STATE STREET GLOBAL ADVISORS

PRODUCT KEY FACTS

ABF PAN ASIA BOND INDEX FUND
24 June 2011

This is an exchange traded fund ("ETF").
This statement provides you with key information about this product.
This statement is a part of the Prospectus.
You should not invest in this product based on this statement alone.

Quick facts

Stock Code:	**2821**
Trading lot size:	**10 Units**
Fund Manager:	**State Street Global Advisors Singapore Limited (the "Manager")**
Trustee:	**HSBC Institutional Trust Services (Singapore) Limited**
Custodian:	**HSBC Institutional Trust Services (Asia) Limited**
Total Expense Ratio:	**Estimated to be up to 0.25% per annum of the net asset value ("NAV")**
Underlying Index:	**Markit iBoxx ABF Pan-Asia Index**
Base currency:	**US Dollars (USD)**
Dividend Policy:	**Semi-annually, at the Manager's discretion**
Financial year end of this fund:	**30 June**
ETF Website:	**http://www.abf-paif.com**

What is this product?

The ABF Pan Asia Bond Index Fund (the "**Trust**") is an exchange traded fund structured as a unit trust established under Singapore law. The units of the Trust (the "**Units**") are listed and traded on The Stock Exchange of Hong Kong Limited ("**SEHK**"), like listed stock.

Objective and Investment Strategy

Objective

The Trust seeks investment results, before fees and expenses, that correspond closely to the total return of the Markit iBoxx ABF Pan-Asia Index (the "**Underlying Index**").

Strategy

To achieve the Trust's investment objective, the Manager will adopt a representative sampling strategy (i.e. a strategy investing in a representative sample of securities in the Underlying Index which have a similar investment profile as that of the Underlying Index), or a similar strategy, and invest the Trust's assets primarily in debt obligations denominated in China Renminbi, Hong Kong Dollars, Indonesian Rupiah, Korean Won, Malaysian Ringgits, Philippine Pesos, Singapore Dollars or Thai Baht (each a "**Asian Currency**"), issued or guaranteed by government, quasi-government organisations or supranational financial institutions in each case as determined by Markit Indices Limited (the "**Index Provider**") and which are for the time being constituent securities of the Underlying Index ("**Index Securities**").

The Manager will be permitted to invest in certain securities other than Index Securities being securities which are issued by the same issuer of any Index Security ("**Non-Index Securities**") and are, in the opinion of the Manager, substantially similar to comparable Index Securities and are likely to behave in such manner that is consistent with the investment objective of the Trust in order to minimise the Trust's tracking error relative to the performance of the Underlying Index.

The Trust generally will not hold all the securities that are included in the Underlying Index. The total exposure to Non-Index Securities is limited to 20% of the Trust's total NAV.

The Trust may invest up to 15% of the Trust's total NAV in derivative instruments related to the Underlying Index or positions in Index Securities or Non-Index Securities held by the Trust for investment purposes. The Trust may, in addition, invest up to 15% of the Trust's total NAV in such derivative instruments for hedging purposes. As of the date of this statement, the Trust has only limited use of derivative instruments.

Underlying Index

The Underlying Index, launched in or about May 2005, is determined and composed by the Index Provider. The Underlying Index is an indicator of investment returns of debt obligations denominated in an Asian Currency issued or guaranteed by the government, quasi-government organisations or supranational financial institutions in China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore or Thailand respectively, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

As of 30 April 2011, the composition and weightings of the top 10 largest constituent securities of the Underlying Index were as follows:

Issuer Name	Coupon %	Maturity Date	Weighting
HK GOVT BOND PROGRAMME	2.93	13-Jan-20	1.7259%
KOREA TREASURY BOND	5.75	10-Sep-18	1.2139%
SINGAPORE GOVERNMENT	3.625	1-Jul-14	1.1381%
SINGAPORE GOVERNMENT	3.75	1-Sep-16	1.0850%
SINGAPORE GOVERNMENT	3.25	1-Sep-20	1.0108%
SINGAPORE GOVERNMENT	1.625	1-Apr-13	0.9441%
SINGAPORE GOVERNMENT	4	1-Sep-18	0.9346%
SINGAPORE GOVERNMENT	3.5	1-Mar-27	0.8619%
SINGAPORE GOVERNMENT	2.5	1-Oct-12	0.8594%
MALAYSIAN GOVERNMENT	5.094	30-Apr-14	0.8511%

For details, please refer to the Underlying Index's website at http://indices.markit.com/default.asp.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. **Market Risk**
   - The Trust's NAV and trading prices will react to securities market movements.
2. **Interest rate risk**
   - The Trust invests in fixed-income securities and there is a risk that the value of the Trust's portfolio will decline because of rising interest rates.
3. **Passive investment risk**
   - Due to the lack of discretion by the Manager to adapt to market changes as, unlike many unit trusts, the Trust is not "actively managed" and will not try to "beat" the market it tracks.
4. **The Executives' Meeting of East Asia and Pacific Central Banks group's investment in the Trust**
   - The Executives' Meeting of East Asia and Pacific Central Banks group (the "EMEAP") member central banks and monetary authorities are like any other investors in the Trust and each of them may dispose of their respective interest in the Units they hold.
   - There are no guarantees that the EMEAP member central banks and monetary authorities will continue to be investors in the Trust.
5. **Income risk**
   - The income from the Trust's portfolio declines because of falling market interest rates.

6. **Emerging market risks**

- The Trust invests in certain Asian bond markets that are considered to be emerging markets.

7. **Counterparty and settlement risk**

- The Trust bears the risk of settlement failures where the party trading with the Trust is unable to meet its obligation to make payments or settle a trade.

8. **Credit risk**

- The value of the Trust is subject to risk resulting from changes in the credit worthiness of its underlying investments. This may adversely affect the value of the investment in the Trust and/or even result in significant or total loss to the investors of the Trust.

9. **Concentration risk**

- The Underlying Index and the investments of the Trust may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, in general or specific economic or political conditions that affect a particular issuer can affect the value of an issuer's securities and therefore on the securities held by the Trust.

10. **Trading risks**

- The Units may trade at a price which is at, above or below the NAV.
- Listing of the Units on the SEHK does not guarantee a liquid market for the Units, and the Units may be suspended or delisted from the SEHK.

11. **Liquidity risk**

- Some portfolio securities may be more liquid than the others. The price at which portfolio securities may be purchased or sold by the Trust upon any rebalancing activities or otherwise and the value of the Units will be adversely affected if trading markets for the Trust's portfolio securities are limited or absent or if spreads are wide.

12. **Dealing limits**

- Units may only be issued or redeemed in Creation Unit multiples of 20,000 Units and creations and redemptions are subject to maximum daily dealing limits.

13. **Limitations on redemptions**

- Generally speaking, only "Authorized Participants" (i.e. financial institutions which have entered into arrangements with the receiving agent, the Trustee and the Manager) may place orders to create or redeem Units of the Trust and redemption orders may be limited, postponed, suspended or rejected by in certain circumstances. However, as the Units are listed on the SEHK, prospective investors may buy or sell the Units at any time during a trading day. Please refer to the latest list of Authorized Participants which is published on the Trust's website.

14. **Tracking error risk**

- Changes in the NAV of the Trust are unlikely to replicate exactly changes in the Underlying Index, especially if the Trust invests in Non-Index Securities. The Trust's returns may therefore deviate from those of the Underlying Index.

15. **Foreign exchange risk**

- The Underlying Index is expressed in US dollars on an unhedged basis, i.e. with currency risk that is fully exposed. The underlying Asian Currencies held in the Trust will not be hedged and any movement in the exchange rate between such Asian Currencies and US dollars will be fully transmitted to the NAV of the Trust when computed in US dollar terms. Adverse movements in currency exchange rates can result in a decrease in value of the NAV of the Units.

Is there any guarantee?

The Trust does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Units on SEHK

Fee	What you pay
Brokerage fees:	At each broker's discretion
Transaction Levy:	0.003%
SEHK Trading Tariff:	HK$0.5 payable on each and every purchase or sale transaction
SEHK Trading Fee:	0.005%
Stamp Duty:	Nil

Please refer to the section on "Fees and Expenses" of the Prospectus for details of fees and charges applicable.

Ongoing fees payable by the Trust

The following expenses will be paid out of the Trust. They affect you because they reduce the NAV of the Trust which may affect the trading price.

	Annual Rate
Manager's fee:	The management fee is calculated as the sum of: (a) 0.13% per annum on the first US$1 billion of the Trust's ANAV[1]; (b) 0.12% per annum on the next US$250 million of the Trust's ANAV; (c) 0.11% per annum on the next US$250 million of the Trust's ANAV; and (d) 0.10% per annum on the remaining balance of the Trust's ANAV, up to a maximum of 0.25% per annum on the Trust's ANAV upon three months' notice in writing to investors.
Trustee's fee:	0.05% of the ANAV of the Trust per annum, subject to a maximum of 0.15% of the ANAV per annum upon three months' notice in writing to investors.
Index Provider's fee:	Up to 0.0175% per annum of the Trust's NAV (subject to a minimum charge of US$184,000 per annum)
Other fees:	Other ongoing costs may also be paid by the Trust as set out in the paragraph "Fees, Costs and Expenses payable by the Trust" of the section "Management and Operations" of the Prospectus. You may have to pay other fees to brokers when dealing in the Units.

Additional Information

You can find the following information of the Trust at the following website at: http://www.abf-paif.com

- The Trust's Prospectus;
- Dividend record;
- Estimated mid-day NAV and closing NAV of the Trust;
- Financial reports;
- Announcements; and
- Latest List of Authorized Participants which is disclosed in the Prospectus.

Important

If you are in doubt, you should seek professional advice.

The Securities and Futures Commission takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

[1] ANAV means the average daily net assets of the Trust.

IMPORTANT

If you are in any doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), Hong Kong Securities Clearing Company Limited ("**Hongkong Clearing**") and the Hong Kong Securities and Futures Commission (the "**SFC**") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

ABF PAN ASIA BOND INDEX FUND

a Singapore unit trust authorized under
Section 286 of the Securities and Futures Act, Chapter 289 of Singapore and
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong

Prospectus

This Prospectus describes and offers for sale units in the ABF Pan Asia Bond Index Fund (the "**Trust**").

Potential investors in the Trust should be aware of certain risks relating to an investment in the Trust. See the section entitled "**Principal Risk Factors**" on pages 16 to 22.

The Trust seeks investment results that correspond closely to the total return of the Markit iBoxx® ABF Pan-Asia Index (formerly known as "iBoxx® ABF Pan-Asia Index") (the "**Underlying Index**") compiled by Markit Indices Limited (formerly known as "International Index Company Limited") (the "**Index Provider**"), before fees and expenses. State Street Global Advisors Singapore Limited, which is based in Singapore with a branch in Hong Kong (the "**Manager**"), is the manager of the Trust.

The units of the Trust, called "**Units**" throughout this Prospectus, are listed on the Stock Exchange. Units will trade on the Stock Exchange at market prices throughout the trading day. Market prices for Units may, however, be different from their net asset value ("**NAV**").

The Trust issues and redeems Units at NAV on each day on which (i) commercial banks are open for business in Singapore and Hong Kong and the Stock Exchange is open for normal trading; and (ii) the Underlying Index is compiled and published. However, Units are generally only issued and redeemed in blocks of 20,000 Units (each a "**Creation Unit**") or in whole multiples thereof (save that Units need not be issued or redeemed in Creation Unit aggregations on the last Dealing Day of each month). Any issue and redemption of Units is usually effected in cash. As a practical matter, only securities dealers or other large investors purchase or redeem

Creation Units, most smaller investors will buy and sell Units on the Stock Exchange. Except when aggregated in Creation Unit sizes, Units are generally not redeemable securities (save on the last Dealing Day of each month).

An investment in the Trust is not a bank deposit nor is it insured or guaranteed by the government of Singapore or the government of Hong Kong ("HKSAR Government") or any other Singapore or Hong Kong government agency or by the government or government agency of any other country.

The Trust offered in this Prospectus is an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore ("**Singapore SFA**"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**MAS**"). This Prospectus has been prepared in accordance with the requirements of the Singapore SFA. The MAS assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the MAS does not imply that the Singapore SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Trust.

The Trust has been authorized by the SFC under the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**HK SFO**"). The SFC does not take any responsibility for the financial soundness of the Trust or the correctness of any statement made or opinion expressed in this Prospectus. Further, the SFC's authorization is not a recommendation or endorsement of the Trust nor does it guarantee the commercial merits of the Trust or its performance. It does not mean the Trust is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investor.

The Units have been accepted as eligible securities by Hongkong Clearing for deposit, clearing and settlement in the Central Clearing and Settlement System ("**CCASS**") with effect from the date of commencement of dealings in the Units on the Stock Exchange. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

24th June 2011

Table of Contents

OVERVIEW

Introduction

This Prospectus

This Prospectus provides certain information you need in order to make an informed decision about investing in the Trust. It contains important facts about the Trust. This Prospectus includes particulars given in compliance with the Singapore SFA, the Hong Kong SFC Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment – Linked Assurance Schemes and unlisted Structured Investment Products (the "**HK SFC Code**") and the Hong Kong Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") for the purpose of providing information to the public with regard to the Trust.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus misleading at the date of publication of this Prospectus.

This Prospectus is published in connection with the retail offer of Units in Singapore and in Hong Kong. No person is authorized in connection with the issue of Units to give any information, or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by either the Manager or any of its directors or any other persons involved in the issue of Units pursuant to the offer contained in this Prospectus.

This Prospectus has been registered in Singapore by the MAS on 24th June 2011 and the registration of the Prospectus in Singapore will be valid for a period of 12 months after the date of registration (i.e. up to and including 23rd June 2012 and shall expire on 24th June 2012.

The Trust authorization

The Trust is a standalone unit trust authorized in Singapore under section 286 of the Singapore SFA and in Hong Kong under section 104 of the HK SFO and is established under the terms of a trust deed dated 21st June 2005 (the "**Principal Deed**") made between State Street Global Advisors Singapore Limited (as the "**Manager**") and HSBC Institutional Trust Services (Singapore) Limited (as the "**Trustee**") and as amended by an amending and restating deed dated 28th June 2006 (the "**Amending and Restating Deed**"), a second amending and restating deed dated 28th June 2007 (the "**Second Amending and Restating Deed**"), supplemental deed dated 27th June 2008 (the "**Supplemental Deed**") and a third amending and restating deed dated 24th June 2011 (the "**Third Amending and Restating Deed**"), each made between the Manager and Trustee. The Principal Deed as amended by the Amending and Restating Deed, the Second Amending and Restating Deed, the Supplemental Deed and the Third Amending and Restating Deed shall hereinafter be referred to as the "**Trust Deed**". The Trust Deed is governed by Singapore law.

Different from a typical unit trust offered to the public in Singapore and Hong Kong

Investors should note that the Trust is not like a typical unit trust offered to the public in Singapore and Hong Kong. Amongst other things, generally Units may only be created and redeemed through Authorized Participants (as defined on page 31) and only in Creation Unit aggregations (see the section entitled "Creation and Redemption of Units") – most smaller investors in Hong Kong will buy and sell Units on the Stock Exchange or through arrangements provided by local financial institutions; smaller investors in Singapore will buy and sell Units through arrangements provided by local financial institutions or, if they have a dealing facility in Hong Kong, on the Stock Exchange. This feature is not usually present in a typical unit trust offered to the public in Singapore and Hong Kong, where units can generally be purchased and redeemed for cash in comparatively smaller multiples of units.

The structure of the Trust is described in full in this Prospectus. Accordingly, investors should read the full text of this Prospectus in order to understand the structural and operational features of the Trust.

The Trust

The Trust is an "**index fund**" which seeks investment results, before fees and expenses, that correspond closely to the total return of the Markit iBoxx ABF Pan-Asia Index. The Markit iBoxx ABF Pan-Asia Index is an indicator of investment returns of debt obligations denominated in China Renminbi, Hong Kong Dollars, Indonesian Rupiah, Korean Won, Malaysian Ringgits, Philippine Pesos, Singapore Dollars or Thai Baht (each an "**Asian Currency**") issued or guaranteed by the government of China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore or Thailand (each an "**Asian Government**") respectively, by an agency or instrumentality of an Asian Government, by an Asian Government sponsored entity or a quasi Asian Government entity and Asian Currency denominated debt obligations issued by a supranational financial institution or by an agency or instrumentality of any supranational financial institution or by an entity sponsored by any supranational financial institution ("**Other Public Securities**"), in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index. The Index Provider determines the composition of the Underlying Index in accordance with its rules and procedures for the Underlying Index (which may change from time to time), and publishes information regarding the composition, investment characteristics and return of the Underlying Index. The Underlying Index is discussed more fully under the section entitled "Description of the Underlying Index" and Appendix 1.

The Trust is designed for investors who seek an "index-based" approach to investing in a portfolio of Asian Government sovereign and quasi-sovereign bond securities. Units may also be used as an asset allocation component or as a trading instrument. Whilst the Trust mainly invests in a portfolio of bonds issued by Asian Governments and quasi-sovereign entities, the Trust itself is not guaranteed by any Asian Government or government agency of any country.

Unlike many conventional unit trusts and mutual funds, which are only bought and sold at closing net asset values, the Units have been designed to be tradable in the secondary market on the Stock Exchange on an intra-day basis, and to be created and redeemed principally in a Creation Unit size of 20,000 Units or in whole multiples thereof at the NAV calculated with respect to each Dealing Day (as defined in the section entitled "Creation and Redemption of Units").

The Manager of the Trust, State Street Global Advisors Singapore Limited, is an indirect wholly-owned subsidiary of State Street Corporation. The Manager and its affiliates are not affiliated with the Index Provider. The Manager is licensed by the MAS under the Singapore SFA as a holder of a capital markets services licence for fund management and by the SFC under the HK SFO for Types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities. In addition, as the appointed manager of the Trust the Manager is subject to, and required to comply with, the Code on Collective Investment Schemes (as amended from time to time) issue by the MAS (the "**Singapore Code on CIS**") and the HK SFC Code. The Manager will adopt the applicable revised investment guidelines in the Singapore Code on CIS dated April 2011 (last revised on 8 April 2011) with effect from 24th June 2011.

The Trustee of the Trust, HSBC Institutional Trust Services (Singapore) Limited, is an indirectly-held wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited which is ultimately a wholly-owned subsidiary of HSBC Holdings plc. HSBC Institutional Trust Services (Singapore) Limited is a registered trust company under the Trust Companies Act, Chapter 336 of Singapore.

Under the terms of the Trust Deed, a supervisory committee (the "**Supervisory Committee**") has been constituted to direct and oversee the Trustee and the Manager on certain matters relating to the management and administration of the Trust. The Supervisory Committee will initially comprise eleven members. See the section entitled "Management and Operations".

The "Investment Objective and Policies of the Trust" and "Principal Risk Factors" sections of this Prospectus discuss the principal strategies and risks applicable to the Trust, while the "Description of the Trust" section provides other important information about the Trust, including a brief description of the Underlying Index.

The base currency of the Trust is United States dollars ("**US$**" or "**US dollars**").

