
– US\$1.64 on 31,615,774 units paid on 1st August 2019	–	(51,849,869)
Undistributed income transferred to net assets attributable to unitholders for the year	<u>(61,639,149)</u>	<u>(82,526,167)</u>
Undistributed income carried forward at the end of the year	<u>–</u>	<u>–</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 IFRSs.

There were no changes in the reportable segments during the years ended 30th June 2021 and 2020.

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

The Fund has no assets classified as non-current assets. The Fund has a diversified portfolio of investments. Please refer to Note 10(b) for investment holdings issued by a single issuer that account for more than 10% of the Fund's net assets.

The underlying index of the Fund namely Markit iBoxx ABF Pan-Asia Index, did not have any constituent stock that accounted for more than 10% of the index as at 30th June 2021 (2020: Nil).

The Fund also has a diversified unitholder population. As at 30th June 2021, there was one (2020: one) unitholder, which was the nominee account unitholder of the Fund holding more than 10% of the Fund's units. The nominee account unitholder holds 93% (2020: 93%) of the Fund's units as at 30th June 2021.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. SUPPLEMENTAL RATIOS

	2021	2020
Expense ratio ³	0.18%	0.19%
Turnover ratio ⁴	14.59%	24.32%

³ 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\$6,939,518 (2020: US\$6,912,780) divided by the average net asset value of US\$3,775,766,745 (2020: US\$3,638,494,333) 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.

⁴ 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\$550,936,073 (2020: purchases of US\$884,984,816) of the underlying investments, divided by the average daily net asset value of US\$3,775,766,745 (2020: US\$3,638,494,333). In line with Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“**RAP 7**”) issued by the Institute of Singapore Chartered Accountants, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

15. EVENT OCCURRING AFTER YEAR-END DATE

Subsequent to the year end, the Fund announced a dividend distribution of US\$1.37 per unit on 7th July 2021. The dividend was paid on 3rd August 2021. The net assets attributable to unitholders as at 30th June 2021 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 23rd September 2021.