

令和4年6月期 中間決算短信 (令和3年7月1日～令和3年12月31日)

令和4年2月25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 売買単位 1口
 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
 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/
 代表者 (役職名) ディレクター (氏名) ケーン・シャン・ウン
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 半期報告書提出予定日 令和4年3月31日

I ファンドの運用状況

1. 令和3年12月中間期の運用状況 (令和3年7月1日～令和3年12月31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
	百万円	%	百万円	%	百万円	%
令和3年12月中間期	423,999	(99.7)	1,166	(0.3)	425,165	(100)
令和3年6月期	432,510	(100.2)	△707	(△0.2)	431,802	(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)	当中間計算期間末 発行済口数 (①+②-③)
	千口	千口	千口	千口
令和3年12月中間期	30,666	358	350	30,674

(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/当中間計算期間末 (前計算期間末)発行済口数×1口)
	百万円	百万円	百万円	円
令和3年12月中間期	432,661	7,495	425,165	13,861
令和3年6月期	440,129	8,326	431,802	14,080

(注) 日本円への換算は、1米ドル=115.48円の換算率(令和4年2月17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
 ② ①以外の会計方針の変更

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CONDENSED STATEMENT OF NET ASSETS

As at 31st December 2021 (Unaudited)

		As at 31.12.2021	As at 30.06.2021	As at 31.12.2020	As at 30.06.2020
<i>Notes</i>		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Assets					
Current assets					
Investments	<i>6(f)</i>	3,671,627,422	3,745,325,374	3,900,811,900	3,631,886,293
Amounts due from brokers		59,872,560	36,614,428	18,187,466	59,839,372
Interest receivables	<i>6(e)</i>	18	–	–	–
Other receivables		324,286	118,973	26,058	22,809
Cash at banks	<i>6(e)</i>	14,815,464	29,247,055	14,332,505	8,828,282
		<u>3,746,639,750</u>	<u>3,811,305,830</u>	<u>3,933,357,929</u>	<u>3,700,576,756</u>
Total assets					
Liabilities					
Current liabilities					
Amounts payable on redemption of units		–	32,939,703	–	–
Amounts due to brokers		57,193,040	30,596,646	28,479,564	58,639,086
Audit fee payable		22,415	62,630	26,774	65,163
Trustee fee payable	<i>6(d)</i>	156,000	155,835	164,171	158,657
Management fee payable	<i>6(c)</i>	697,631	1,036,114	1,390,588	675,608
Index license fee payable		123,129	208,472	122,889	208,473
Other payables		6,719,238	7,104,935	7,067,481	6,649,248
		<u>64,911,453</u>	<u>72,104,335</u>	<u>37,251,467</u>	<u>66,396,235</u>
Liabilities (excluding net assets attributable to unitholders)					
		<u>64,911,453</u>	<u>72,104,335</u>	<u>37,251,467</u>	<u>66,396,235</u>
Net assets attributable to unitholders	<i>3</i>	<u>3,681,728,297</u>	<u>3,739,201,495</u>	<u>3,896,106,462</u>	<u>3,634,180,521</u>
Number of units in issue	<i>3</i>	<u>30,674,204</u>	<u>30,666,004</u>	<u>30,606,824</u>	<u>30,314,614</u>
Net assets attributable to unitholders per unit	<i>3</i>	<u>120.03</u>	<u>121.93</u>	<u>127.30</u>	<u>119.88</u>

The notes on pages 10 to 21 form part of these financial statements.