The Offer of Units

No action has been taken to permit the public offer of the Units or the distribution of this Prospectus in any jurisdiction other than Singapore and Hong Kong. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

No offer of Units is made in any jurisdiction in which such offer is illegal. No public offer of Units is intended in any jurisdiction (other than Singapore and Hong Kong) which distinguishes between public offers and private placings of securities.

Listing and Dealing

The Units are listed on the Stock Exchange. Units trade on the Stock Exchange in board lots of 10 Units and are traded in US dollars.

The Units have been accepted by Hongkong Clearing as eligible securities of CCASS with effect from the commencement of dealings in the Units on the Stock Exchange. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Certificates will not be issued in respect of the Units. After listing all Units will be registered in the name of HKSCC Nominees Limited ("**HKSCC Nominees**") by the Registrar. The register of Unitholders of the Trust is the evidence of ownership. Any beneficial interest in the Units will be established through an account with CCASS.

DESCRIPTION OF THE TRUST

The Trust is a unit trust authorized under section 286 of the Singapore SFA and section 104 of the HK SFO and is established under the terms of the Trust Deed made between State Street Global Advisors Singapore Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. Authorization of the Trust does not imply official approval or recommendation of the Trust by the SFC or the MAS. The Trust Deed is governed by Singapore law.

The Supervisory Committee has been constituted to direct and oversee the Trustee and the Manager on certain matters relating to the management and administration of the Trust including the power to direct the Trustee and the Manager on matters relating to the overall structure of the Trust and strategic (but not day to day) issues relating to its management and administration and the power to recommend that the Manager or the Trustee should be removed. Refer to the section entitled "Management and Operations – The Supervisory Committee" for details on the powers of the Supervisory Committee.

The base currency of the Trust is US dollars.

The Units of the Trust are listed on the Stock Exchange. The Units have been accepted by Hongkong Clearing as eligible securities of CCASS with effect from the commencement of dealings in the Units on the Stock Exchange. Investors will not therefore receive any Unit certificates. The Trust is an "index fund" which seeks investment results that correspond closely to the total return of the Markit iBoxx ABF Pan-Asia Index, before fees and expenses.

DESCRIPTION OF THE UNDERLYING INDEX

Stock Exchange Trading Symbol: 2821

Underlying Index: Markit iBoxx ABF Pan-Asia Index.

The Markit iBoxx ABF Pan-Asia Index (formerly known as "iBoxx ABF Pan-Asia Index") (the "**Underlying Index**") is determined and composed by Markit Indices Limited (formerly known as "International Index Company Limited") (the "**Index Provider**").

The Markit iBoxx ABF Pan-Asia Index is an indicator of investment returns of Asian Currency denominated debt obligations issued or guaranteed by an Asian Government or by an agency or instrumentality of an Asian Government, by an Asian Government sponsored entity or a quasi Asian Government entity and Asian Currency denominated debt obligations issued by a supranational financial institution or by an agency or instrumentality of any supranational financial institution or by an entity sponsored by any supranational financial institution, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

Unlike a typical fixed income index that is constructed purely on a market capitalization basis with country weights that correspond to the overall size of each country's fixed income market, the country weight of the Markit iBoxx ABF Pan-Asia Index makes use of market capitalization but also takes into account other factors that are designed to allow investors to gain efficient exposure to the underlying bond markets. These factors include the liquidity of the market, cost of trading in the market, the sovereign credit rating of the market and the openness of the market to investors.

The SFC reserves the right to withdraw the authorization of the Trust if the Underlying Index is no longer considered by the SFC to be acceptable.

Additional information in respect of the Underlying Index is set out in Appendix 1.

INVESTMENT OBJECTIVE AND POLICIES OF THE TRUST

Investment Objective

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

Investment Policies and Strategies

The Manager will seek to achieve the Trust's investment objective by investing the Trust's assets primarily in Asian Currency denominated debt obligations issued or guaranteed by an Asian Government, by an agency or instrumentality of an Asian Government, by an Asian Government sponsored entity or a quasi Asian Government entity and Asian Currency denominated debt obligations issued by a supranational financial institution or by an agency or instrumentality of any supranational financial institution or by an entity sponsored by any supranational financial institution, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index ("**Index Securities**") but also in certain securities other than Index Securities being securities which are issued by the same issuer of any Index Security ("**Non-Index Securities**") by adopting a representative sampling strategy or similar strategy. Representative sampling is a strategy investing in a representative sample of securities in the Underlying Index which have a similar investment profile as that of the Underlying Index. Securities selected have aggregate characteristics (such as yield and duration) similar to those of the Underlying Index. The Trust generally will not hold all the securities that are included in the Underlying Index.

Given the illiquidity of certain Index Securities, the use of a representative sampling strategy is necessary for the reduction of the tracking error of the Trust. In using a representative sampling strategy, the Manager seeks to construct the portfolio of the Trust so that, in aggregate, its capitalisation, industry and fundamental investment characteristics perform like that of the Underlying Index. Over time, the Manager may alter (or "rebalance") the portfolio composition of the Trust to reflect changes in the characteristics of the Underlying Index or to bring the performance and characteristics of the Trust more in line with that of the Underlying Index.

In view of Asian Currency fixed income market illiquidity, the Manager will be permitted to invest in certain Non-Index Securities in order to minimize the Trust's tracking error relative to the performance of the Underlying Index. Eligible Non-Index Securities are US$ denominated securities and Asian Currency denominated securities which are not Index Securities but which are issued by an issuer of Index Securities, and are, in the opinion of the Manager, substantially similar to comparable Index Securities and are likely to behave in such manner that is consistent with the investment objective of the Trust. The total exposure to Non-Index Securities is limited to 20% of the Trust's total NAV. Nonetheless, the Manager intends to invest in Index Securities to the extent practicable and consistent with achieving the investment objective of the Trust. In addition, the Trust may hold Index Securities in excess of their corresponding weighting in the Underlying Index provided that the total exposure to an Index Security will not exceed such Index Security's weighting in the Underlying Index by an amount which is more than 5% of the Trust's total NAV.

The Manager will rebalance the Trust's portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of, securities in the Markit iBoxx ABF Pan-Asia Index with a view to minimizing tracking error of the Trust's overall returns relative to the performance of the Underlying Index. Such rebalancing may be in the form of investments in Non-Index Securities.

China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand (each an "**Index Constituent Economy**" and collectively "**Index Constituent Economies**") will each have an economy weighting in the Underlying Index. The economy weighting is influenced by a number of factors including movements in the underlying bond and currency markets as well as those factors indicated in the section above entitled "Description of the Underlying Index". In broad terms, however, the Manager expects that each Index Constituent Economy will have an economy weighting range as follows:

	weighting range
China	15-27%
Hong Kong	12-23%
Indonesia	3-10%
Korea	10-25%
Malaysia	4-16%
Philippines	3-10%
Singapore	10-25%
Thailand	4-16%

The weighting ranges of the Index Constituent Economies in the Underlying Index may change over time, hence the weighting ranges of the Index Constituent Economies in the Trust will also change accordingly and may fall outside of the initial weighting ranges set out above.

Further information on the Underlying Index is set out in Appendix 1. Information on the current country weights for the Underlying Index may be obtained from http://indices.markit.com/default.asp.

The Trust will be subject to the core investment guidelines set out in Appendix 1 of the Singapore Code on CIS and the guidelines for index funds set out in Appendix 5 of the Singapore Code on CIS (together the "**Code Investment Guidelines**").

In accordance with the HK SFC Code and the Singapore Code on CIS, the Manager will ensure that the Trust will invest in at least six different issues of securities with no more than 20% of the Trust's total NAV invested in any security (which is an Asian Government security or Other Public Security, including without limitation an Index Security and a Non-Index Security) of the same issue. For this purpose, securities of the same series issued by the same issuer but with a different coupon payment amount or timing or a different maturity date will be treated as a different issue.

Derivatives may be used for hedging (e.g. to manage interest rate risk) and/or efficient portfolio management. The Manager will use these derivatives in the Trust's portfolio to help achieve the investment objective of the Trust by closely matching the Trust's portfolio with the Underlying Index as well as with other characteristics important to tracking the Underlying Index.

The Trust may invest up to 15% (other than for hedging purposes) of its total NAV (determined by reference to the value of the contract prices of the relevant instrument, whether payable by or to the Trust, or (in the case of options and warrants) total premium amounts) in repurchase agreements, futures contracts, options on futures contracts, options, warrants and other derivative instruments related to the Underlying Index or related to positions in Index Securities or Non-Index Securities held by the Trust, in seeking performance that corresponds closely with the Underlying Index consistent with achieving the investment objective of the Trust and in managing cash flows. A separate 15% limit will be applicable to any similar investments made for hedging purposes.

Unlike "actively managed" unit trusts and mutual funds, the Trust does not try to "beat" the market it tracks and does not seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Underlying Index will result in a corresponding fall in the NAV of the Trust.

Correlation. "Correlation" measures the degree to which the periodically measured total return of one investment resembles that of another investment. An index is a theoretical financial calculation while the Trust is an actual investment portfolio. The performance of the Trust and the Underlying Index will vary somewhat due to fees and expenses, transaction costs, variations in their constituent securities, market impact and timing variances.

The Manager expects that, over the long term, the correlation between the Trust's total return and that of the Underlying Index, before fees and expenses, will be 95% or better. A figure of 100% would indicate perfect correlation. It is expected that the tracking error between pre-expense total returns of the Trust and its related Underlying Index will be less than 40 basis points on an annual basis. The tracking error is a measure of the variation between the Trust's total return and the total return of the Underlying Index; the Trust's pre-expense total returns measured on an annual basis should differ from the total return of the Underlying Index by less than this tracking error amount most of the time on average over the long term. While the Manager expects to achieve the above correlation, neither the Manager nor the Trustee shall be liable if the actual correlation of the Trust's total returns, before fees and expenses, and that of the Underlying Index is less than the anticipated correlation.

Strategies to minimize tracking error. In order to minimize the tracking error, it is the intention of the Manager that the Trust will be passively managed with its portfolio's duration, yield curve and credit risk matched closely to that of the Underlying Index at all times.

The Trust's portfolio securities will be chosen in a way that the Trust's average portfolio duration, sector, maturity bucket distribution, yield curve risk and credit risk is similar to that of the Underlying Index, subject always to availability of the relevant Index Securities in the market at the time of investment or purchase.

Index Securities are always preferred to Non-Index Securities as portfolio holdings in order to match the Underlying Index. It is therefore the intention of the Manager to invest in Non-Index Securities as a substitute for Index Securities when the required Index Securities are unavailable at a reasonable price in the market at the time of investment or purchase.

On a daily basis, the portfolio's performance will be monitored closely against that of the Underlying Index. It is the Manager's intention that should the difference between the performance of the portfolio and the benchmark be larger than a pre-determined amount, currently 5bp (although this may be subject to change to a different amount reasonably determined by the Manager without notice to investors) in a day (without any distortion caused by cash inflows or outflows), the Manager intends to reassess the portfolio's risk position by reference to average portfolio duration, sector and maturity bucket distribution against the benchmark. During the process of Unit creation and redemption, the Manager will aim to complete all the required security purchases and sales prior to the day's end and thereby minimize the Trust's cash holdings.

The securities portfolio holding of the Trust as at the close of business on Friday (or if not a Business Day (as defined on page 30) the previous Business Day) will be published on the Trust's dedicated website by no later than seven calendar days following such day (or if not a Business Day the following Business Day).

Lending securities. The Trust may lend securities from its holdings to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions on their own or their clients' behalf and for other purposes. The Trust may also lend securities to a potential investor wishing to place an order to create Creation Units. These loans may not, however, exceed 10% of the NAV of the Trust, including assets derived from such lending activities. In addition, no more than 50% of any security of the same issue may be lent at any one time. The Trust will only lend securities to a borrower approved by the Trustee. Borrowers will be restricted to persons who satisfy the criteria in the Code Investment Guidelines for a counterparty to a securities lending agreement. However, it is currently not anticipated that the Trust will engage in such securities lending (or repurchase transactions).

The income received from such securities lending, after deducting any fees or commission payable, will be credited to the account of the Trust. Where any securities lending transaction has been arranged through the Manager, the Trustee or their respective Connected Persons (as defined on page 26), the relevant entity shall be entitled to retain for its own account any fee or commission it receives on a commercial arm's length basis in connection with such lending arrangement. The Trust will receive not less than 50% of any securities lending fees derived from its securities lending activities to help offset the Trust's costs and expenses. The balance of any securities lending fees will be for the account of the securities lending agent, Custodian and/or Administrator.

Securities lending transactions will be entered into through the agency of a recognized clearing system or a financial institution acceptable to the Trustee which engages in this type of transaction.

Subject to the Code Investment Guidelines, the collateral to be acquired in respect of securities lending may comprise cash and Index Securities and Non-Index Securities or other high quality cash equivalent investments approved by the Trustee and permitted under the Trust Deed.

Investment restrictions. Under the Singapore Code on CIS, the Trust is subject to the Code Investment Guidelines. Under the terms of the Trust Deed, the Trust is restricted from holding investments which would result in the value of the Trust's holding of securities (which are not Asian Government securities or Other Public Securities) of the same issue exceeding 10% of the Trust's total NAV.

As indicated above, the Trust is also restricted from holding investments which would result in the value of the Trust's holding of Index Securities and Non-Index Securities (which are Asian Government securities or Other Public Securities) of the same issue exceeding 20% of the Trust's total NAV.

Subject to the Code Investment Guidelines, if any of the applicable restrictions in the HK SFC Code and/or the Trust Deed (for which a waiver from the relevant regulator has not been obtained) are breached (as a result of price fluctuations or otherwise), the Manager will make it a priority objective to take all steps necessary to remedy the situation within a reasonable period of time, taking into account the interests of unitholders.

The Trust is subject to a number of additional investment limitations (in addition to those set out above). The Trust may not:

- hold Non-Index Securities exceeding 20% of the Trust's total NAV;
- hold an Index Security that would result in the value of the Trust's holding of that Index Security exceeding its weighting in the Underlying Index by an amount exceeding 5% of the total NAV of the Trust;
- hold any repurchase agreements, futures contracts, options on futures contracts, options, warrants and other derivative instruments other than related to the Markit iBoxx ABF Pan-Asia Index or related to positions in Index Securities or Non-Index Securities held by the Trust, and then limited to:
    - 15% of the Trust's total NAV, where such instruments are entered into for the purposes (otherwise than for hedging purposes) of gaining exposure to Index Securities (or Non-Index Securities held by the Trust) with a view to seeking performance that corresponds closely with the Markit iBoxx ABF Pan-Asia Index and in managing cash flows; and
    - 15% of the Trust's total NAV for those instruments entered into for hedging purposes;
- generally hold cash, cash equivalents (including short term deposits or certificates of deposits) exceeding 10% of the NAV of the Trust (except upon receipt of cash subscriptions or in order to fund cash payments on redemptions);
- deposit cash with, or invest in certificates of deposit or other banking instruments issued by, any single institution in excess of 5% of the NAV of the Trust;
- hold any interest in a collective investment scheme;
- hold any type of real estate;
- effect any short sale except as permitted in the Trust Deed; or
- make any investment which involves the assumption of any liability that is unlimited.

Full details of the investment restrictions are set out in the Trust Deed.

The Manager has the discretion to enter into repurchase agreements, futures contracts, options on futures contracts, options, warrants and other derivative instruments traded on recognized futures exchanges or over-the-counter ("**OTC**") for the Trust subject to the abovementioned restrictions. When entering into repurchase agreements and OTC derivative transactions the Manager intends to deal with counterparties where certain rating criteria are met, including applicable rating criteria for counterparties in the Code Investment Guidelines. Any income generated as a result of entering into any repurchase agreements, after deducting any fees or commissions payable, will be credited to the account of the Trust, and collateral taken for the repurchase agreements will be in the form of cash or cash equivalents (subject to the guidelines on securities lending and repurchase transactions in the Code Investment Guidelines).

Financial derivatives may be used for the purposes of hedging and/or efficient portfolio management. The Manager has the necessary expertise to control and manage the risks relating to the use of financial derivatives and will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented. The Manager will use the commitment approach as set out in the Code Investment Guidelines to determine the Trust's exposure to financial derivatives.

Derivatives may be used only in portfolios where the declaration of trust, fund declaration or investment management guidelines clearly state that they are permitted. The controls and systems in place to manage derivative and associated risks will be appropriate to their complexity and intended use.

The systems used to monitor and measure derivative exposure will be analytical tools used in conjunction with industry standard information and pricing sources to value and monitor derivative positions and ensure compliance with pre-defined hedging and investment parameters. The criteria used for assessing these systems are that they should allow risk monitoring of derivatives on a standalone basis but more significantly allow integration of derivative positions within the overall investment portfolio to provide a comprehensive monitoring of any breaches of the investment guidelines by combining direct and indirect holding through derivatives. These exposures are monitored through third party applications such as Yield Book and proprietary risk management tool to monitor and model risk exposures of investment positions in a portfolio.

Derivatives exposures are monitored by an independent risk manager with regular portfolio reviews to ensure risk exposures of portfolio are managed within investment risk limits. In addition, the Compliance team performs regular checks to ensure compliance with overall investment guidelines and the list of approved counterparties for trades.

Save as provided below, the Manager will apply the following credit rating requirements for any bank with which it deposits or invests cash:

- Banks should be rated A3 and above by Moody's Investors Services, Inc. ("**Moody's**") or its equivalent rated by Standard and Poor's, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**") or Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries ("**Fitch**") for at least one of the following rating types:

    - long-term senior unsecured debt or equivalent rating type;

- ◦ issuer rating from Moody's; or
- ◦ long-term issuer credit rating from Standard & Poor's.

- If a long-term senior unsecured debt or issuer rating is not available, banks in relation to fixed deposits maturing in less than 1 year and counterparties for OTC transactions that are settled in less than 1 year should be rated Prime-1 or above by Moody's or its equivalent rated by Standard & Poor's or Fitch.

The Manager may also deposit or invest cash with banks which do not meet the above credit rating requirement if they are approved by the Trustee.

The Manager will apply the applicable rating requirements for counterparties (including counterparties to repurchase agreements and derivative transactions) in the Code Investment Guidelines.

Contingency plans if the Underlying Index ceases to be available. In the event that the Markit iBoxx ABF Pan-Asia Index ceases to be available, the Manager will seek to procure the immediate use of an alternative index (if necessary customized by the Index Provider or the Manager) that, in the opinion of the Manager, is substantially similar to the Underlying Index and will manage the Trust's portfolio using this index, taking into account the interests of unitholders. The use of this index will be subject to prior approval by the Trustee, the Supervisory Committee and the SFC.

If no such index is immediately available, then the Manager shall consider the possibility of seeking an index provider to create an index that is substantially similar to the Underlying Index or, if necessary, shall consider whether liquidating the Trust would be in the overall best interests of unitholders. The consent of the Trustee and the Supervisory Committee is required before the Manager is permitted to proceed.

During the period of transition when a benchmark index is not available, the Manager will continue to manage the Trust's portfolio in a manner consistent with the passive style of an index-tracking fund and in accordance with the methodology of the Markit iBoxx ABF Pan-Asia Index to the extent that the Manager is able to determine such methodology.

Borrowing. The Manager may exercise from time to time certain borrowing powers in relation to the Trust, but the principal amount of all outstanding borrowings by the Trust may not exceed an amount equal to 10% of the Trust's total assets (excluding income receipts and amounts standing to the credit of the distribution account) ("**Deposited Property**") and after deducting its liabilities on any Dealing Day. Borrowings must be made in US dollars or in an Asian Currency and may only be made for the purposes of meeting redemptions and temporary (not more than four weeks) bridging requirements which may be for any one or more of the following specific purposes:

- to effect payments under the Trust Deed on redemption of Units;

- to settle the purchase or sale of Index Securities or Non-Index Securities, and to make other investments or enter into other transactions, in accordance with the terms of the Trust Deed and as permitted by the Singapore Code on CIS and the HK SFC Code;

- to meet any fees, expenses and liabilities of the Trust permitted under the Trust Deed; or

- to effect payments of income distributions in accordance with the Trust Deed.

If the aggregate principal amount of borrowings exceeds the permitted amount then the Manager will make it a priority objective to take all steps necessary to remedy the situation within a reasonable time taking into account the interests of investors. Any interest and/or expenses incurred in connection with any borrowing arrangements will be paid by the Trust.

The Manager may use the Trust's assets as security (excluding assets comprising income receipts) for any borrowing.

The Trustee is not liable for any loss arising from depletion in the value of the Deposited Property resulting from any permitted borrowing arrangements entered into in accordance with the Trust Deed.

Benchmark and Performance

The performance of the Trust, before fees and expenses, will be measured against the Underlying Index.

The past performance of the Fund and the Underlying Index as of 29 April 2011 are as follows:

	5 years (average annual compounded returns)	**3 years (average annual compounded returns)**	**1 year**	**Since inception on 29 June 2005 (average annual compounded returns)**
Trust	**7.32%**	**6.25%**	**8.87%**	**7.48%***
Underlying Index	**8.01%**	**6.98%**	**9.52%**	**8.23%****

Notes:

1. The performance of the Trust is based on average annual compounded returns, calculated on a single pricing basis (NAV-NAV), inclusive of all transaction costs, with all dividends reinvested net of all charges payable upon reinvestment and in US$ terms.

2. Investors should note that the past performance of the Trust and the Underlying Index is not necessarily indicative of their future performance.

* The actual performance of the Trust for each year of the period from its inception to 29 April 2011 is as follows:

- since inception to 31 December 2005 – 0.401%
- year 2006 – 13.706%
- year 2007 – 7.80%
- year 2008 – 3.534%
- year 2009 – 4.34%
- year 2010 – 10.17%
- from 1 January 2011 to 29 April 2011 – 4.01%.

** The actual performance of the Underlying Index for each year of the period from the Trust's inception to 29 April 2011 is as follows:

- since inception to 31 December 2005 – 0.996%
- year 2006 – 14.594%
- year 2007 – 8.39%
- year 2008 – 4.224%
- year 2009 – 5.13%
- year 2010 – 10.75%
- from 1 January 2011 to 29 April 2011 – 4.22%.

The expense ratio[1] for the Trust for the period from 1 July 2009 to 30 June 2010 is 0.20%.

The turnover ratio[2] for the Trust for the period from 1 July 2009 to 30 June 2010 is 33.49%.

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1 The following expenses (where applicable) are excluded from the calculation of the expense ratio:

(a) interest expense;

(b) brokerage and other transaction costs associated with the purchase and sales of investments;

(c) foreign exchange gains and losses of the Trust, whether realised or unrealised;

(d) tax deducted at source or arising on income received, including withholding tax; and

(e) dividends and other distributions paid to unitholders.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on the latest audited accounts of the Trust.

2 The turnover ratio is calculated in accordance with the formula stated in the Singapore Code on CIS.

PRINCIPAL RISK FACTORS

Investors can lose money by investing in Units. Applicants should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding whether to invest in Units.

The market price of Units and the NAV per Unit may fall or rise. There can be no assurance that an investor will achieve a return on his investment in the Units or a return on capital invested.

The Trust is subject to the principal risks described below. Some or all of these risks may adversely affect the Trust's NAV, Unit price, trading price, yield, total return and/or its ability to meet its objectives.

Risk Factors Specific to the Trust

Market risk. The Trust's NAV and trading prices will react to securities markets movements. Investors may lose money over short periods due to fluctuation in the Trust's NAV and trading price in response to market movements, and over longer periods during market downturns.

Interest rate risk. Because the Trust invests in fixed-income securities, the Trust is subject to interest rate risk. Interest rate risk is the risk that the value of the Trust's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments.

Income risk. The risk that the income from the Trust's portfolio will decline because of falling market interest rates. This can result when, in a declining interest rate market, the Trust receives in-kind deposits of portfolio securities in connection with creations of new Units, or reinvests proceeds of securities sold out of the portfolio in longer-term securities as part of the Trust's attempt to match the maturity or duration of the Underlying Index, at market interest rates that are below the portfolio's then-current earnings rate.

Emerging market risk. The Trust 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 liquid and 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 capitalisation; different accounting and disclosure standards; governmental interference; greater risk of market shutdown; the risk of expropriation of assets; higher inflation; social, economic and political uncertainties; and the risk of war.

Counterparty and settlement risk. Counterparty risk is the risk that the party trading with the Trust will be unable to meet its obligation to make payments or to settle a trade due to a deterioration of the counterparty's financial situation or some other failure by the counterparty. The Trust bears the risk of settlement failures. Any such failure may have a material adverse effect on the Trust and/or the value of the Units. The risk of default of a counterparty is directly linked to the credit worthiness of the counterparty.

Credit risk. The value of the Trust is subject to risk resulting from changes in the credit worthiness of its underlying investments. For example, an issuer of a bond might not be able to meet its obligation to make interest and principal payments, or bond investors as a whole may downgrade their view of the issuer resulting in a deterioration of the price of the issuer's debt.

Tracking error risk. Changes in the NAV of the Trust are unlikely to replicate exactly changes in the Underlying Index. Factors such as fees and expenses of the Trust, liquidity of the market, imperfect correlation of returns between the Trust's securities and those in the Underlying Index, changes to the Underlying Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index of the Trust. Imperfect correlation between the returns of portfolio securities and the Underlying Index is more likely to happen to the extent that the Trust invests in securities that are Non-Index Securities. The Trust's returns may therefore deviate from those of the Underlying Index and there is no guarantee or assurance of exact replication of the Underlying Index. However, a fall in the Underlying Index will result in a corresponding fall in the NAV of the Trust.

No guarantee. There can be no assurance that the Trust's investment objective will be met. The level of fees and expenses payable by the Trust may fluctuate. Although the amounts of certain ordinary expenses of the Trust can be estimated, the returns of the Trust, and hence its NAV, cannot be anticipated. Accordingly, no assurances can be given as to the performance of the Trust or the actual level of its expenses.

Absence of prior active market. Although the Units are listed for trading on the Stock Exchange, there can be no assurance that an active trading market will develop or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of market-traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the Underlying Index.

Liquidity risk. The price at which portfolio securities may be purchased or sold by the Trust upon any rebalancing activities or otherwise and the value of the Units will be adversely affected if trading markets for the Trust's portfolio securities are limited or absent or if spreads are wide. The Trust is invested in Asian bonds, and in certain markets there may be low levels of liquidity. There is a risk, therefore, that creation or redemption orders (requiring the Manager to respectively buy or sell Asian bonds) may have a high cost of dealing, or take some time to be fully integrated into the portfolio holdings of the Trust and thereby cause a disruption in the Trust's asset allocation. Also, it is anticipated that the initial size of the Trust will be relatively large, with the potential effect of more costly periodic portfolio rebalancing.

Trading in Units on the Stock Exchange may be suspended. Investors will not be able to purchase or sell Units on the Stock Exchange during any period that the Stock Exchange suspends trading in the Units. The Stock Exchange may suspend the trading of Units whenever the Stock Exchange determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Creation Units may also be suspended in the event that the trading of Units on the Stock Exchange is suspended.

Units may be delisted from the Stock Exchange. The Stock Exchange imposes certain requirements for the continued listing of securities, including the Units, on the Stock Exchange. Investors cannot be assured that the Trust will continue to meet the requirements necessary to maintain the listing of Units on the Stock Exchange or that the Stock Exchange will not change the listing requirements. The Trust may be terminated if its Units are delisted from the Stock Exchange.

Units may trade at prices other than NAV. The NAV of the Trust represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV – there is a risk, therefore, that unitholders may not be able to buy or sell at a price close to this idealized fair value. The deviation from NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the Stock Exchange. However, since Units can be created and redeemed (generally in Creation Unit aggregations at NAV), the Manager believes that large discounts or premiums to the NAVs of Units should not be sustained. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from NAV. The bid/ask spread can expand during periods of market volatility or market uncertainty, thereby increasing the deviation from NAV.

Minimum creation and redemption size. Units will generally only be issued or redeemed in Creation Unit aggregations (currently 20,000 Units, and multiples thereof) (save that Units need not be issued or redeemed in Creation Unit aggregations on the last Dealing Day of the month). Investors who do not hold Creation Unit aggregations may only be able to realise the value of their Units by selling their Units on the Stock Exchange at the prevailing trading price of the Units.

Maximum daily dealing limits. The Trust has maximum limits in respect to creation and redemption orders. In the event that an investor wishes to redeem its Units, the order may not be, or may be only partially, accepted on that Dealing Day if the size of the order exceeds the daily limits, or if the combined size of the net redemptions requested for that Dealing Day including those of other investors exceed the daily limit. Due to low levels of liquidity for certain bonds and foreign exchange restrictions in certain Index Constituent Economies the Manager envisages that it may be required to restrict the number of creation orders or redemption orders from time to time. For further information on maximum daily dealing limits, please refer to the section entitled "Limitations on redemptions".

Lack of discretion of the Manager to adapt to market changes. Unlike many unit trusts and mutual funds, the Trust is not "actively managed". Therefore, the Trust will not adjust the composition of its portfolio except in order to seek to closely correspond to the duration and total return of the Underlying Index. The Trust does not try to "beat" the market it tracks and does not seek temporary defensive positions when markets decline or when the market is judged to be overvalued. Accordingly, a fall in the Underlying Index will result in a corresponding fall in the NAV of the Trust.

Reliance on Authorized Participants. The creation and redemption of Units generally may only be effected through Authorized Participants. The number of Authorized Participants at any given time will be limited. Authorized Participants are under no obligation to accept instructions to apply for or redeem Units on behalf of investors. Authorized Participants may not be able to create or redeem Units during any period when, amongst other things, dealings on the Stock Exchange are restricted or suspended, settlement or clearing of securities in CCASS is disrupted or the Underlying Index is not compiled or published. In addition, Authorized Participants will not be able to create or redeem Units if some other event occurs which impedes the calculation of the NAV of the Trust or disposal of the Trust's portfolio securities cannot be effected.

Suspension of creations and redemptions. Dealings of Units on the Stock Exchange may not necessarily be suspended in the event that the creation and redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Trust Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Trust's underlying assets.

Use of futures and options contracts involve certain risks. The Manager may use futures contracts and options for hedging (e.g. to manage interest rate risk) and/or efficient portfolio management with a view to achieving the Trust's investment objective. In particular, the Manager may invest the Trust's assets in futures contracts and options in order to seek performance that corresponds to the Underlying Index and to manage cash flows. These transactions may be entered into with counterparties on an on- and off-exchange basis (over-the-counter) and may expose the Trust to counterparty risk. There is no guarantee that such techniques will achieve their desired result. There are certain investment risks in using futures contracts and options. Such risks may include: (i) the inability to close out a futures contract or option caused by the non-existence of a liquid secondary market; and (ii) an imperfect correlation between price movements of the futures contracts or options with price movements of the subject portfolio securities or the Underlying Index. Further, the risk of loss in trading futures contracts is potentially great, due to both the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contact may result in immediate and substantial loss (or gain) to the Trust.

Use of repurchase agreements involves certain risks. For example, if the seller of securities under a repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its insolvency or otherwise, the Trust will seek to dispose of such securities, which action could involve costs or delays. If the seller fails to repurchase the securities, the Trust may suffer a loss to the extent proceeds from the sale of the underlying securities are less than the repurchase price. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Trust's ability to dispose of the underlying securities may be restricted. Finally, it is possible that the Trust may not be able to substantiate its interest in the underlying securities.

Risk of swap agreements. The risk of loss with respect to swaps generally is limited to the net amount of payments that the Trust is contractually obligated to make. Swap agreements are also subject to the risk that the swap counterparty will default on its obligations. If such a default were to occur, the Trust will have contractual remedies pursuant to the agreements related to the transaction. However, such remedies may be subject to bankruptcy and insolvency laws which could affect the Trust's rights as a creditor. For example the Trust may not receive the net amount of payments that it contractually is entitled to receive.

The Trust may cease to be authorized. The SFC reserves the right to withdraw the authorization of the Trust if the Underlying Index is no longer considered by the SFC to be acceptable. The Trust may be terminated if the SFC is to withdraw its authorization for the Trust.

Reliance on Market Makers. There may or may not be market makers for the Trust. Investors should note that liquidity in the secondary market for the Units may be adversely affected if there is no market maker for the Trust.

Concentration of the Underlying Index in certain issuers. The Underlying Index and the investments of the Trust may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular issuer, and changes in general economic or political conditions can affect the value of an issuer's securities. Such issuer-specific changes may have an impact on the securities held by the Trust.

Asset class risk. The returns generated from the securities in which the Trust invests may not provide returns equivalent to that of other classes of securities or different asset classes. The securities in which the Trust invests may be subject to cycles of underperformance relative to that of other classes of securities.

EMEAP's investment in the Trust. The Executives' Meeting of East Asia and Pacific Central Banks group ("**EMEAP**") member central banks and monetary authorities are like any other investors in the Trust and each of them is entitled to dispose of their respective interest in the Units they hold. There are no guarantees that the EMEAP member central banks and monetary authorities will continue to be investors in the Trust. Should the EMEAP member central banks and monetary authorities decide to sell or redeem all or a portion of their Units, it may have a materially adverse effect on the Trust and the price of the Units (refer to the section "Initial Funding" for information relating to EMEAP's initial funding).

Minimum commercial size. The Trust is structured as an index fund with low management and trustee fees. Given that this is an index fund with low fees (based on a percentage of NAV of the Trust) the size of the Trust needs to be significantly larger than other typical unit trusts to remain commercially viable.

Access to certain markets. In certain markets, for example China, the Trust may have in place special arrangements that allow the Trust to engage in financial transactions in that market. The Trust is dependent on the continued access to these markets, and the ability to invest into and repatriate funds from the market, to ensure its ability to track the benchmark index – this access may be constrained in the event that the Trust experiences some growth beyond its current size.

Registration of Trust or cross-listing in other markets. There is a likelihood that the Trust may in the future be registered on other markets, or cross-listed on other exchanges, or otherwise offered in other jurisdictions. As this is expected to improve the liquidity for existing unitholders and result in more efficient secondary market pricing due to increased scope for arbitrage, the Manager may be permitted by the Trustee to charge the related costs to the Trust.

Lending of securities. The Trust may lend its portfolio securities. Although the Trust will receive collateral in connection with all loans of its securities, the Trust would be exposed to a risk of loss should a borrower default on its obligation to return the borrowed securities (e.g. the loaned securities may have appreciated beyond the value of the collateral held by the Trust). In addition, the Trust will bear the risk of loss of any cash collateral that it invests.

Early termination risk. The Trust may be terminated under certain conditions and in the manner as specified under the section entitled "Termination". It is possible that, at the time of such termination, investors have to realize their investment loss and will not be able to receive an amount equal to their capital originally invested.

Underlying Index Risk Factors

Licence to use Underlying Index may be terminated. The Manager and the Trustee have been granted a licence by the Index Provider to use the Underlying Index in order to create the Trust based on the Underlying Index and to use certain trade marks and any copyright in the Underlying Index. The Trust may not be able to fulfil its objective and may be terminated if the licence agreement between the Manager, the Trustee and the Index Provider is terminated. The Trust may also be terminated if its Underlying Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

Compilation of the Underlying Index. The securities which comprise the Underlying Index are determined and composed by Markit without regard to the performance of the Trust. The Trust is not sponsored, endorsed, sold or promoted by Markit. Markit makes no representation or warranty, express or implied, to investors in the Trust or other persons regarding the advisability of investing in securities generally or in the Trust particularly. Markit has no obligation to take the needs of the Trustee, the Manager or investors in the Trust into consideration in determining, composing or calculating the Underlying Index and consequently there can be no guarantees that its actions will not prejudice the interests of the Trust, the Manager or investors. In addition, the accuracy and completeness of the calculation of the Underlying Index may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation.

Composition of the Underlying Index may change. The composition of the Underlying Index may change as Index Securities mature or are redeemed or as new securities are included in the Underlying Index. When this happens the weighting or composition of the securities owned by the Trust would be changed as considered appropriate by the Manager in order to achieve the investment objective of the Trust. Thus an investment in Units will generally reflect the Underlying Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. Appendix 1 – "The Underlying Index" describes how the Underlying Index is computed.

Other Risk Factors

Recent Events in the international financial and credit markets. There exist significant additional risks as a result of the current crisis in the international financial and credit markets. Such risks include, but are not limited to: (i) the likelihood that the issuer of the underlying investments of the Trust will find it harder to unwind the hedging arrangement for and/or dispose of the assets underlying any such investment; (ii) the possibility that the value of the underlying investments of the Trust might have deteriorated and/or may deteriorate (and in some cases, significantly) from their initial value or issue price; and (iii) the possibility of an issuer failing to perform its obligations under the terms of the underlying investments of the Trust (i.e. the counterparty risk) may have increased significantly. These additional risks may, in turn, adversely affect the value of the investment in the Trust and/or even result in significant or total loss to the investors in the Trust.

In the event that a credit rating initially accorded to an issuer of underlying investments of the Trust is subsequently lowered for whatever reason, the market value and liquidity of the underlying investments is likely to be adversely affected. Adverse changes in the financial condition of an issuer and/or in general political, social and/or economic conditions and/or legal or regulatory position in the relevant jurisdiction may also impair or significantly adversely affect the ability of an issuer to meet its payment obligations under the relevant financial instruments. Such risk of default would increase where the Trust concentrates on any one issuer. If an event of default occurs with respect to the underlying investments of the Trust, there can be no assurance as to the amount that can be recovered or as to the timing of any recovery.

While the current crisis may alleviate for certain sectors of the global credit markets due to the actions taken by governments in major economies, there can be no assurance that the relevant financial and/or credit markets and/or sectors thereof into which the Trust invests will recover at the same time or to the same degree as the others.

Asian Government political, economic and social risk. Any material changes in the political, economic or social conditions prevailing in any of the Index Constituent Economies could have a material adverse effect on that Index Constituent Economy's economy and/or the NAV of the constituent securities of the Underlying Index and consequently on the value of Units.