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

	<i>Notes</i>	01.07.2021 to 31.12.2021 <i>US\$</i>	01.07.2020 to 31.12.2020 <i>US\$</i>
Income			
Interest income on bank deposits	<i>6(e)</i>	2,540	6,665
Net (loss)/gain on investments	<i>4</i>	(9,387,304)	274,116,589
Net foreign exchange losses		(340,828)	(214,090)
Security lending income		142,761	158,000
Other income		<u>1,152</u>	<u>1,664</u>
Total investment (loss)/income		<u>(9,581,679)</u>	<u>274,068,828</u>
Expenses			
Management fee	<i>6(c)</i>	(2,066,704)	(2,224,329)
Trustee fee	<i>6(d)</i>	(927,938)	(944,886)
Index license fee		(176,438)	(176,438)
Publication and printing expenses	<i>6(i)</i>	(8,764)	(14,340)
Audit fee		(38,975)	(36,450)
Processing agent fee		(16,374)	(5,677)
Safe custody and bank charges	<i>6(i)</i>	(1,429)	(685)
Transaction handling fee	<i>6(i)</i>	(10,030)	(5,275)
Legal and professional fees	<i>6(i)</i>	(76,164)	(147,696)
Other operating expenses	<i>6(i)</i>	<u>(6,302)</u>	<u>(6,302)</u>
Total operating expenses		<u>(3,329,118)</u>	<u>(3,562,078)</u>
Operating (loss)/profit		<u>(12,910,797)</u>	<u>270,506,750</u>
Finance costs			
Distributions to unitholders	<i>8</i>	(41,601,425)	(37,336,175)
Interest expense	<i>6(e)</i>	<u>(4,627)</u>	<u>(4,074)</u>
		(41,606,052)	(37,340,249)
(Loss)/profit after distributions and before tax		(54,516,849)	233,166,501
Taxation	<i>5</i>	<u>(3,544,124)</u>	<u>(5,927,086)</u>
(Loss)/profit after distributions and tax/increase in net assets attributable to unitholders from operations		<u>(58,060,973)</u>	<u>227,239,415</u>

The notes on pages 10 to 21 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

	01.07.2021 to 31.12.2021 <i>US\$</i>	01.07.2020 to 31.12.2020 <i>US\$</i>
Balance at beginning of the period	3,739,201,495	3,634,180,521
Issuance of units	43,047,816	55,957,743
Redemption of units	<u>(42,460,041)</u>	<u>(21,271,217)</u>
Net issuance of units	587,775	34,686,526
(Decrease)/increase in net assets attributable to unitholders	<u>(58,060,973)</u>	<u>227,239,415</u>
Balance at the end of the period	<u><u>3,681,728,297</u></u>	<u><u>3,896,106,462</u></u>

Number of units in issue

	01.07.2021 to 31.12.2021 <i>Units</i>	01.07.2020 to 31.12.2020 <i>Units</i>
Units in issue at the beginning of the period	30,666,004	30,314,614
Issuance of units	358,200	462,210
Redemption of units	<u>(350,000)</u>	<u>(170,000)</u>
Units in issue at the end of the period	<u><u>30,674,204</u></u>	<u><u>30,606,824</u></u>

The notes on pages 10 to 21 form part of these financial statements.

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CONDENSED STATEMENT OF CASH FLOWS

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

	01.07.2021 to 31.12.2021 US\$	01.07.2020 to 31.12.2020 US\$
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to unitholders	(58,060,973)	227,239,415
Adjustment for:		
Interest income on bank deposits	(2,540)	(6,665)
Interest expense	4,627	4,074
Distributions to unitholders	41,601,425	37,336,175
Taxation	3,544,124	5,927,086
Revaluation loss/(gain) in foreign exchange	254,722	(275,168)
	<u>(12,658,615)</u>	<u>270,224,917</u>
Operating (loss)/profit before working capital changes	-----	-----
Net decrease/(increase) in investments	73,697,952	(268,925,607)
Net (increase)/decrease in amounts due from brokers	(23,258,132)	41,651,906
Net increase in other receivable	(205,313)	(3,249)
Net increase/(decrease) in amounts due to brokers	26,596,394	(30,159,522)
Net (decrease)/increase in accounts payable and accrued expenses	(486,150)	473,790
	<u>63,686,136</u>	<u>13,262,235</u>
Cash generated from operations	-----	-----
Interest income on bank deposits received	2,522	6,665
Taxes paid	(3,907,547)	(5,386,122)
	<u>59,781,111</u>	<u>7,882,778</u>
Net cash generated from operating activities	-----	-----
Cash flows from financing activities		
Distributions paid to unitholders	(41,601,425)	(37,336,175)
Interest expense paid	(4,627)	(4,074)
Issuance of units	43,047,816	55,957,743
Redemption of units	(75,399,744)	(21,271,217)
	<u>(73,957,980)</u>	<u>(2,653,723)</u>
Net cash used in financing activities	-----	-----
Net (decrease)/increase in cash and cash equivalents	(14,176,869)	5,229,055
Effect of currency translation	(254,722)	275,168
Cash and cash equivalents at the beginning of the period	29,247,055	8,828,282
	<u>14,815,464</u>	<u>14,332,505</u>
Cash and cash equivalents at the end of the period	=====	=====
Analysis of balance of cash and cash equivalents:		
Cash at banks	<u>14,815,464</u>	<u>14,332,505</u>