Foreign exchange risk. The Underlying Index is expressed in US dollars on an unhedged basis, i.e. with currency risk that is fully exposed. Since the investment objective of the Trust is to track the Underlying Index, this means that the underlying Asian Currencies held in the Trust will not be hedged and any movement in the exchange rate between such Asian Currencies and US dollars will be fully transmitted to the NAV of the Trust when computed in US dollar terms. Adverse movements in currency exchange rates can result in a decrease in value of the NAV of the Units and investors in the Trust will be exposed to exchange rate risks.

Investors should note that to the extent that any of the valuation principles used to determine the Trust's NAV per Unit at the Valuation Point with respect to each Dealing Day is or becomes inconsistent with International Financial Reporting Standards ("**IFRS**") (or to the extent relevant and where required by the MAS, Recommended Accounting Practice issued by the Institute of Certified Public Accountants of Singapore ("**RAP 7**")), the Trust's accounts may not necessarily be in line with the published NAV per Unit. In this case, a reconciliation note may need to be included in the accounts of the Trust to reconcile values arrived at by applying IFRS (or to the extent relevant and where required by the MAS, RAP 7) and the NAV per Unit of the Trust by applying the Trust's valuation principles.

FEES AND EXPENSES

Most investors will buy and sell Units in secondary market transactions through brokers. The Units are listed on the Stock Exchange.

Investors creating or redeeming Units and buying and selling Units in secondary market transactions will have to pay certain fees and expenses, including brokerage and Stock Exchange transaction levies.

The table set out below summarises the fees and expenses currently payable by Authorized Participants (on behalf of investors) when creating or redeeming Units or by brokers (on behalf of investors) when purchasing or selling Units on the Stock Exchange.

Creation of Units

Transaction Fee[3]	currently HK$1,000 (approximately US$128), but up to a maximum of US$1,000 per transaction
Stamp Duty	Nil
Other Duties & Charges[4]	currently nil, but up to a maximum of 0.10% for normal charges currently 0.125% or such percentage as may be agreed between Manager and the Trustee, up to a maximum of 0.50% for dilution charge
Corporate Action Fee	Nil

In addition to the fees and expenses set out above, Authorized Participants may charge investors brokerage or fees in respect of a creation of Units. Investors should consult an Authorized Participant to ascertain the level of any brokerage or fees charged by such Authorized Participant.

3 A Transaction Fee is payable by an Authorized Participant to the Trust to offset transfer and other administrative expenses incurred in connection with the Unit creation and redemption process and may be passed on in whole or in part to the investor. More information is included in the section entitled "Management and Operations – Fees Payable by Investors".

4 Duties and charges may arise to the extent of any cash creations or redemptions of Units due to costs such as stamp duties, taxes, dealing costs etc. ("**normal charges**"). The Manager has discretion to charge such sum as it considers represents an appropriate provision for normal charges on a cash creation or redemption of Units. To prevent any "dilution" of the Trust's property the Manager also has discretion to charge additional fees in respect of duties and charges of the Trust relating to differences between the buying and selling prices of securities, the market value of these securities and other dilutive costs incurred by the Trust ("**dilution charge**"), particularly for large orders. These additional fees are as explained more fully in the subsection entitled "Dilution" under the section entitled "Creation and Redemption of Units". To the extent such provision for normal charges and dilution charges is greater than the actual duties and charges and dilution incurred then such excess shall be for the account of the Trust. To the extent such provision for normal charges and dilution charges is less than the actual duties and charges and dilution incurred then the Trust will bear any such deficiency.

Redemption of Units	
Transaction Fee[3]	currently HK$1,000 (approximately US$128), but up to a maximum of US$1,000 per transaction
Stamp Duty	Nil
Other Duties & Charges[4]	currently nil, but up to a maximum of 0.10% for normal charges
	currently 0.125% or such percentage as may be agreed between Manager and the Trustee, up to a maximum of 0.50% for dilution charges
Corporate Action Fee	Nil

In addition to the fees and expenses set out above, Authorized Participants may charge investors brokerage or fees in respect of a redemption of Units. Investors should consult an Authorized Participant to ascertain the level of any brokerage or fees charged by such Authorized Participant.

Dealing on Stock Exchange	
Brokerage	Charged at each broker's discretion
Stock Exchange Trading Fee	0.005%
Stock Exchange Trading Tariff	HK$0.5 per transaction
Stamp Duty[5]	Nil
SFC Transaction Levy	0.003%
SFC Investor Compensation Levy	Currently nil[6]

5 In accordance with a remission order issued by the Secretary for Financial Services and the Treasury of the HKSAR Government on 21st June 2005.

6 In accordance with an exemption notice issued by the SFC on 4 November 2005, the requirement to pay the SFC Investor Compensation Levy is currently suspended.

The table below summarises the fees currently payable by the Trust.

Management Fee[7]	**Currently**
First US$1 billion	0.13% per annum
Next US$250 million	0.12% per annum
Next US$250 million	0.11% per annum
Thereafter	0.10% per annum
	up to a maximum of 0.25% per annum of the Trust's NAV
Trustee Fee[8]	Currently 0.05% per annum of the Trust's NAV
	up to a maximum of 0.15% per annum of the Trust's NAV
Licence Fee[9]	Currently up to 0.0175% per annum of the Trust's NAV (subject to a minimum charge of US$184,000 per annum)
Estimated Total Expense Ratio	Up to 0.25% per annum of the Trust's NAV

For further information on fees and expenses refer to the section entitled "Management and Operations".

Soft-dollars. The Manager expects that most portfolio transactions will be effected on a principal (as opposed to an agency) basis and, accordingly, it does not expect to have to pay significant brokerage commissions when placing orders. Purchases from broker/dealers will include the spread between the bid and offer price.

The primary objective of the Manager in placing orders for the purchase and sale of Index Securities and Non-Index Securities, when adjusting the Trust's portfolio to reflect changes in the Underlying Index or in respect of a cash creation or redemption, is to obtain the most favourable net results taking into account such factors as price, commission or spread and size of the order. Where it is consistent with this objective, it is the Manager's practice to place such orders with brokers/dealers who supply research, market information and quotations and

[7] Expressed as a percentage of the average daily net assets of the Trust. This fee may be increased to a maximum of 0.25% per annum upon three month's notice in writing to unitholders. Please see the section entitled "Management and Operations – Manager" for a fuller description of the Management Fee.

[8] Expressed as a percentage of the average daily net assets of the Trust. This fee may be increased to a maximum of 0.15% per annum upon three month's notice in writing to unitholders. HSBC Institutional Trust Services (Asia) Limited will not be entitled to receive any remuneration out of Trust property in respect of its roles as the Administrator, Custodian, Registrar and Receiving Agent of the Trust. Any such remuneration will be paid by the Trustee out of the trustee fee.

[9] The Licence Fee is payable to the Index Provider. For further details relating to the Licence Fee, please see the section entitled " Management and Operations – Index Provider"

statistical information to the Manager, which may be useful to the Manager in providing its services as manager of the Trust and may be useful to the Manager in providing services to other clients (including other funds managed by the Manager), other than as manager of the Trust.

The Manager shall be entitled to receive soft-dollar commissions/arrangements in respect of the Trust. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements which the Manager may for the time being receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager will not accept or enter into soft-dollar commissions/arrangements unless such soft-dollar commissions/arrangements would reasonably assist it in its management of the Trust, and the Manager shall ensure at all times that transactions are executed in accordance with applicable best execution provisions in the Singapore Code on CIS, do not prejudice the interests of the Trust and/or the unitholders, and no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Neither the Manager nor any of its Connected Persons[10] are entitled to retain any cash rebates received from any broker or dealer in consideration of directing transactions on behalf of the Trust to that broker or dealer. Any such cash rebates received by the Manager or any of its Connected Persons shall be held for the account of the Trust.

[10] "**Connected Person**" means, in relation to any company (the "**relevant person**"):

(a) any person beneficially owning, directly or indirectly, twenty per cent or more of the ordinary share capital of the relevant person or able to exercise, directly or indirectly, twenty per cent or more of the total voting rights attributable to the voting share capital of the relevant person;

(b) any person or company controlled by any such person as is described in paragraph (a) above; for this purpose "control" of a company means:

i. control (either direct or indirect) of the composition of the board of directors of that company; or

ii. control (either direct or indirect) of more than half the voting rights attributable to the voting share capital of that company; or

iii. the holding (either directly or indirectly) of more than half of the issued share capital (excluding any part of it which confers no right to participate beyond a specified amount in a distribution of either profits or capital),

provided always that if the Trustee and the Manager agree some other definition acceptable to the SFC of the expression "control" such definition shall be substituted for the above definition thereof;

(c) any company which is a holding company or subsidiary (in each case within the meaning of section 2 of the Companies Ordinance (Cap. 32) of the laws of Hong Kong) of the relevant person or a subsidiary of any such holding company; and

(d) any director or other officer of the relevant person or of any company which is a Connected Person of the relevant person pursuant to paragraph (a), (b) or (c) above.

INITIAL CREATION

On 29th June 2005, 9,985,700 Units were created for an issue price of US$100 before the Units began trading on the Stock Exchange. These Units were issued on 29th June 2005.

INITIAL FUNDING

EMEAP provided the majority of the initial funding for the Trust in the amount of approximately US$1 billion. The initial contribution was made predominantly by in-kind contribution of Index Securities, Non-Index Securities and/or other investments permitted by the Trust Deed ("**Investments**").

EMEAP comprises the following Central Banks and Monetary Authorities in the Asia-Pacific region: Reserve Bank of Australia, People's Bank of China, Monetary Authority of Hong Kong, Bank Indonesia, Bank of Japan, Bank of Korea, Bank Negara Malaysia, Reserve Bank of New Zealand, Bangko Sentral ng Pilipinas, Monetary Authority of Singapore and Bank of Thailand.

The EMEAP member central banks and monetary authorities are like any other investors in the Trust and there are no restrictions on any of the EMEAP member central banks and monetary authorities disposing of their respective interest in Units at any time. There are no guarantees that the EMEAP member central banks and monetary authorities will continue to be investors in the Trust.

The EMEAP member central banks and monetary authorities will not be subject to any Transaction Fee or liable for any duties and charges in respect of the Initial Creation.

The Units issued to the EMEAP member central banks and monetary authorities pursuant to the Initial Creation will not be issued through an Authorized Participant.

The Trust is not promoted, sponsored, recommended, issued or guaranteed by any member of the EMEAP member central banks and monetary authorities.

LISTING

The Units are listed on the Stock Exchange.

The Units have also been accepted by Hongkong Clearing as eligible securities of CCASS with effect from the commencement of dealings in the Units on the Stock Exchange. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The existence of the Trust and the creation and redemption of Units are not conditional upon the Units being listed, or deposited, cleared and settled in CCASS and Units may continue to be issued and redeemed notwithstanding that the Units are not listed. Accordingly, investors will not be able to purchase or sell Units on the Stock Exchange if the Units are no longer listed.

CREATION AND REDEMPTION OF UNITS

State Street Global Advisors Singapore Limited, as the Manager of the Trust, will make available the most current Prospectus to Authorized Participants, but shall be under no obligation to deliver any updated Prospectus to any investor. The updated Prospectus will also be made available in accordance with the section entitled "Documents Available for Inspection" and will be posted on the Trust's dedicated website, http://www.abf-paif.com.

Creation of Units

Units of the Trust are generally issued and sold in blocks of 20,000 Units (each a "**Creation Unit**") or multiples thereof on a continuous basis (save on the last Dealing Day of each month) through HSBC Institutional Trust Services (Asia) Limited acting in its capacity as receiving agent (the "**Receiving Agent**") at their prevailing NAVs calculated by the day end prices at the time when the valuation of the Underlying Index is completed on a Dealing Day (the "**Valuation Point**") on which the Receiving Agent receives or is treated as having received an order in proper form.

A "**Dealing Day**" is each Business Day during the continuance of the Trust and/or such other day or days as the Manager may from time to time determine with the prior approval of the Trustee. A "**Business Day**" is any day on which commercial banks are open for business in Singapore and Hong Kong and (i) the Stock Exchange is open for normal trading other than a day on which trading on the Stock Exchange is scheduled to close prior to its regular weekday closing time; and (ii) the Underlying Index is compiled and published, but excluding any day on which a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal (or any warning or signal considered by the Trustee to be similar in effect) is in force in Hong Kong at any time after the Stock Exchange officially opens for trading and before the Stock Exchange officially closes for trading on that day (or such other day or days as may from time to time be determined by the Manager and the Trustee).

On any Dealing Day Units will be available for subscription in Creation Unit aggregations for cash at the NAV per Creation Unit of the Trust at the Valuation Point (the "**Issue Price per Creation Unit**") save that: (i) on the last Dealing Day of each month Units need not be created in Creation Unit aggregations and will be available for subscription at the NAV per Unit of the Trust at the Valuation Point (the "**Issue Price per Unit**") and (ii) Authorized Participants who are market makers may create Units in any Unit aggregations on any Dealing Day; provided that the Trustee (or the Manager on behalf of the Trustee) is satisfied that the full amount of the Issue Price per Creation Unit or Issue Price per Unit, as the case may be (the "**Issue Price**") and any duties and charges and Transaction Fees, in cleared funds, has been duly received by or on behalf of the Trustee in respect of the subscription.

Additional duties and charges may be charged (for the account of the Trust) to that investor for creations as determined by the Manager in its discretion (as described under "Dilution" below).

The Manager has the absolute discretion, but shall not be obliged to, accept in-kind payment for the creation of Units on a case-by-case basis in accordance with the terms of the Trust Deed. In the event that the Manager, in its discretion, agrees to accept an in-kind creation of Units at the request of an Authorized Participant then the Manager, the Receiving Agent and the Authorized

Participant will have to agree the detailed procedures therefor, including the basket of securities, any cash component and the number of Units to be created at all times in accordance with the Trust Deed. With the exception of the Initial Funding, the Manager does not intend generally to accept in-kind payment for creations.

Procedures for creation of Units

To be eligible to place orders with the Receiving Agent to create Units of the Trust, an entity must be (i) a broker or custodian who is admitted for the time being by Hongkong Clearing as a participant of CCASS (a "**CCASS Participant**") or (ii) able to effect transactions through a CCASS Participant, and who has entered into an agreement with the Receiving Agent, the Manager and the Trustee with respect to creations and redemptions of Units ("**Participant Agreement**"). Such party is referred to as an "**Authorized Participant**". Investors may contact the Receiving Agent for the names of Authorized Participants that have entered into a Participant Agreement. In addition, a list of the current Authorized Participants will be available on the Trust's website. All Units, however created, will be entered on the records of CCASS in the name of HKSCC Nominees for the account of a CCASS Participant.

All orders to create Units must be received by the Receiving Agent no later than 12 noon Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on that Dealing Day (the "**Creation Dealing Deadline**"). If the order in proper form is received by the Receiving Agent after the Creation Dealing Deadline on any Dealing Day it will be deemed to have been received on the next Dealing Day, unless in exceptional circumstances the Manager, with the consent of the Trustee, confirms with the Receiving Agent that the late order may be accepted and received on that Dealing Day (save that in no case will any late order received after the Valuation Point on that Dealing Day be accepted for that Dealing Day). Whether or not a creation order has been received by the Receiving Agent by the Creation Dealing Deadline shall be determined by the Receiving Agent, whose determination shall be final and binding. The date on which an order to create Units (or an order to redeem Units, as discussed below) is received or treated as having been received by the Receiving Agent is referred to as the "**Transaction Date**". Orders must be transmitted to the Receiving Agent by an Authorized Participant in writing or other transmission method acceptable to the Receiving Agent pursuant to procedures set forth in the Participant Agreement. However, an Authorized Participant may telephone the Receiving Agent to confirm the Receiving Agent's receipt of a creation order. Severe economic or market disruptions or changes, or facsimile or other communication failure may impede the ability to reach the Receiving Agent or an Authorized Participant.

All investor orders to create Units must be placed with an Authorized Participant, in the form required by such Authorized Participant. In addition, the Authorized Participant may request the investor to make certain representations or enter into agreements with respect to the order, for example, to provide for payments of cash, when required. Investors should be aware that their particular broker or dealer may not have executed a Participant Agreement and that, therefore, orders to create Units have to be placed by the investor's broker or dealer through an Authorized Participant that has entered into a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there will be only a limited number of Authorized Participants.

Those placing orders for Units should afford sufficient time to permit proper submission of the order to the Receiving Agent prior to the Creation Dealing Deadline on the relevant Dealing Day.

Placement of creation orders

To initiate an order for Units of the Trust on Dealing Days, the Authorized Participant must submit a completed order to the Receiving Agent no later than the Creation Dealing Deadline for the relevant Dealing Day. The Receiving Agent is required to inform the Manager and the Trustee of all such orders.

The amount of cash payments in respect of creations of Units (plus the Transaction Fee and any other duties and charges) must be transferred directly to the Custodian in a timely manner so as to be received by the Custodian no later than 11.30 a.m. Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on the second Dealing Day following the relevant Transaction Date (T+2). However, if the Custodian does not receive the cash (plus the Transaction Fee and any other duties and charges) by 11.30 a.m. Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on the second Dealing Day following the relevant Transaction Date (T+2), the creation order will be cancelled. Notwithstanding the foregoing, the Manager may require that cash be paid to the Custodian on the second CCASS Business Day following the relevant Transaction Date. Upon written notice to the Receiving Agent, such cancelled order may be resubmitted the following Dealing Day. A "**CCASS Business Day**" is any day on which CCASS is open for business to CCASS Participants in accordance with the General Rules of CCASS.

In the event of a cancellation of a creation order, in addition to the Transaction Fee, Authorized Participants may be charged any duties and charges applicable to both a creation and a redemption of Units, as well as a cancellation fee in an amount determined by the Manager resulting from creation orders submitted by them that are cancelled by the Authorized Participant otherwise than as permitted by the Trust Deed or the Participant Agreement or that are cancelled as a result of the Authorized Participant failing to deliver or transmit the requisite cash. The cancellation fee is intended to cover the administrative costs incurred by or on behalf of the Trust in connection with the creation order and its cancellation. The cancellation fee is currently US$1,000 per creation order. In addition, Authorized Participants may also be charged the amount of any losses and interest costs arising in respect of the Trust's sale and/or purchase of Investments in connection with such cancellation and any difference between (i) the issue price of the Units the subject of the cancellation at the Transaction Date of the creation order and (ii) the redemption value of such Units as at the cancellation date. Default interest will also be payable on the above amounts.

The delivery of Units properly applied for will occur no later than the Dealing Day which is two Dealing Days following the relevant Transaction Date (T+2).

Acceptance of orders for creation of Units

The Trustee and the Manager reserve the absolute right without giving any reason therefor to reject a creation order transmitted to the Receiving Agent in respect of the Trust. It is the current intention of the Manager that a creation order will be rejected if: (i) the order exceeds the daily dealing limit set by the Manager; (ii) the order is not in proper form; (iii) under applicable law or regulation, the applicant is not eligible to subscribe for, purchase or hold Units, or in the discretion of the Trustee or the Manager the purchase or holding of Units by the applicant might result in the Trust, the Manager or the Trustee incurring any liability to tax or suffering any other financial disadvantage or becoming subject to any law or regulation which they might not otherwise have incurred or suffered or become subject to; or (iv) in the event that circumstances outside the control of the Trustee, the Custodian, the Receiving Agent or the Manager make it for all practical purposes impossible to process creation orders (examples of such circumstances include acts of God; public service or utility problems such as fires, floods, extreme weather conditions and power outages resulting in telephone, facsimile and computer failures; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting the Trustee, the Manager, the Receiving Agent, the Custodian, CCASS, the Stock Exchange or any other participant in the creation process, and similar extraordinary events). The Receiving Agent will notify the Authorized Participant of any rejection of an order placed by that Authorized Participant.

The Trustee, the Manager, the Custodian and the Receiving Agent are under no duty to provide reasons for rejecting a creation order transmitted to the Receiving Agent in respect of the Trust.

Creation orders will be confirmed to Authorized Participants before 5.00 p.m., Hong Kong time on the Transaction Date. Authorized Participants may, however, telephone the Receiving Agent to confirm the Receiving Agent's receipt of any creation order they submit.

A confirmation note detailing the number of Units allotted will be sent to unitholders within two Business Days from the date of issue of Units.

No Units will be issued and no creation orders will be accepted during any period when the creation and redemption of Units is suspended (see the section entitled "Suspension of Creations and Redemptions" below).

The Manager may, with the prior approval of the Trustee, at its discretion change the number of Units comprising a Creation Unit aggregation for the purpose of effecting creations of Units.

Notwithstanding the above, the Manager may in exceptional circumstances, at its discretion and with the prior approval of the Trustee, accept a creation order from an investor that is not an Authorized Participant provided such person making the creation order has agreed to comply with equivalent terms governing creations made through an Authorized Participant in all material respects save to the extent otherwise agreed by the Manager and the Trustee. The Manager shall only exercise its discretion to accept a creation order from an investor that is not an Authorized Participant if it considers: (a) a more efficient creation mechanism can be established for such investor than the process in place for creation orders through an Authorized Participant; (b) there are exceptional circumstances which cause creations through an Authorized Participant to be less effective for such investor; and (c) it would not, in the opinion of the Trustee, materially prejudice the interests of the other unitholders.

Creation Transaction Fee

To compensate for transfer and other administrative costs involved in creation transactions through the creation process described above, Authorized Participants will be required to pay a fixed creation fee ("**Transaction Fee**") to the Trust, currently charged at HK$1,000 (approximately US$128) but which may be increased up to a maximum of US$1,000 for each creation order. This fee is charged per order, regardless of the number of Creation Units or Units being created. The level of the Transaction Fee may be changed at the discretion of the Manager, and in case such fee is increased, at least one month's notice will be given to the Authorized Participants. Authorized Participants may pass this fee on in whole or in part to the investor on whose behalf the order was placed. Authorized Participants may also charge an additional commission for their own account.

To prevent any "dilution" of the Trust's property the Manager has discretion to charge additional fees in respect of a provision for duties and charges of the Trust (such amount to be determined in the sole discretion of the Manager), as explained more fully in the section entitled "Creation and Redemption of Units – Dilution".

Redemption of Units

Units of the Trust may generally be redeemed only through the Receiving Agent at their prevailing NAVs calculated at the Valuation Point with respect to the Dealing Day on which the Receiving Agent receives or is treated as having received a request in proper form (i.e. the Transaction Date). Save on the last Dealing Day of the month, Units may not be redeemed in amounts less than Creation Unit aggregations.

On a Dealing Day, unitholders may submit a request for redemption. Units may be redeemed in Creation Unit aggregations at their prevailing NAVs calculated at the Valuation Point with respect to the Dealing Day on which the Receiving Agent receives or is treated as having received a request in proper form (i.e. the Transaction Date) save that: (i) in the case of the last Dealing Day of the month, Units may be redeemed otherwise than in Creation Unit aggregations at the prevailing NAV per Unit and (ii) Authorized Participants who are permitted market makers may redeem Units in any Unit aggregations on any Dealing Day at the prevailing NAV per Unit.

Additional duties and charges may be charged (for the account of the Trust) to that investor for the redemption of Units as determined by the Manager in its discretion (as described under "Dilution" below).

The Manager has the absolute discretion, but shall not be obliged to, pay out redemptions in-kind on a case-by-case basis in accordance with the terms of the Trust Deed. In the event that the Manager, in its discretion, wishes to effect an in-kind redemption of Units at the request of an Authorized Participant then the Manager, the Receiving Agent and the Authorized Participant will have to agree the detailed procedures therefor, including the list of redemption securities, any cash redemption component and the number of Units to be redeemed at all times in accordance with the Trust Deed. The Manager does not intend generally to pay out redemptions in-kind.

Placement of redemption orders

Generally, only Authorized Participants are able to place redemption requests with the Receiving Agent.

All requests to redeem Units for cash on a Dealing Day must be received by the Receiving Agent no later than 12 noon Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on that Dealing Day (the "**Redemption Dealing Deadline**"). If the redemption request in proper form is received by the Receiving Agent after the Redemption Dealing Deadline on any Dealing Day it will be deemed to have been received on the next Dealing Day, unless in exceptional circumstances the Manager, with the consent of the Trustee, confirms with the Receiving Agent that the late redemption request may be accepted and received on that Dealing Day (save that in no case will any late redemption request received after the Valuation Point on that Dealing Day be accepted for that Dealing Day). Whether or not a redemption request has been received by the Receiving Agent by the Redemption Dealing Deadline shall be determined by the Receiving Agent, whose determination shall be final and binding. Redemption requests must be transmitted to the Receiving Agent by an Authorized Participant in writing or other transmission method acceptable to the Receiving Agent pursuant to procedures set forth in the Participant Agreement. However, an Authorized Participant may telephone the Receiving Agent to confirm the Receiving Agent's receipt of a redemption request. Severe economic or market disruptions or changes, or facsimile or other communication failure may impede the ability to reach the Receiving Agent or an Authorized Participant.

All requests to redeem Units on a Dealing Day must be placed with an Authorized Participant, in the form required by such Authorized Participant. Investors should be aware that their particular broker or dealer may not have entered into a Participant Agreement with the Manager and the Trustee and that, therefore, requests to redeem Units must be placed by the investor's broker or dealer through an Authorized Participant that has entered into a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there will be only a limited number of Authorized Participants.

All the Units being redeemed must be delivered to the Trustee or its delegate no later than 11.30 a.m. Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on the second Dealing Day following the Transaction Date (T+2). All questions as to the Units delivered, and their validity, form and eligibility (including time of receipt) will be determined by the Trustee, whose determination will be final and binding. If the Trustee or its delegate does not receive the required Units by 11.30 a.m. Hong Kong time (or such other time as the Manager (with the prior approval of the Trustee) may from time to time determine and upon five Business Days prior notice given to Authorized Participants) on the second Dealing Day following the Transaction Date (T+2), the redemption request will, subject to the consent of the Manager, be cancelled. Notwithstanding the foregoing, the Manager may require that Units to be redeemed are delivered to the Trustee or its delegates on the second CCASS Business Day following the Transaction Date. Upon written notice to the Receiving Agent such cancelled request may be resubmitted the following Dealing Day.

In the event of a cancellation of a redemption request, in addition to the Transaction Fee, the Authorized Participants may be charged any duties and charges applicable to both a redemption and a creation of Units, as well as a cancellation fee in an amount determined by the Manager resulting from redemption requests submitted by them that are cancelled by the Authorized Participant otherwise than as permitted by the Trust Deed or the Participant Agreement or that are cancelled as a result of the Authorized Participant failing to deliver the requisite Units. The cancellation fee is intended to cover administrative costs incurred by or on behalf of the Trust in connection with such failed redemption. The cancellation fee is currently US$1,000 per redemption request. In addition, Authorized Participants may also be charged the amount of any losses and interest costs arising in respect of the Trust's sale and/or purchase of Investments and any interest costs incurred by the Trust in connection with such failed redemption, and the difference between (i) the issue price of such Units as at the date of cancellation and (ii) the redemption value of Units the subject of the cancellation at the Transaction Date. Default interest will also be payable on the above amounts.

Those placing requests to redeem Units should afford sufficient time to permit proper submission of the request to the Receiving Agent prior to the Redemption Dealing Deadline for the relevant Dealing Day. The requisite redemption proceeds will be transferred to the Authorized Participant or on its order in accordance with the terms of the Participant Agreement – normally within four Dealing Days following the Transaction Date (T+4).

The redemption proceeds will comprise a cash payment equal to the NAV of the Creation Unit aggregations (or the Units, as the case may be) of the Trust being redeemed, determined at the Valuation Point for the Transaction Date, less the redemption Transaction Fee and additional duties and charges referred to below.

Redemption requests will be confirmed to Authorized Participants by the Receiving Agent before 5.00 p.m., Hong Kong Time on the Transaction Date. Authorized Participants may, however, telephone the Receiving Agent to confirm the Receiving Agent's receipt of any redemption request they submit.

No Units will be redeemed for cash and no cash redemption requests will be accepted during any period when the creation and redemption of Units is suspended (see the section entitled "Suspension of Creations and Redemptions" below).

The Manager may at its discretion and with the prior approval of the Trustee, change the number of Units comprising a Creation Unit for the purpose of effecting redemptions of Units.

Redemption requests not placed through Authorized Participants

Notwithstanding the above, the Manager may in exceptional circumstances, at its discretion and with the prior approval of the Trustee, accept a redemption request from an investor that is not an Authorized Participant provided such person making the redemption request has agreed to comply with equivalent terms governing redemptions made through an Authorized Participant in all material respects save to the extent otherwise agreed by the Manager and the Trustee. The Manager shall only exercise its discretion to accept a redemption request from an investor that is not an Authorized Participant if it considers: (a) a more efficient redemption mechanism can be established for such investor than the process in place for redemption requests through an Authorized Participant; (b) there are exceptional circumstances which cause redemptions through an Authorized Participant to be less effective for such investor; and (c) it would not, in the opinion of the Trustee, materially prejudice the interests of the other unitholders.

Redemption Transaction Fee

Authorized Participants will be required to pay a fixed redemption fee ("**Transaction Fee**") to the Trust to offset transfer and other administrative costs that may be incurred through the redemption process described above. The Transaction Fee is currently charged at HK$1,000 (approximately US$128) but may be increased up to a maximum of US$1,000 for each redemption order, regardless of the number of Creation Unit aggregations or Units being redeemed. The level of the Transaction Fee may be changed at the discretion of the Manager, and in case such fee is increased, at least one month's notice will be given to the Authorized Participants. Authorized Participants may pass this Transaction Fee on in whole or in part to the redeeming investor. Authorized Participants may also charge an additional commission for their own account.

To prevent any "dilution" of the Trust's property the Manager has discretion to charge additional fees in respect of a provision for duties and charges of the Trust (such amount to be determined in the discretion of the Manager), as explained more fully in the section entitled "Creation and Redemption of Units – Dilution" below.

Dilution

The value of the property of the Trust could be reduced as a result of costs incurred in investing cash subscriptions received on an application for Units, in paying cash redemption proceeds on a redemption of Units, or incurred in respect of dealing in portfolio securities, stamp duties, taxes or other normal costs of the Trust. In addition, there may be dilution costs due to the difference between the buying and selling prices of such securities and the market value of these securities. In order to prevent any potential adverse effect on investors in the Trust and to avoid a dilution of the Trust's property due to such duties and charges and/or dilution costs, the Manager has the discretion to charge a fee comprising normal charges and dilution charges to investors to compensate for any decrease in the Trust's NAV when Units are issued or redeemed. Any such fee paid to the Trust, will become part of the property of the Trust. Such fee (if any) will be determined by the Manager as the Manager may consider represents the appropriate provision for duties and charges. If the actual duties and charges incurred by the Trust are less than the Manager's provision therefor, such difference will be for the benefit of the Trust and to the extent such duties and charges incurred by the Trust are more than the provision therefor then any such deficiency will be borne by the Trust.

Further Provisions Relating to Creations and Redemptions

Determining NAV

HSBC Institutional Trust Services (Asia) Limited as the administrator of the Trust (the "**Administrator**") calculates the Trust's NAV per Unit at the Valuation Point with respect to each Dealing Day for the purpose of the creation and redemption of Units. The NAV of each Unit of the Trust is calculated by deducting all of the Trust's expenses and liabilities from the total market value of its assets (including its portfolio securities) and dividing the result by the number of Units outstanding. The NAV per Unit will be calculated to four decimal places. To calculate the NAV per Creation Unit, the Administrator will multiply the NAV per Unit (calculated to four decimal places) by 20,000. All valuations are subject to review by the Trustee and the Manager.

In determining the Trust's NAV, expenses are accrued and applied daily and securities and other assets for which market quotations are readily available are valued at market value using selected pricing services approved by the Manager and the Trustee. When these quotations are not readily available, the Trust's assets will be priced at their fair value, calculated according to procedures adopted by the Administrator in accordance with the Trust Deed and approved by the Manager and the Trustee.

The NAV per Unit on each Dealing Day will be published through the facilities of the Stock Exchange and on the Trust's dedicated website on the following Dealing Day.

Suspension of creations and redemptions

Subject to the provisions of the Singapore Code on CIS relating to suspension of dealings, the Manager may, if the trading of Units on the Stock Exchange is restricted or suspended, suspend the creation and redemption of Units, and also may at any time, with the prior approval of the Trustee, suspend the right of investors to apply (through Authorized Participants) for the creation or redemption of Units and/or may delay the delivery of redemption proceeds in respect of a redemption request (and/or income distributions) during any periods in which:

- the Stock Exchange, CCASS or other relevant exchange or clearing and settlement system is closed;

- dealings of the Units on the Stock Exchange are restricted or suspended;

- settlement or clearing of securities in CCASS or other relevant clearing or settlement system is disrupted;

- any period when, in the opinion of the Manager, funds cannot be normally remitted from the Trust's portfolio without prejudicing the interests of unitholders;

- the Underlying Index is not compiled or published;

- there is any breakdown in the means normally employed in determining the value of the Trust's portfolio or the liabilities of the Trust or when for any other reason the value of any of the assets for the time being comprised in the Trust or the liabilities of the Trust cannot be promptly and accurately ascertained;

- the existence of any state of affairs which in the opinion of the Manager or the Trustee, with the prior approval of the other, might seriously prejudice the interests of the unitholders as a whole or the Deposited Property of the Trust;

- any period when the dealing of Units is suspended pursuant to any order or direction issued by the MAS or the SFC; or

- any period when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

The Manager will publish the fact that the calculation of the NAV of the Trust and of each Unit has been suspended immediately following such suspension and at least once a month during the period of suspension in The Straits Times and the Lianhe Zaobao in Singapore and, the Hong Kong Economic Times and the South China Morning Post in Hong Kong and on each Dealing Day on the Trust's dedicated website.

The suspension should cease as soon as practicable when the circumstances permitting the suspension cease to exist, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of unitholders for the dealing in Units to remain suspended, and such extension will be subject to weekly review by the Trustee.

Limitation on redemptions

The Manager is entitled to limit the total number of Units which unitholders are entitled to redeem on a Dealing Day to 1 million Units (or such other number as the Manager may determine from time to time upon giving reasonable prior notice to the Trustee and Authorized Participants). This limitation is to be applied pro rata to all Authorized Participants who have validly requested redemptions to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all Authorized Participants save that the Manager intends to give preference of redemption to market makers for up to 200,000 Units. Any Units which are not redeemed in respect of a particular Dealing Day shall be carried forward for redemption (subject to any further application of the above limitation on redemptions) on the next Dealing Day.

The Trustee will inform the Authorized Participants of Units the redemption of which has been deferred within one Business Day after the relevant Transaction Date (T+1). If redemption requests are carried forward then any other subsequent redemption requests received shall also be carried forward to, and be deemed to be a request for the redemption of the relevant Units on the relevant subsequent Dealing Day. The Manager may apply this limitation on redemptions on each subsequent Dealing Day, carrying forward each outstanding redemption request in accordance with the foregoing.

Numerical Example for Creation and Redemption of Creation Unit Aggregation

Creation of Creation Unit aggregation

Based on a net investment amount of US$2,000,000 at a notional price of US$2,000,000 per Creation Unit, the number of Creation Units created and issued will be calculated as follows[11]:

US$2,000,000	x	1 Creation Unit	=	US$2,000,000
NAV per Creation Unit		20,000 Units created and issued		Net invested amount

US$2,000,000	+	US$128	+	US$2,500	=	US$2,002,628
Net invested amount		Transaction Fee		Duties and charges		Gross invested amount

Redemption of Creation Unit aggregation

Based on the redemption of a Creation Unit at a notional price of US$2,000,000 per Creation Unit, the net redemption proceeds payable to a Holder will be calculated as follows[9]:

1 Creation Unit	x	US$2,000,000	=	US$2,000,000	–	US$128	–	US$2,500	=	US$1,997,372
Redemption request		NAV per Creation Unit		Gross redemption proceeds		Transaction Fee		Duties and charges		Net redemption proceeds

[11] Excludes brokerage or fees charged by Authorized Participants

BUYING AND SELLING UNITS

The Units of the Trust are listed for trading on the secondary market on the Stock Exchange. Units can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Units are generally purchased and sold in "board lots" of 10 Units, brokerage firms may permit investors to purchase or sell Units in smaller "odd-lots", although prices of Units traded in "odd-lots" may differ slightly from Units purchased and sold in "board lots". When buying or selling Units through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. Unit prices are reported in US dollars and cents per Unit.

The Trust has been exempted from the Notice on Cancellation Period for Collective Investment Schemes issued pursuant to the Singapore SFA (the "Cancellation Notice"). Accordingly, Singapore investors should note that the seven calendar day cancellation period provided under the Cancellation Notice does not apply.

Book Entry

Units will be admitted to, and deposited, cleared and settled in CCASS. Units are held in book-entry form, which means that no Unit certificates are issued. HKSCC Nominees will be the registered owner (i.e. the sole unitholder of record) of all outstanding Units of the Trust and will therefore be recognized as the legal owner of all Units for all purposes.

Investors owning Units are beneficial owners as shown on the records of CCASS or its participants. CCASS will serve as the securities depository for all Units. Participants in CCASS include securities brokers and dealers, banks and other institutions that have been admitted as such by Hongkong Clearing. Investors are not entitled to receive Unit certificates or to have Units registered in their name, and accordingly investors are not considered a registered owner of Units. Therefore, to exercise any right as a beneficial owner of Units, such investors must rely upon the procedures of CCASS and its participants. These procedures are the same as those that apply to any other Hong Kong listed shares.

Trust Unit Trading Prices

The trading prices of Units on the Stock Exchange may differ in varying degrees from their daily NAVs and can be affected by market forces such as supply and demand, economic conditions and other factors.

The NAV per Unit on each Dealing Day will be published through the facilities of the Stock Exchange and on the Trust's dedicated website by no later than 9.30 a.m. on the following Dealing Day. The Manager also intends to publish an estimated mid-day NAV per Unit and an estimated closing NAV per Unit on the Trust's dedicated website by no later than 1.00 p.m. and 6.00 p.m. respectively on each Dealing Day. These indicative values should not be viewed as "real time" updates of the NAV per Unit of the Trust. The estimated NAV per Unit of the Trust and the actual NAV per Unit of the Trust calculated in accordance with the terms of the Trust Deed and published on the following Dealing Day (see the section entitled "Creation and Redemption of Units – Further Provisions Relating to Creations and Redemptions – Determining NAV") may differ.