The notes on pages 10 to 21 form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

Reconciliation of liabilities arising from financing activities

	01.07.2021 to 31.12.2021 <i>US\$</i>	01.07.2020 to 31.12.2020 <i>US\$</i>
At 1st July	32,939,703	–
Changes from financing cash flows		
Redemption paid	(75,399,744)	(21,271,217)
Other changes		
Redemption of units	42,460,041	21,271,217
At 31st December	–	–

The notes on pages 10 to 21 form part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

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 and a Fifth Amending and Restating Deed dated 27 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 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 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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed interim financial statements (“**Interim Financial Statements**”) have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. The Interim Financial Statements are prepared under the historical cost convention as modified by the revaluation of investments. The accounting policies and methods of computation used in the preparation of these Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 30th June 2021.

Changes to presentation and comparative information

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

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

Number of units in issue

	01.07.2021 to 31.12.2021 <i>units</i>	01.01.2021 to 30.06.2021 <i>units</i>	01.07.2020 to 31.12.2020 <i>units</i>
Units in issue at the beginning of the period	30,666,004	30,606,824	30,314,614
Issuance of units	358,200	379,180	462,210
Redemption of units	<u>(350,000)</u>	<u>(320,000)</u>	<u>(170,000)</u>
Units in issue at the end of the period	<u><u>30,674,204</u></u>	<u><u>30,666,004</u></u>	<u><u>30,606,824</u></u>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Net assets attributable to unitholders	<u><u>3,681,728,297</u></u>	<u><u>3,739,201,495</u></u>	<u><u>3,896,106,462</u></u>
Net assets attributable to unitholders (per unit)	<u><u>120.03</u></u>	<u><u>121.93</u></u>	<u><u>127.30</u></u>
Net asset value per Creation unit (1 Creation unit is equivalent to 10,000 units)	<u><u>1,200,269</u></u>	<u><u>1,219,331</u></u>	<u><u>1,272,954</u></u>

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

4. NET (LOSS)/GAIN ON INVESTMENTS

	01.07.2021 to 31.12.2021 <i>US\$</i>	01.07.2020 to 31.12.2020 <i>US\$</i>
Change in unrealised gain/loss in value of investments	(63,838,686)	218,253,235
Realised gain on sale of investments	<u>54,451,382</u>	<u>55,863,354</u>
	<u><u>(9,387,304)</u></u>	<u><u>274,116,589</u></u>

5. TAXATION

The Fund had incurred taxes of US\$3,544,124 (6 months to 31st December 2020: US\$5,927,086) during the period ended 31st December 2021. The amount includes withholding taxes from China, Philippines and Indonesia totaling US\$3,493,684 and the remaining portion of US\$50,440 relates to payments of Singapore corporate income tax and other taxes.

On 7th November 2018, the PRC Ministry of Finance ("**MoF**") and the PRC State Taxation Administration ("**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 PRC non-government bond interest income received from 7th November 2018 to 6th November 2021. Further on 22nd November 2021, the MoF and the STA jointly issued a Public Notice [2021] No.34 ("**Circular 34**") which stipulates that foreign institutional investors are temporarily exempted from PRC withholding tax and VAT in respect of PRC non-government bond interest income received from 7th November 2021 to 31st December 2025.