Market Makers (if any)

A market maker is a broker or dealer permitted by the Stock Exchange to act as such by making a market for the Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Units on the Stock Exchange. Market makers facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the Stock Exchange. Subject to applicable regulatory requirements, the Manager intends to ensure that there is at least one market maker for the Trust on the date of listing. If the Stock Exchange withdraws its permit to the existing market maker(s), the Manager will endeavour to ensure that there is at least one other market maker to facilitate the efficient trading of Units. The latest list of market makers is available at http://www.abf-paif.com.

In the event the Manager exercises its discretion to limit the number of Units which may be created or which unitholders are entitled to redeem on a Dealing Day (see the section entitled "Creation and Redemption of Units – Further Provisions Relating to Creations and Redemptions – Limitation on redemptions"), a market maker may not be able to readily create Units or redeem its Units on a timely basis which may have an impact on the liquidity provided by any such market maker in the secondary market and consequently impact the bid/offer prices for Units traded on the Stock Exchange.

In maintaining a market for Units, the market maker may realise profits or sustain losses in the amount of any differences between the prices at which it buys Units and the prices at which it sells Units. Any profit made by the market marker may be retained by it for its absolute benefit and it shall not be liable to account to the Trust in respect of such profits. A market maker may, at the discretion of the Manager, have all or part of any Transaction Fee or duties and charges in respect of creation or redemption of Units waived. In addition a market maker may create or redeem Units in aggregations other than Creation Unit aggregations on any Dealing Day.

MANAGEMENT AND OPERATIONS

Manager

State Street Global Advisors Singapore Limited was incorporated in Singapore on 31st March 2000. The Manager is licensed by the MAS under the Singapore SFA as a holder of a capital markets services licence for fund management and by the SFC under the HK SFO for Types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities. The Manager, as manager of a scheme authorized by the MAS and the SFC, is also subject to, and is required to comply with, the Singapore Code on CIS and the HK SFC Code.

From Singapore, the Manager provides fund management services for clients in the South East Asian region and has been providing such services since 2000. In addition to being the Manager of the Trust, the Manager also acts as the manager of the streetTRACKS® Straits Times Index Fund, a Singapore exchange traded fund listed on the Singapore Exchange Securities Trading Limited[12].

The Manager's Singapore registered office is at 168 Robinson Road, #33-01, Capital Tower, Singapore 068912 and the registered office of its Hong Kong branch is at 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong. It is an indirect wholly-owned subsidiary of State Street Corporation, a bank holding company in the United States of America whose shares are traded on the New York Stock Exchange.

State Street Global Advisors, the investment division of State Street Corporation, is one of the largest investment managers in the world, managing approximately US$2.0 trillion as of 31st December 2010 in equity, fixed income, real estate and derivative assets. State Street Global Advisors has offices in 28 worldwide locations, with portfolio management capabilities in Boston, Hong Kong, London, Montreal, Paris, Singapore, Sydney, Tokyo and Zurich.

The Trust will pay the Manager a management fee, monthly in arrears and accrued daily, determined on the average daily net assets of the Trust at the rate of 0.13% per annum in respect of the first US$1 billion, 0.12% per annum in respect of the next US$250 million, 0.11% per annum in respect of the next US$250 million and 0.10% per annum thereafter.

Under the terms of the Trust Deed, the Manager is entitled to receive a maximum management fee of up to 0.25% per annum of the average daily net assets of the Trust. At least three months' prior notice will be given to unitholders and Authorized Participants in respect of any increase in the management fee from its current stated level. Any such increase will also require prior notice to the Trustee and the prior approval of the Supervisory Committee.

The directors of the Manager are:

Hon Wing Cheung

Bernard Patrick Reilly

Kelly Quinn Driscoll

[12] This fund is not authorized by the SFC and is therefore not available in Hong Kong

Trustee

HSBC Institutional Trust Services (Singapore) Limited, a company incorporated in Singapore with limited liability and part of the HSBC Group, is appointed as Trustee of the Trust pursuant to the Trust Deed.

HSBC Institutional Trust Services (Singapore) Limited is a registered trust company under the Trust Companies Act, Chapter 336 of Singapore.

The Trust will pay the Trustee a trustee fee, monthly in arrears and accrued daily, of 0.05% per annum of the average daily net assets of the Trust. In addition, the Trustee will receive customary transaction fees based on the transaction activity of the investment portfolio of the Trust (such fees are currently estimated to be in the range of US$25 to US$65 per transaction).

The trustee fee may be increased to a maximum of 0.15% per annum of the average daily net assets of the Trust upon three month's notice in writing to unitholders and Authorized Participants and with the prior approval of the Manager and the Supervisory Committee.

The Trust will also be responsible for out-of-pocket expenses incurred by the Trustee in the course of carrying out its duties.

The Supervisory Committee

As of 31 May 2011, the following individuals are appointed as the members to the Supervisory Committee (although up to 15 members are permitted):

Mr. Ric Battellino, Deputy Governor, Reserve Bank of Australia

Mr. Huang Guobo, Chief Economist of the State Administration of Foreign Exchange, People's Bank of China

Mr. Peter Pang, Deputy Chief Executive, Hong Kong Monetary Authority

Mr. Budi Mulya, Deputy Governor, Bank Indonesia

Mr. Hiroshi Nakaso, Assistant Governor, Bank of Japan

Mr. JaeChun Kim, Deputy Governor, Bank of Korea

Mr. Muhammad Ibrahim, Deputy Governor, Bank Negara Malaysia

Mr. Grant Spencer, Deputy Governor and Head of Financial Stability, Reserve Bank of New Zealand

Mrs. Ma. Ramona G. D. T. Santiago, Managing Director, Treasury Department, Bangko Sentral ng Pilipinas

Mr. Ong Chong Tee, Deputy Managing Director, Monetary Authority of Singapore

Dr. Atchana Waiquamdee, Deputy Governor for Monetary Stability, Bank of Thailand

On an ongoing basis appointments to and removals from the Supervisory Committee shall be made by the Supervisory Committee itself. The Supervisory Committee shall meet as and when required and at least annually. Under the terms of the Trust Deed, certain matters require the approval of the Supervisory Committee. In addition, the Supervisory Committee has the power to direct and a duty to oversee the Trustee and the Manager on matters relating to the management and administration of the Trust. The Supervisory Committee shall be entitled to, amongst other things:

- direct the Trustee and the Manager on matters relating to the overall structure of the Trust and strategic (but not day to day) issues related to the management and administration of the Trust;

- require the Trustee and the Manager to report to the Supervisory Committee on any matter, act or thing pertaining to their management or administration of the Trust, and in relation to the exercise of any discretion by the Manager or the Trustee pursuant to the Trust Deed, including without limitation, in respect of the appointment or removal of any service provider and the Manager's current and future marketing plan;

- approve the appointment of the Trust's auditor;

- consider and recommend to the Trustee and the Manager, and approve, proposals for the registration or authorisation of the Units or the Trust in any other jurisdiction;

- consider and recommend to the Trustee and the Manager, and approve, proposals for additional listings of the Units on other recognised exchanges, having regard to such factors as commercial viability, legal and regulatory readiness of the market concerned, prevailing market environment; operational requirements and market development; and

- approve, any amendments, alterations or modifications to the Trust Deed that are not subject to unitholders' prior approval.

The Supervisory Committee also has the power to recommend the removal of the Manager and the Trustee.

Notwithstanding the above, the Manager and the Trustee shall not accept or act on any directions given by the Supervisory Committee which would require the Manager or the Trustee to do any act or omit doing any act that would result in a breach by the Manager or the Trustee of their respective fiduciary duties to the unitholders, or a breach by the Manager, the Trustee and/or the Trust of any applicable law or regulations.

The members of the Supervisory Committee will be entitled to be indemnified out of the Trust's portfolio for any liabilities they may incur as a result of acting as members of the Supervisory Committee, except to the extent of any fraud, recklessness, bad faith or wilful default on their part, and except to the extent provided by applicable law.

None of the members of the Supervisory Committee shall be entitled to receive any remuneration from the Trust in respect of their appointment as members of the Supervisory Committee.

There is an established set of eligibility criteria for members of the Supervisory Committee. Amongst other things, the members of the Supervisory Committee must have demonstrable knowledge of financial affairs and must not have been convicted of any criminal offence which is of direct relevance to their fitness and properness as members of the Supervisory Committee or have been found by a court or regulatory authority to have acted fraudulently or dishonestly.

The members of the Supervisory Committee may by unanimous decision dissolve the Supervisory Committee permanently in which event any matter requiring the approval, consent or agreement of the Supervisory Committee under the Trust Deed shall no longer require such approval.

Administrator and Custodian

HSBC Institutional Trust Services (Asia) Limited is appointed as the Trust's Administrator and Custodian.

Acting in its capacity as the Trust's Administrator and Custodian HSBC Institutional Trust Services (Asia) Limited will not be entitled to receive any additional remuneration out of Trust property. Any remuneration shall be paid by the Trustee out of its trustee fee.

The Trust will be responsible for out-of-pocket expenses incurred by HSBC Institutional Trust Services (Asia) Limited in the course of carrying out its duties as Administrator and Custodian of the Trust.

Registrar

HSBC Institutional Trust Services (Asia) Limited is appointed as the Trust's registrar (the "**Registrar**") under the terms of the Trust Deed, to establish and maintain the register of unitholders of the Trust. Acting in its capacity as Registrar, HSBC Institutional Trust Services (Asia) Limited will not be entitled to receive any remuneration out of the Trust property. Any remuneration will be paid by the Trustee out of its trustee fee. The Registrar may, however, be reimbursed from Trust property for its out-of-pocket expenses incurred in connection with performing its registrar services.

The register of unitholders is kept at both the business address of the Registrar and the business address of the Trustee and is available for inspection in the case of the Registrar during normal Hong Kong business hours and in the case of the Trustee during normal Singapore business hours.

Receiving Agent

HSBC Institutional Trust Services (Asia) Limited has been appointed as the Receiving Agent under the terms of the Receiving Agency Agreement. The Receiving Agent will perform certain services in connection with the creation and redemption of Units by Authorized Participants, including receiving creation and redemption orders from, and issuing settlement instructions to, Authorized Participants as well as facilitating the exchange of, cash and Units on the transaction settlement day.

Acting in its capacity as Receiving Agent, HSBC Institutional Trust Services (Asia) Limited will not be entitled to receive any remuneration out of the Trust property. Any remuneration will be paid by the Trustee out of its trustee fee. The Receiving Agent may, however, be reimbursed from Trust property for its out-of-pocket expenses incurred in connection with performing its services.

Processing Agent

HK Conversion Agency Services Limited will act as processing agent ("**Processing Agent**") under the terms of service agreements (each a "**HKSCC/HKCAS Service Agreement**") entered into among others the Manager, Trustee, each Authorized Participant (or on its behalf), Hongkong Clearing and the Processing Agent. The Processing Agent will perform, through Hongkong Clearing, certain of its services in connection with the creation and redemption of Units by Authorized Participants under the Prospectus including facilitating the deposit of Units into CCASS upon creation of Units and the withdrawal of Units from CCASS upon redemption. The Processing Agent will charge the Manager a monthly retainer fee of HK$5,000. The Processing Agent will also charge the Authorized Participants a transaction fee for each creation and redemption application (currently, HK$1,000 per transaction) which is included in the Transaction Fee. The Processing Agent's reasonable out-of-pocket expenses incurred in connection with the services under each of the HKSCC/HKCAS Service Agreements will be paid by the Manager (for the account of the Trust) and the respective Authorized Participant on an equal share basis. The Authorized Participant may pass on its costs to investors.

The parties to the HKSCC/HKCAS Service Agreement provide an indemnity to the Processing Agent, Hongkong Clearing and their respective parent companies, subsidiaries, affiliates, directors, officers, employees and agents for certain losses incurred in the performance of the Processing Agent's services set out in the HKSCC/HKCAS Service Agreement. Each Authorized Participant will enter into a separate HKSCC/HKCAS Service Agreement relating to the Trust. All amounts payable to the Processing Agent by the Manager are for the account of the Trust.

Listing Agent

State Street Global Advisors Singapore Limited is appointed as the Listing Agent of the Trust.

Index Provider

Markit Indices Limited is the Index Provider for the Underlying Index. The Index Provider is not a Connected Person of the Trustee, the Manager or the Stock Exchange, however the Trustee and/or the Manager or their respective affiliates may from time to time have an interest in or be connected with the Index Provider.

The Manager, the Trustee, the Administrator and Custodian will act independently of the Index Provider.

The Manager and the Trustee have entered into a licence agreement with the Index Provider to use the Underlying Index and trade marks (the "**Licence Agreement**").

The licence fee payable by the Trust to the Index Provider for the use of the Underlying Index and trade marks ("**Licence Fee**") is calculated on a sliding scale as a percentage of the Trust's NAV. The Licence Fee is currently up to a maximum of 0.0175% per annum of the Trust's NAV subject to a minimum charge of US$184,000 per annum[13].

Fees, Costs and Expenses payable by the Trust

In addition to the management and trustee fees payable to the Manager and the Trustee respectively there are additional fees, costs and expenses payable by the Trust as follows:

Set up costs

All preliminary expenses have been incurred by the Manager and the Trustee in relation to the setting up, authorization and listing of the Trust which will, subject to the HK SFC Code, be paid for out of the assets of the Trust and will be amortised over a period of the first five years of the Trust. These expenses do not exceed US$850,000.

Investors should be aware that amortisation of preliminary expenses is not in compliance with IFRS (or to the extent relevant and where required by the MAS, RAP 7) which require such expenses to be written off as incurred. The Manager and the Trustee have considered the impact of such non-compliance and do not expect this issue to materially affect the accounts of the Trust.

Other ongoing costs

The Manager and the Trustee are entitled to charge to, or recover from, the assets of the Trust certain duties, charges and other ongoing costs and expenses. These include:

- MAS and SFC authorization fees and other related regulatory fees including those of any other jurisdiction in which the Trust or the Units may be authorized or registered;

[13] The minimum charge and the Licence Fee will be reviewed and may be adjusted annually to take into account movements in the exchange rate between the US Dollar and the Euro in excess of 10%.

- fees paid to the Hong Kong Mandatory Provident Fund Schemes Authority in connection with or arising out of that authority's approval of the Trust for the purposes of enabling the funds of mandatory provident fund schemes' constituent funds and approved pooled investment funds to be invested in the Trust;

- the costs, fees and expenses payable under any licence and data supply contracts entered into in respect of the Trust (including, without limitation, the Licence Agreement);

- stamp duties, taxes, governmental charges, brokerage and commissions, exchange costs and commissions and bank charges in relation to transactions involving all or part of the assets of the Trust or on the creation, cancellation or redemption of Units;

- professional fees in relation to agreeing and/or contesting taxation liabilities or recoveries to be paid out of or into the Trust;

- out-of-pocket expenses of the Custodian and the Administrator (where applicable);

- out-of-pocket expenses of the Registrar and Receiving Agent;

- the fees and expenses of any legal counsel, auditors, brokers and other professional persons appointed by the Trustee or the Manager in connection with their respective duties in relation to the Trust;

- fees, charges, expenses and disbursements incurred in relation to the safe-custody, acquisition, holding, realisation of or other dealing with any investment for the account of the Trust;

- charges and expenses involved in insuring the assets and property of the Trust;

- charges and expenses incurred in conducting legal proceedings or applying to any court for any purposes related to the Trust;

- charges and expenses incurred by the Manager and the Trustee in communicating with each other and with unitholders, Authorized Participants, the Registrar, Custodian, Administrator, Receiving Agent or otherwise in relation to the Trust;

- charges and expenses involved in convening and holding meetings of unitholders or the Supervisory Committee;

- fees and expenses of the Manager and Trustee in obtaining and/or maintaining the listing on the Stock Exchange and/or the authorization of the Trust under the Singapore SFA and HK SFO or any other law or regulation in any part of the world;

- fees and expenses in connection with depositing and holding Units in CCASS, including fees and expenses payable to its Processing Agent;

- costs involved in respect of the calculation and publication in newspapers in Singapore, Hong Kong and elsewhere of the NAV per Unit and/or suspension of issues and redemptions of Units;

- to the extent permitted by the HK SFC Code and the Singapore Code on CIS, costs incurred in respect of the design, creation and maintenance of a website dedicated entirely to the Trust;

- costs, fees and expenses involved in preparing, publishing, distributing and updating this Prospectus;

- fees, costs and expenses in preparing any deeds supplemental to the Trust Deed and in respect of preparing any agreement in connection with the Trust;

- expenses incurred in preparing and arranging for the preparation and distribution of accounts, reports, cheques, statements, certificates and notices which the Trustee or the Manager is required to issue under the terms of the Trust Deed or any other regulatory requirements;

- all premiums, fees, costs and expenses incurred in purchasing and maintaining insurance for members or any member of the Supervisory Committee;

- all fees and expenses of the Auditors in connection with the Trust;

- all fees and expenses incurred in connection with the retirement or removal of a Manager, the Trustee or the Auditors or the appointment of a new manager, a new trustee or new auditors;

- all fees and expenses of any delegate of the Supervisory Committee and of any attorney, banker, accountant, broker, lawyer or other professional person instructed by the Supervisory Committee in accordance with the Trust Deed;

- all expenses incurred in the collection of income;

- all expenses associated with the distributions declared pursuant to the Trust Deed;

- all fees and expenses incurred by the Managers and the Trustee in terminating the Trust;

- all other reasonable costs, charges and expenses which in the opinion of the Trustee and the Manager are properly incurred in the administration of the Trust and pursuant to the performance of their respective duties under the Trust Deed; and

- all such charges, costs, expenses and disbursements as under the general law the Trustee is entitled to charge to the Trust.

Marketing costs

No marketing or promotional expenses shall be charged to the Trust.

Insufficient income to meet ongoing costs

To the extent that the amount of the Trust's ongoing fees, costs and expenses mentioned above, and other ongoing costs and expenses of the Trust, exceed the amounts received by the Trust in respect of income, interest and coupons paid on the Trust's portfolio securities, interest received on cash deposits and other income received by the Trust, then the excess will be met by disposing of part of the Trust's portfolio of securities or other investments. Any such disposal of portfolio securities or other investments may adversely affect the Trust's ability to achieve its investment objective.

Fees Payable by Investors

Brokerage and Stock Exchange trading fee

Investors who trade their Units on the Stock Exchange will be required to pay a Stock Exchange trading fee of 0.005% of the traded price of the Units and a Stock Exchange Trading Tariff of HK$0.50 per transaction and a SFC Transaction Levy of 0.003% of the traded price of the Units. Brokers may charge commission at their discretion.

Transaction Fees and other duties and charges

The Manager at its discretion may impose a creation transaction fee and a redemption transaction fee (each a "**Transaction Fee**") to offset transfer and other transaction costs associated with the creation and redemption of Creation Units or other Unit aggregations.

The Transaction Fee is up to a maximum of US$1,000 per order or request and is payable by the Authorized Participant submitting the order or request to the account of the Trust. The current Transaction Fee charged is HK$1,000 (approximately US$128) per order or request. Authorized Participants may pass on their Transaction Fee, in whole or in part, to the investor. The level of this Transaction Fee may be changed at the discretion of the Manager, and in case such fee is increased, not less than one month's notice of the increase will be given to Authorized Participants.