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. Further to the issuance of Circular 34, the exemption will be extended to 31st December 2025. The Manager will retain the PRC withholding tax provision in respect of PRC non-government bond interest income received before 7th November 2018 until new developments and interpretation of the relevant regulations are available.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

5. TAXATION *(Continued)*

As at 31st December 2021, the Fund made provision of US\$4,280,025 (equivalent to RMB27,285,160) for 10% withholding income tax on interest income from PRC non-government securities received up to 6th November 2018 (as at 30th June 2021: US\$4,227,636, 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 Statement of Net Assets. In addition, according to Circular 36, interest received from government bonds and local government bonds are exempted from VAT. According to Circular 108, foreign institutional investors are temporarily exempted from VAT in respect of PRC non-government bond interest income received from 7th November 2018 to 6th November 2021 and according to Circular 34, the aforesaid temporary exemption is extended up to 31st December 2025. 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 still be subject to 6% VAT.

For VAT related taxes (including Urban Construction and Maintenance Tax ("**UCMT**"), Education Surcharge ("**ES**") and Local Education Surcharge ("**LES**")), pursuant to the UCMT Law and Public Notice [2021] No. 28 jointly issued by the MoF and the STA, UCMT, ES and LES would no longer be levied with effect from 1st September 2021 on the VAT paid for the service provisions and sale of intangible assets in China by overseas parties to PRC enterprises. Based on our understanding on the prevailing practice, Shanghai tax authorities currently do not enforce the collection of these taxes from VAT paid on interest income derived by foreign investors. In view of the above, the Manager has assessed the risk of being challenged by the PRC tax authorities on the VAT related taxes is not high and hence determined to reverse the 0.72% VAT related taxes provided for interest income derived during the period from 1st May 2016 to 6th November 2018 on 24th January 2022.

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 31st December 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\$1,152,783 (equivalent to RMB7,348,992) (as at 30th June 2021: US\$1,138,672 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

6. 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 period 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.

(a) Foreign currency transactions with Connected Person of the Manager and the Trustee

During the period ended 31st December 2021, the Manager transacted in foreign currency transactions totaling US\$296,844,416 (6 months to 31st December 2020: US\$294,013,011) 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 purpose. The amount represents 100% (6 months to 31st December 2020: 100%) of the Fund’s foreign currency transactions during the period ended 31st December 2021.

Name of company	Aggregate value of foreign currency transactions <i>US\$</i>	% of total foreign currency translations <i>%</i>
For the period ended 31.12.2021		
State Street Global Markets, LLC	18,650,000	6.28
The Hongkong and Shanghai Banking Corporation Limited	66,350,000	22.35
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch	211,844,416	71.37
For the period ended 31.12.2020		
State Street Global Markets, LLC	36,383,104	12.37
The Hongkong and Shanghai Banking Corporation Limited	44,300,000	15.07
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch	213,329,907	72.56

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

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

(a) Foreign currency transactions with Connected Person of the Manager and the Trustee *(Continued)*

During the period ended 31st December 2021 and 2020, 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 Connected Persons of the Manager or the Trustee during the period ended 31st December 2021 and 2020.

(b) Holdings of units

As at 31st December 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 28,943,158 units (30th June 2021: 28,593,095 units) of the Fund as nominee on behalf of its clients, representing 94.35% (2020: 93.24%) of the Fund's net assets. HSBC Broking Securities (Honk Kong) Ltd, a related party of the Trustee, held 15,093 units (30th June 2021: Nil) of the Fund as nominee on behalf of its clients, representing 0.04% (30th June 2021: Nil) 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 following annual rates:

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 CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

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

(e) Bank balances and Interest receivable

The bank balance and Interest receivable of the Fund is 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 31.12.2021 <i>US\$</i>	As at 30.06.2021 <i>US\$</i>
Bank balances	14,815,464	29,247,055
Interest receivables	18	–
	<u>14,815,482</u>	<u>29,247,055</u>

During the periods ended 31st December 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 period ended 31.12.2021 <i>US\$</i>	For the period ended 31.12.2020 <i>US\$</i>
Interest income	2,540	6,665
Interest expense	4,627	4,074
	<u>2,113</u>	<u>2,591</u>

(f) Investments

During the period/year ended 31st December 2021 and 30th June 2021, 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 31.12.2021 <i>US\$</i>	As at 30.06.2021 <i>US\$</i>
Investments	3,671,627,422	3,745,325,374
	<u>3,671,627,422</u>	<u>3,745,325,374</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