Authorized Participants may also charge an additional commission for their own account.

In addition, to prevent any "dilution" of the Trust's property the Manager has discretion to charge additional fees in respect of duties and charges of the Trust, as explained more fully in the section entitled "Creation and Redemption of Units – Dilution".

Investors who use the services of a broker, dealer or other such intermediary may pay fees for such services.

Dividends and Distributions

The Trust will pay out income dividends and net realized capital gains to unitholders semi-annually within each distribution period. The first distribution period for determining the amount of income dividends and net realized capital gains commenced on the Initial Creation date and ended on 30th June 2006. Each subsequent distribution period shall commence on the day after the end of the previous distribution period and end on 30th June (or such other date as shall be determined by the Manager (with the prior approval of the Trustee)). The Manager intends to make a semi-annual dividend distribution covering the period from 1st July to 31st December. There is currently no dividend reinvestment service.

The Manager will determine the amount of income and net realized capital gains available for distribution to unitholders on the Hong Kong Business Day (each an "**Ex-Dividend Date**") which falls immediately before a Record Date.

The "**Record Dates**" shall be 22nd January and 22nd July, save that in the event any such date is not a Hong Kong Business Day, the Record Date shall be the immediately following Hong Kong Business Day (or such other date as shall be determined by the Manager with the prior approval of the Trustee). A "**Hong Kong Business Day**" is any day on which the Stock Exchange is open for normal trading other than a day on which trading on the Stock Exchange is scheduled to close prior to its regular weekday closing time and excluding any day on which a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal (or any warning or signal considered by the Trustee to be similar in effect) is in force in Hong Kong at any time after the Stock Exchange officially opens for trading and before the Stock Exchange officially closes for trading on that day (or such other day or days as may from time to time be determined by the Manager and the Trustee).

In the case of the interim Ex-Dividend Date of the semi-annual distribution period of the Trust, the Trustee will allocate for interim distribution among the unitholders of the Trust as at the relevant Record Date: (i) the lower of: (a) all of the net income of the Trust (after deduction of the Trust's fees, costs and expenses properly payable from income and making an appropriate provision for the payment of accrued fees, costs and expenses properly payable from income); and (b) an amount equal to the average value of the Trust's Deposited Property multiplied by the average yield of the Underlying Index (after deducting therefrom an amount in respect of all fees, costs and expenses properly payable from income and an appropriate provision for the payment of accrued fees, costs and expenses properly payable from income), in each case in respect of the period commencing from the previous final Ex-Dividend Date; and (ii) such amount of any net realized capital gains, as determined by the Manager having due regard to the total return of the Underlying Index in the relevant semi-annual period, the amount of net income to be distributed and the overall interests of unitholders, in respect of the semi-annual distribution period commencing from the previous final Ex-Dividend Date.

In the case of the final Ex-Dividend Date of the full year distribution period of the Trust, the Trustee will allocate for final distribution among the unitholders of the Trust as at the relevant Record Date (i) the lower of: (a) all of the net income of the Trust (after deduction of the Trust's fees, costs and expenses properly payable from income and making an appropriate provision for the payment of accrued fees, costs and expenses properly payable from income); and (b) an amount equal to the average value of the Trust's Deposited Property multiplied by the average yield of the Underlying Index (after deducting therefrom an amount in respect of all fees, costs and expenses properly payable from income and an appropriate provision for the payment of accrued fees, costs and expenses properly payable from income), in each case in respect of that full year distribution period less the amount previously allocated and distributed by way of interim distribution; and (ii) such amount of any net realized capital gains, as determined by the Manager having due regard to the total return of the Underlying Index in the relevant period, the amount of net income to be distributed and the overall interests of unitholders, in respect of that full year distribution period less the amount of net realized capital gains previously allocated and distributed by way of interim distribution. Any net income (after the deduction of the Trust's fees and expenses) and net realized capital gains that have not been allocated and distributed to unitholders in respect of a full year distribution period shall be allocated as Deposited Property following the final Record Date of the full year distribution period.

Amounts to be distributed in respect of each Unit will be rounded down to the nearest US$0.01 per Unit. Any amount of income not distributed in a semi-annual distribution period shall be taken into account when calculating the amount available for allocation and distribution to each unitholder on the next final Ex-Dividend Date.

The Record Dates and Ex-Dividend Dates, and accordingly the distribution period, may be changed, or added to, as determined by the Manager with the prior approval of the Trustee.

Distributions payable to investors shall be paid for the respective semi-annual and annual distributions within four weeks of the relevant Ex-Dividend Date. To the extent that the Trustee and the Manager have made payments to HKSCC Nominees, neither the Trustee nor the Manager will have any responsibility for the distribution by HKSCC Nominees of payments to CCASS Participants whose Units are registered in the name of HKSCC Nominees.

Income received by the Trust pending distribution may be invested by the Manager in a manner consistent with achieving the investment objective of the Trust.

Any moneys payable to a unitholder which remain unclaimed after a period of 12 months shall be accumulated by the Trustee in a special account (the "**Unclaimed Moneys Account**"). The Trustee shall cause such sums which represent moneys unclaimed by a unitholder for more than six years and interest, if any, earned thereon to be paid into court after deducting all fees, costs and expenses incurred in relation to such payment provided that if the said sum is insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Trust property. Unclaimed moneys payable to a CCASS Participant are governed by the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Additional Listing

The Manager may, with the prior approval of the Supervisory Committee, seek a listing of the Units on any other internationally recognised regulated stock or investment exchange or marketplace having regard to such factors as commercial viability of the proposed listing, legal and regulatory readiness of the market concerned, prevailing market environment, operational requirements and market development. Any costs associated with any such listing will be funded out of the Trust property.

Taxation

As with any investment, prospective investors should consider how their investment in Units will be taxed. The tax information in this Prospectus is provided as general information and does not constitute tax or legal advice. Prospective investors should consult their own tax professional about the tax consequences of an investment in Units.

Singapore Tax

The discussion below is a summary of certain Singapore tax consequences of the purchase, ownership and disposition of Units. The summary is based on the existing provisions of the relevant tax law and the regulations thereunder, and practices in effect of the date hereof, all of which are subject to change and differing interpretations, either on a prospective or retroactive basis. The summary is not intended to constitute a complete analysis of all the tax considerations relating to participation in the Trust. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to their particular situations.

The Manager has obtained approval from the Inland Revenue Authority of Singapore to treat the Trust as a Designated Unit Trust ("**DUT**") within the meaning of Section 35(14) of the Income Tax Act, Chapter 134 of Singapore ("**SITA**"). The key aspects relating to taxation of a DUT are summarised below.

Trust level. Income derived by a trust is generally taxable through its trustee. If, however, the trust in question is a DUT, certain income does not form part of the trust's taxable income. The items of income exempt at the trust level include the following:

- gains or profits derived from Singapore or elsewhere from the disposal of securities;
- interest (other than interest for which tax has been deducted under section 45 of the SITA);
- dividends derived from outside Singapore and received in Singapore;
- gains or profits derived from:
    - foreign exchange transactions;
    - transactions in futures contracts;
    - transactions in interest rate or currency forwards, swaps or option contracts; and
    - transactions in forwards, swaps or option contracts relating to any securities or financial index;

- distributions from foreign unit trusts derived from outside Singapore and received in Singapore;

- fees and compensatory payments (other than fees and compensatory payments for which tax has been deducted under section 45A of the SITA) from securities lending or repurchase arrangements with certain specified persons;

- discount derived from outside Singapore and received in Singapore;

- discount from qualifying debt securities ("**QDS**") issued during the period from 17th February 2006 to 31st December 2013;

- gains or profits derived from the disposal of debentures, stocks, shares, bonds or notes issued by supranational bodies; and

- prepayment fee, redemption premium and break cost from QDS issued during the period from 17th February 2006 to 31st December 2013.

No tax is withheld from distributions made by a DUT.

Unitholders level – Distributions. The tax treatment of distributions out of a DUT in the hands of unitholders is as follows:

- Any distribution received by a foreign investor (within the meaning of Section 10(23) of the SITA) is exempt from taxation if such income is not connected with a permanent establishment that the foreign investor may have in Singapore and provided that the distribution is made out of income exempt at the trust level.

  Under Section 10(23) of the SITA, "foreign investor":

  ◦ in relation to an individual, means an individual who is not resident in Singapore;

  ◦ in relation to a company, means a company which is not resident in Singapore and:

    – in the case of a company with not more than 50 shareholders, all of its issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and

    – in the case of a company with more than 50 shareholders, not less than 80% of the total number of its issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and

- ◦ in relation to a trust fund, means a trust fund where at least 80% of the value of the fund is beneficially held, directly or indirectly, by foreign investors referred to above and/or individuals who are not resident in Singapore, unless waived by the Singapore Minister for Finance or such person as he may appoint, where:

  – the fund is created outside Singapore; and

  – the trustees of the fund are neither citizens of Singapore nor resident in Singapore.

- Any distribution received by an individual (whether resident or not) is exempt from taxation, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

- Distributions other than in those situations covered above are subject to tax at the unitholders' level, unless the income out of which distributions are made has already been taxed at the trust level.

Unitholders level – Disposal of units. Gains on disposal of units by a unitholder should not be subject to Singapore taxation, unless the gains are derived in the course of a trade or business carried on in Singapore, or in the course of a trade or business carried on outside Singapore and received (or deemed received) in Singapore. However, individuals (whether resident or not) are exempt from tax on all foreign-sourced income received in Singapore, except in the case of the income received by a resident individual through a partnership in Singapore.

Based on the Circular issued by the Inland Revenue Authority of Singapore on 28th December 1995 (and updated on 15 March 2005), foreign businesses which are not operating in or from Singapore will not be taxed on their foreign sourced income even when it is received in Singapore.

Hong Kong Profits Tax

The Trust is exempt from Hong Kong profits tax arising in relation to the sale or disposal of securities. Hong Kong profits tax will not be payable by an investor on any gains or profits made on the sale, redemption or other disposal of Units unless that investor carries on a trade, profession or business of dealing in securities in Hong Kong.

Hong Kong Stamp Duty

Pursuant to a remission order issued by the Secretary for Financial Services and the Treasury of the HKSAR Government on 21st June 2005, any Hong Kong stamp duty on the sale and purchase of any Units by an investor in the secondary market will be remitted or refunded.

If any of the Deposit Securities or Redemption Securities constitute loan capital as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong, their transfer will not attract Hong Kong stamp duty. In any event, pursuant to a remission order issued by the Secretary for the Treasury of the HKSAR Government on 20th October 1999, Hong Kong stamp duty on the transfer of Deposit Securities by an investor for the creation of Units will be remitted or refunded. Similarly, Hong Kong stamp duty on the transfer of Redemption Securities to an investor upon a redemption of Units will also be remitted or refunded.

No stamp duty is payable on an issue or redemption of Units.

Anti-Money Laundering

As part of the Manager's and the Trustee's responsibility for the prevention of money laundering and countering the financing of terrorism and to comply with all applicable laws, regulations and notices to which the Manager, the Trustee or the Trust is subject, the Manager, the Trustee or the Receiving Agent may require a detailed verification of a potential investor's identity and the source of payment of any subscriptions.

In the event of delay or failure by the applicant to produce any information required for verification purposes an order for Units may be refused.

Financial Reports

The Trust's financial year ends on 30th June in each year (the first financial period will end on 30th June 2006). The Manager will arrange for annual accounts to be prepared in respect of the Trust and audited by the Trust's auditors (who are currently PricewaterhouseCoopers). Such accounts, along with the annual report prepared by the Manager and the trustee report prepared by the Trustee, will be published and distributed to unitholders by post and posted on the Trust's dedicated website within three months of the end of the Trust's financial year. In addition, the Manager will procure that unaudited interim accounts and reports will be published for the half-year period ending 31st December in each year (the first half-year period ended on 31st December 2005) and distributed to unitholders and posted on the Trust's website within two months of the end of that period. In the future the Manager may also distribute accounts and reports via electronic means as permitted under the Singapore Code on CIS. The contents of these reports will comply with the requirements of the Singapore Code on CIS and the HK SFC Code and such reports shall be prepared in accordance with IFRS (or to the extent relevant and required by where relevant RAP 7). The financial reports will be available at http://www.abf-paif.com. In addition, printed copies of the financial reports will be made available at the registered office of the Manager, free of charge. The annual report and the interim report of the Trust will be issued in English and Chinese.

To the extent that any of the valuation principles used to determine the Trust's NAV per Unit at the Valuation Point with respect to each Dealing Day is or becomes inconsistent with IFRS (or to the extent relevant and where required by the MAS, RAP 7), the Trust's accounts may not necessarily be in line with the published NAV per Unit. In this case, a reconciliation note may need to be included in the accounts of the Trust to reconcile values arrived at by applying IFRS (or to the extent relevant and where required by the MAS, RAP 7) and the NAV per Unit of the Trust by applying the Trust's valuation principles.

Notices

Any notices required to be given to unitholders under the Trust Deed and/or by the Singapore Code on CIS, the HK SFC Code or the Listing Rules shall be sent by post to unitholders. In addition, such notices will be published on the Trust's dedicated website and the Stock Exchange's website. Copies of such notices will also be available from the Authorized Participants and the Manager.

Meetings of Unitholders

The Trust Deed sets out procedures to be followed in respect of meetings of the unitholders, including provisions as to the giving of notice, appointment of proxies and quorum.

Amending the Trust Deed without Unitholder Approval

The Trustee and the Manager may not alter, modify or vary the terms of the Trust Deed without obtaining the approval by extraordinary resolution of unitholders except where the alteration, modification or variation is:

- made to enable the Trust to comply with fiscal or other statutory or official requirements (whether or not having the force of law) of any country or authority provided that the Trustee certifies in writing that, in its opinion, such change is necessary to so comply; or

- necessary to remove an obsolete provision or to correct a manifest error and the Trustee certifies in writing accordingly; or

- expedient for any purpose and the Trustee certifies in writing that, in its opinion, such alteration, modification or variation:

  – is not materially prejudicial to the interests of unitholders; and

  – does not to any material extent release the Trustee, the Manager or any other person from liability to unitholders; and

  – does not increase the costs and charges payable out of the Trust (other than costs incurred in altering, modifying or varying the Deed).

In addition, no alteration, modification or variation, regardless of it having been approved by extraordinary resolution, may impose any liability on any unitholder to make further payments in respect of Units held by him or to accept any additional liability in respect of the Units.

The Trustee may in addition certify that, in its opinion, an amendment to the Trust Deed is necessary or desirable for the purposes of listing or maintaining a listing of the Units on the Stock Exchange or any other recognised exchange approved by the Supervisory Committee or for the purposes of registering or authorizing the Units or the Trust in any other jurisdiction approved by the Supervisory Committee, in which case, the approval of unitholders by extraordinary resolution will not be necessary to make that amendment.

Any amendment to be made to the Trust Deed by the Manager and the Trustee without requiring the prior approval of unitholders under the Trust Deed will require the approval of the Supervisory Committee. Unless the SFC consents otherwise the Manager will give prior notice to unitholders in writing of any amendments made to the Trust Deed without unitholders' approval.

Intermediaries in Hong Kong

No application monies should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under the HK SFO.

Liability and Indemnities

The Trust Deed contains the duties and responsibilities of the Trustee and the Manager. The Trust Deed requires that (subject as provided in the Trust Deed) the Trustee and the Manager exercise their respective powers and authorities in the exclusive interests of the unitholders.

The HK SFC Code requires that the Trustee, amongst other things, take into its custody or under its control all of the property of the Trust, registers investments in its name or to its order and is liable for the acts and omissions of its nominees and agents in relation to the assets forming part of the property of the Trust. The Trustee has appointed the Custodian to safekeep the property of the Trust.

Under the HK SFC Code, the Manager must manage the Trust in accordance with the constitutive documents of the Trust (including, the Trust Deed) and must comply with the requirements set out in the HK SFC Code.

The HK SFC Code provides that neither the Trustee nor the Manager can be exempted from any liability to unitholders imposed under Hong Kong law or for breaches of trust through fraud or negligence, nor may they be indemnified against such liability by unitholders or at the expense of unitholders.

The Trust Deed includes certain exclusions of liability and indemnities in favour of the Trustee and the Manager, other than in respect of the Trustee's or Manager's fraud, negligence, bad faith or wilful default.

Termination

The Trust may be terminated by the Trustee, with the prior approval of the Manager (except the approval of the Manager shall not be required in the case of (i) the liquidation of, or analogous proceedings in respect of, the Manager (ii) if the MAS or SFC directs under the Singapore SFA or the HK SFO respectively that the Trust be terminated) and the Supervisory Committee (except the approval of the Supervisory Committee shall not be required in the case of (i) the Units ceasing to be listed on the Stock Exchange, (ii) the Trust ceasing to be authorized by the MAS or SFC or (iii) if the average of the daily value of the aggregate Trust's NAV is less than US$250 million over any rolling three-month period or (iv) if the MAS or SFC directs under the Singapore SFA or the HK SFO respectively that the Trust be terminated, in the following circumstances:

- it becomes illegal or in the opinion of the Trustee impossible or impracticable to continue the Trust;
- the Trust becomes liable to taxation (whether in Singapore or elsewhere) in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by investors by investing directly in the Index Securities and Non-Index Securities;
- the Units cease to be listed on the Stock Exchange;
- the Trust ceases to be authorized by the MAS under section 286 of the Singapore SFA or authorized by the SFC under section 104 of the HK SFO;
- the Underlying Index ceases to be compiled or published and there is no successor index;
- the Licence Agreement is terminated and no new licence agreement relating to the Underlying Index or any successor index is entered into by the Trustee and the Manager;
- the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or analogous proceedings where, after the expiration of a period of three months, the Trustee has not appointed a new manager;
- if on the expiration of three months after notifying the Manager that in the Trustee's opinion a change of Manager is desirable in the interests of the unitholders, the Trustee has not found another company ready to accept, the office of manager of the Trust of which the Trustee, the Supervisory Committee, the MAS and the SFC shall approve;
- if the average of the daily aggregate net assets of the Trust is less than US$250 million over any rolling three month period; or
- if the MAS or SFC direct under the Singapore SFA or HK SFO that the Trust be terminated.

Upon the termination of the Trust, all outstanding borrowings and other fees, expenses and liabilities of the Trust must be repaid or paid. Thereafter, at the discretion of the Trustee, the Trust's portfolio of securities and other property will be distributed in-kind or sold in favour of unitholders pro rata to the number of Units held in accordance with the terms of the Trust Deed. In the case of unitholders who are retail investors, the Trustee will sell Trust securities and other property pro rata to the number of Units held by them in order to make cash distributions to those unitholders.

At least three months' prior notice of the termination of the Trust will be given to unitholders (unless the Trust is terminated by reason of illegality, in which case no prior notice needs to be given to unitholders).