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

(g) Security Lending Arrangement

During the period ended 31st December 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 period ended 31.12.2021 <i>US\$</i>	For the period ended 31.12.2020 <i>US\$</i>
Aggregate securities lending transactions through HSBC Bank Plc	73,658,640	203,856,047

The details of collateral held at the end of the period/year are as follows:

	As at 31.12.2021 <i>US\$</i>	As at 30.06.2021 <i>US\$</i>
Collateral held by HSBC Bank Plc in segregated accounts	74,521,380	110,211,589

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

6. 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

- (i) During the periods ended 31st December 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>
For the period ended 31.12.2021		
HSBC Bank (China) Company Limited	–	1,909,380
The Hongkong and Shanghai Banking Corporation Limited, Singapore	11,100,011	–
For the period ended 31.12.2020		
HSBC Bank (China) Company Limited	32,453,018	18,378,054
The Hongkong and Shanghai Banking Corporation Limited	20,652,317	–
The Hongkong and Shanghai Banking Corporation Limited, Singapore	32,503,961	6,313,936

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

6. 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 periods ended 31st December 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 31.12.2021 US\$	Aggregate value of transactions 31.12.2020 US\$
HSBC Bank (China) Company Limited	1,909,380	57,689,354
HSBC Bank Malaysia Berhad	16,650,920	6,361,025
PT Bank HSBC Indonesia	13,097,153	16,437,620
The Hongkong and Shanghai Banking Corporation Limited	9,640,298	20,652,317
The Hongkong and Shanghai Banking Corporation Limited, Bangkok	43,759,850	13,361,721
The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	9,208,313	7,068,339
The Hongkong and Shanghai Banking Corporation Limited, Singapore	50,209,240	8,579,407
The Hongkong and Shanghai Banking Corporation Ltd – Philippine Branch	20,869,304	9,279,302

(i) Other respective amounts paid to the Trustee or Manager and their Connected Persons

- (i) During the period ended 31 December 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:

	01.07.2021 to 31.12.2021 US\$	01.07.2020 to 31.12.2020 US\$
Publication and printing expenses	52	61
Safe custody and bank charges	395	334
Transaction handling fee*	10,030	5,275
Legal and professional fees	500	–
Other operating expenses	6,302	6,302

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

- (ii) During the period ended 31 December 2021 and 2020, other than Management fee paid to the Manager no other respective amounts were paid to the Manager or its Connected Persons.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

7. 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.

The Manager has not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund during the period ended 31st December 2021 and 31st December 2020.

8 DISTRIBUTION

	01.07.2021 to 31.12.2021 <i>US\$</i>	01.07.2020 to 31.12.2020 <i>US\$</i>
Final distribution		
– US\$1.37 on 30,366,004 units paid on 3rd August 2021	41,601,425	–
– US\$1.23 on 30,354,614 units paid on 3rd August 2020	–	37,336,175
	<u> </u>	<u> </u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the period from 1st July 2021 to 31st December 2021 (Unaudited)

9. SUPPLEMENTAL RATIOS

	Period from 01.01.2021 to 31.12.2021	Period from 01.01.2020 to 31.12.2020
Expense ratio ⁽¹⁾	0.18%	0.19%
Turnover ratio ⁽²⁾	10.62%	6.54%

Notes:

- 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 the period end was based on total operating expenses for the period from 1st January 2021 to 31st December 2021 of US\$6,706,558 (from 1st January 2020 to 31st December 2020: US\$7,103,435) divided by the average net asset value for the period from 1st January 2021 to 31st December 2021 of US\$3,741,620,645 (from 1st January 2020 to 31st December 2020: US\$3,682,190,787). 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.
- 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 purchase of US\$391,185,526 (2020: sales of US\$245,291,628) of the underlying investments, divided by the average daily net asset value of US\$3,681,839,668 (2020: US\$3,748,777,070). In line with the recommendation of 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 period do not include brokerage and other transaction costs.

10. EVENT OCCURRING AFTER STATEMENT OF NET ASSETS DATE

Subsequent to the period end, the Fund announced a dividend distribution of US\$1.48 per unit on 14th January 2022. The dividend was paid on 8th February 2022. The net assets attributable to unitholders as at 31st December 2021 has not accrued the dividend distribution payable as mentioned above.