Conflicts of Interest

The Trustee, the Manager, the Listing Agent, the Administrator, the Custodian, the Receiving Agent, the Registrar and any shareholder and any of their respective Connected Persons may:

(a) contract or enter into any financial, banking, insurance or other transaction with one another, unitholders, Authorized Participants or any corporation or body any of whose securities form part of the Deposited Property of the Trust and be interested in any such corporation or body; and

(b) invest in and deal with securities or any property of the kind included in the property of the Trust for their respective individual accounts or for the account of a third party.

Neither the Trustee nor the Manager may act as principal to buy or sell investments from or to the Trustee for the account of the Trust or otherwise deal as principal with the Trust. However, with the prior written consent of the Trustee, any Connected Person of the Manager may deal as agent or principal in the sale or purchase of securities and other investments to or from the Trust. There will be no obligation on the part of such Connected Person to account to the Trust or to unitholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are entered into on an arm's length basis and at the best price available to the Trust having regard to the kind, size and time of the transaction.

Any cash of the Trust may be deposited with any Connected Person of the Trustee or Manager or invested in certificates of deposit or banking investments issued by any such Connected Person provided that interest received on any such deposits or banking instruments shall be kept at a rate not lower than the prevailing commercial rate for a deposit of that size and term. Banking or similar transactions may also be undertaken with or through a Connected Person.

With the prior written consent of the Trustee, the Manager may effect transactions by or through the agency of another person for the account of the Trust with whom the Manager or any of its Connected Persons have an arrangement for the supply of goods, services or other benefits.

Where the Manager or any Connected Person of the Manager receives any cash rebate of all or any part of any commission paid out of the Trust, the Manager or that Connected Person shall not be entitled to retain that cash rebate but shall account for and pay the same to the Trustee to be held as Trust property.

The Manager is responsible for selecting brokers and dealers through whom transactions for the account of the Trust are to be executed (which may include the Manager, the Trustee or a Connected Person of either of them). The Manager shall ensure that the aggregate value of all transactions effected in any accounting period through brokers and dealers who are Connected Persons of the Manager shall not exceed 50% of the aggregate value of all transactions effected for the account of the Trust during that accounting period.

The Manager may, in accordance with applicable law and regulation, effect agency cross transactions where both the sale and purchase of an investment are effected for clients (including the Trust on the one hand) of the Manager and/or its Connected Persons provided that the sale and purchase decisions are in the interests of both clients, permitted within the investment guidelines/objectives of both clients and the transactions are executed on an arm's length basis and at the best price available to the Trust having regard to the kind, size and time of the transaction.

The Manager may, in the course of its business, have potential conflicts of interest with the Trust. In such circumstances, the Manager will have regard to its obligations under the Trust Deed and, in particular, to its obligation to act in the best interests of the Trust and the unitholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that such conflicts do arise, the Manager will use its best efforts to resolve such conflicts fairly.

In respect of voting rights where the Manager may face a conflict between its own interest and that of the unitholders, the Manager shall cause such voting rights to be exercised in consultation with the Trustee.

Underlying Index Disclaimers

Markit Indices Limited

The Markit iBoxx ABF Pan-Asia Index (i.e. the Underlying Index) referenced herein is the property of Markit Indices Limited (i.e. the Index Provider) and has been licensed for use in connection with the Trust. Each party acknowledges and agrees that the Trust is not sponsored, endorsed or promoted by the Index Provider. The Index Provider make no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Underlying Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Underlying Index or any data included therein, the results obtained from the use of the Underlying Index and/or the composition of the Underlying Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Underlying Index at any particular time on any particular date of otherwise. The Index Provider shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Underlying Index, and the Index Provider is under no obligation to advise the parties or any person of any error therein.

The Index Provider makes no representation whatsoever, whether express or implied, as to the advisability of purchasing of selling the Trust, the ability of the Underlying Index to track relevant markets' performances, or otherwise relating to the Underlying Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Provider has no obligation to take the needs of any party into consideration in determining, composing or calculating the Underlying Index. No party purchasing or selling the Trust, nor the Index Provider shall have any liability to any party for any act or failure to act by the Index Provider in connection with the determination, adjustment, calculation or maintenance of the Underlying Index.

The Manager and Trustee

Neither the Manager nor the Trustee guarantees the accuracy and/or the completeness of the Underlying Index or any data included therein, and the Manager and the Trustee shall have no liability for any errors, omissions, or interruptions therein. The Manager and the Trustee make no warranty, express or implied, as to results to be obtained by the Trust, owners of the Units of the Trust, or any other person or entity from the use of the Underlying Index or any data included therein. The Manager and the Trustee make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Index or any data included therein. Without limiting any of the foregoing, in no event shall the Manager or the Trustee have any liability for any special, punitive, direct, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are, or will be, available for inspection during normal business hours at the offices of the Trustee and the Manager:

- Trust Deed
- Licence Agreement
- Fund Administration and Registrar Services Agreement
- Custodian Agreement
- Receiving Agency Agreement
- Manager and Trustee Fee Letters
- the most recent annual report and accounts of the Trust (not later than three months after the end of the Trust's preceding financial period) and the most recent interim report and accounts of the Trust (not later than two months after the end of the half-year period to which they relate).

Copies of the Prospectus can be obtained during normal business hours from the following:

Manager
State Street Global Advisors Singapore Limited

Singapore Office:
168 Robinson Road
#33-01 Capital Tower
Singapore 068912

Hong Kong branch office:
68/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Receiving Agent
HSBC Institutional Trust Services (Asia) Limited

6/F, Tower 1, HSBC Centre
1 Sham Mong Road
Kowloon
Hong Kong

and may be obtained from any Authorized Participants.

No person is authorized to give any information or to make any representations about the Trust and the Units not contained in this Prospectus and you should not rely on any other information. Read and keep this current Prospectus for future reference.

Investors who have any complaints and/or queries concerning the Trust may contact the Manager at telephone number +65 6826 7500 in Singapore and +852 2103 0288 in Hong Kong, or email ssgaasia@ssga.com.

APPENDIX 1 – UNDERLYING INDEX

The information presented in this Appendix has been extracted from publicly available documents that have not been prepared or independently verified by the Manager, the Trustee, the Supervisory Committee or any of their respective affiliates or advisers in connection with the offering and listing of Units and none of them makes any representation as to or takes any responsibility for the accuracy or completeness of this Appendix. The information presented in this Appendix is subject to change by the Index Provider.

The Markit iBoxx® ABF Pan-Asia Index

The Markit iBoxx® ABF Pan-Asia Index is an indicator of investment returns of Asian Currency denominated debt obligations issued or guaranteed by an Asian Government, by an agency or instrumentality of an Asian Government, by an Asian Government sponsored entity or a quasi Asian Government entity and Asian Currency denominated debt obligations issued by a supranational financial institution or by an agency or instrumentality of any supranational financial institution or by an entity sponsored by any supranational financial institution, in each case as determined by the Index Provider and which are for the time being constituent securities of the Underlying Index.

Composition of the Underlying Index

Only government, sovereign and sub-sovereign debt (subject to certain credit rating requirements as determined by the Index Provider) are eligible for the Underlying Index.

Top 10 largest constituent securities of the Underlying Index

As of 30 April 2011, the composition and weightings of the top 10 largest constituent securities of the Underlying Index were as follows[14]:

Issuer Name	Coupon %	Maturity Date	Weighting
HK GOVT BOND PROGRAMME	2.93	13-Jan-20	1.7259%
KOREA TREASURY BOND	5.75	10-Sep-18	1.2139%
SINGAPORE GOVERNMENT	3.625	1-Jul-14	1.1381%
SINGAPORE GOVERNMENT	3.75	1-Sep-16	1.0850%
SINGAPORE GOVERNMENT	3.25	1-Sep-20	1.0108%
SINGAPORE GOVERNMENT	1.625	1-Apr-13	0.9441%
SINGAPORE GOVERNMENT	4	1-Sep-18	0.9346%
SINGAPORE GOVERNMENT	3.5	1-Mar-27	0.8619%
SINGAPORE GOVERNMENT	2.5	1-Oct-12	0.8594%
MALAYSIAN GOVERNMENT	5.094	30-Apr-14	0.8511%

[14] The Underlying Index is rebalanced monthly and accordingly the top 10 largest constituent securities and/or their weightings may change. Please see the section below entitled "Index re-balancing procedure".

Description of the index methodology

The following five criteria are used to derive the Underlying Index: (i) bond type; (ii) rating requirements and issuer classification; (iii) bond life at issuance; (iv) time to maturity; and (v) amount outstanding.

Bond Type

The following types of securities are eligible for inclusion in the Underlying Index: (i) fixed, zero coupon and step-up coupon bonds; and (ii) sinking funds and amortizing bonds with a fixed redemption schedule.

Securities with any of the following attributes are excluded from the Underlying Index: (i) bonds with embedded call or put options; (ii) floating rate notes and fixed-to-floater bonds; (iii) bonds with warrants; (iv) convertible securities; (v) undated bonds; and (vi) index-linked and credit-linked notes.

Only bonds with predetermined cash flows are eligible for the Underlying Index.

The Underlying Index is rebalanced monthly and accordingly the top 10 largest constituent securities and/or their weighting may change. Please see the section below entitled "Index rebalancing procedure".

Retail bonds are excluded from the Underlying Index.

Private placements that are only offered to a few select investors are excluded from the Underlying Index.

Ratings requirements and Issuer classification

Only government, sovereign and sub-sovereign debt (subject to certain credit rating requirements) are eligible for inclusion in the Underlying Index.

Collateralized bonds are excluded from the Underlying Index.

Quasi-sovereign bonds are split into sub-sovereign bonds and other sovereign bonds.

Debt issued by one of the Asian Governments in one of the Asian Currencies other than its respective domestic currency is classified as "Other Sovereigns" in the quasi-sovereign index. Bonds issued in currencies other than the eight Asian Currencies are not eligible for the Underlying Index.

Sub-sovereign bonds are issued by entities with explicit or implicit government backing due to legal provision, letters of comfort or the public service nature of their business. The issuer requires strong central government ownership if its bonds are not explicitly guaranteed by the central government.

The four main sub-sovereign categories are: (i) Agencies; (ii) Government-guaranteed; (iii) Local governments; and (iv) Supranationals.

Supranational issuers are entities owned and/or supported by more than one central government, including the Asian Development Bank, the European Investment Bank and the International Bank for Reconstruction & Development.

Local government bonds issued by local or regional governments are eligible only if they are explicitly guaranteed by the central government.

Bonds from issuers that are explicitly guaranteed by a central government are classified as “Government guaranteed” and are eligible for the Underlying Index. Guaranteed bonds and issuers are classified into that category, even though the underlying issuer may be a quasi sovereign.

Agencies are entities whose major business is to fulfil a government-sponsored role to provide public, non-competitive services. Often, such business scope is defined by a specific law, or the issuer is explicitly backed by the government. There are three main categories of agencies: (i) financial; (ii) infrastructure & transport; and (iii) public utilities.

In principle, the business scope and legal provisions in combination with strong government ownership determines whether an issuer is a quasi sovereign or a corporate. In addition, the rating differential between government and quasi sovereign is also taken into consideration. For instance, a considerable rating differential (e.g. three notches) below the sovereign suggests that the issuer does not belong in the quasi-sovereign sector.

Further information in respect of the Underlying Index may be obtained from http://indices.markit.com/default.asp.

Domestic central government debt does not require a rating. In order to ensure high credit quality of the Underlying Index, most quasi-sovereign bonds need to be rated investment grade. Ratings from the following three credit rating agencies are considered: (i) Fitch; (ii) Moody’s; or (iii) Standard & Poor’s.

If a bond is rated by more than one credit rating agency, the lowest rating is used. Investment grade is defined as BBB- or higher from Fitch and Standard & Poor’s and Baa3 or higher from Moody’s.

Supranationals need to have at least AA- rating.

Unrated bonds or issuers from investment grade countries are only eligible in the following quasi sovereign categories: (i) Government-guarantee; and (ii) Financial agencies, provided it can be ascertained that the issuer has strong links to and support from the central government (e.g. a reduced risk weighting for the purpose of calculating capital adequacy ratio for commercial banks, senior government representation on the company board etc.). The decision whether to include unrated financial agencies is taken on a case-by-case basis.

Quasi sovereigns from sub-investment grade rated countries are excluded from the Underlying Index unless they have an investment grade rating. The applicable sovereign debt rating is the best rating of the Fitch, Moody's and S&P local currency debt ratings.

Classification review procedure

The issuer classification is reviewed regularly and issuers whose status has changed are included in the Underlying Index at the next re-balancing. Additional information documenting the classification decision is provided for quasi sovereigns that are unrated or where the rating differential between the sovereign and issuer is significant.

In exceptional circumstances, the Markit iBoxx Asian index committee may propose to include further issuers that fall outside these basic rules. The classification decision together with the decision documentation is submitted to the Markit iBoxx Asian Oversight Committee for review and approval.

Bond life at issuance

All bonds must have a minimum bond life of 18 months at issuance. The minimum life is measured from the first settlement date to the maturity date of the bonds and is rounded to the nearest month.

Time to Maturity

All bonds must have a remaining time to maturity of one year or more at any re-balancing date. The time to maturity is calculated from the re-balancing date to the final maturity date of the bond by using the native day count convention of the bond.

For sinking funds and amortizing bonds, the average life is used instead of the final maturity to calculate the remaining time to maturity.

Amount outstanding

The minimum amount outstanding for bonds to be eligible for the Underlying Index is as follows:

Country/territory	Currency	Sovereigns	Quasi sovereigns
China	CNY	20,000,000,000	10,000,000,000
Hong Kong	HKD	500,000,000	500,000,000
Indonesia	IDR	2,000,000,000,000	1,000,000,000,000
Korea	KRW	1,000,000,000,000	100,000,000,000
Malaysia	MYR	2,000,000,000	500,000,000
Philippines	PHP	5,000,000,000	3,000,000,000
Singapore	SGD	500,000,000	200,000,000
Thailand	THB	20,000,000,000	2,000,000,000

Limit on the number of issues per quasi-sovereign issuer

There are no restrictions on the number of issues for sovereign debt.

In order to increase the investability in the Underlying Index, as well as maintain a high degree of issuer diversification, the number of issues for each quasi-sovereign issuer (as identified by the Bloomberg ticker) is limited to reduce the number of bonds in the Underlying Index.

The number of bonds per issuer is limited to five. If more than five issues qualify for inclusion in the Underlying Index, a liquidity ranking is used to decide which bonds have a higher liquidity. The liquidity ranking is based on three factors: (i) size (amount outstanding); (ii) age (time since issuance); (iii) time to maturity.

A formula has been developed to assess the relative liquidity of a bond vis-a-vis other bonds of the same issuer. Further information may be obtained by visiting http://indices.markit.com/default.asp.

Country Weights

The Underlying Index covers a variety of countries with small, medium and large bond markets. Simply weighting by market capitalisation would skew the index profile heavily in favour of the two biggest countries, China and Korea, and reduce the weight of smaller debt markets (e.g. Hong Kong or Singapore), which are more developed, more liquid and more accessible for investment. Therefore the standard index construction approach is unsuitable for Pan-Asia debt and would prevent investors from obtaining a sizeable exposure to the underlying bond markets.

Country weight Composition

The weight of each country is constructed from equal weighting baseline (i.e. 12.5% weight for each of the eight countries in the Underlying Index). The baseline weight is adjusted by the following factors: (i) local bond market size; (ii) turnover ratio; (iii) sovereign local debt rating; and (iv) market openness.

A formula has been developed to assess the country weight for each country. Further information may be obtained by visiting http://indices.markit.com/default.asp.

The maximum permissible country weight is capped at 30%. If a country has a theoretical weight in excess of 30%, the residual is distributed amongst the remaining countries in proportion to their respective weights.

Review of individual country weights

In order to enhance the stability of the Underlying Index and to capture long-term trends within the eight markets, the country weights are reviewed annually. The country weights are not changed between review dates unless an extraordinary review is conducted, which may occur if profound changes in one or more of the eight countries suggests that the weights of the countries would change significantly during the review. Examples of such changes are a major increase in bond issuance or liquidity, or major regulatory changes that impact the market accessibility significantly.

Current weights

The next regular country weight review is anticipated to be on 31st October 2011 (or such other date as may from time to time be determined by the Index Provider). The current weights effective from 1st November 2010 of the Underlying Index are:

Country	Weighting
China	20.77%
Hong Kong	19.34%
Indonesia	5.52%
Korea	15.29%
Malaysia	10.59%
Philippines	5.50%
Singapore	14.14%
Thailand	8.85%

Index re-balancing procedure

The Underlying Index is re-balanced on the last calendar day of the month after close of business. Changes to static data, such as ratings, amount outstanding etc. are only taken into account if they are publicly known three business days before the end of the month. Rating or amount outstanding changes on the last two trading days of the month are accounted for at the next re-balancing. New bonds issued must settle before the end of the month and all relevant information must be known at least three trading days before the end of the month.

The classification of existing bonds is also reviewed at each monthly re-balancing, and resulting classification changes are implemented at the re-balancing. This means that quasi-sovereign issuers, which are no longer considered to have a sufficiently close relationship with the government, are reclassified as corporate issuers and subsequently removed from the index at the monthly re-balancing.

The final membership list for the next month is published two trading days before the end of the month, and is republished with the re-balancing prices on the last trading day of the month after close of business.

Data for Underlying Index calculation

Static Data

Information used in the Underlying Index calculation is sourced from standard providers and is routinely checked against a second independent source.

Bond and Index Data

The Underlying Index is calculated if there is at least one bond available that matches all inclusion criteria. If no more bonds qualify for the Underlying Index, then its level will remain constant. If at least one bond becomes available again, the Underlying Index calculation will be resumed at the last calculated level.

Calculation occurs on a daily basis as soon as the consolidated quotes become available. The Underlying Index is calculated on each trading day. The Underlying Index is also calculated on the last calendar day of each month. If the Underlying Index is calculated on a day that is a non-business day in one of the other countries, then the consolidated prices from the previous trading day will be carried forward and the Underlying Index will be calculated using those prices and the current accrued interest and coupon payment data.

The calculation of the Underlying Index is based on bid quotes. New bonds are included in the Underlying Index with their respective ask prices when they enter the index family. In the event that no consolidated price could be established for a particular bond, the Underlying Index continues to be calculated based on the last available consolidated prices.

On the last trading day of a month, the re-balancing takes place after the daily index calculation for the current month's list – including the calculation of the last calendar day's indices – has been performed. On the last trading day of the month price contributors submit bid and ask quotes for all new bonds, which are to be included in the Underlying Index for the new month.

Circumstances that may affect the accuracy and completeness in the calculation of the Underlying Index

No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent securities and factors may at any time be changed or altered by IIC without notice. In addition, the accuracy and completeness of the calculation of the Underlying Index may be affected by, without limitation, the availability and accuracy of prices for constituent securities, market factors and errors in its compilation.

Ongoing Information concerning the Underlying Index

Information in respect of the Underlying Index may be obtained from http://indices.markit.com/default.asp.

SELLING RESTRICTIONS

No action has been or will be taken in any jurisdiction that would permit a public offering of the Units or the possession, circulation or distribution of this Prospectus or any other offering or publicity material relating to the Trust or the Units in any country or jurisdiction (other than Hong Kong and Singapore) where action for the purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Units may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Creation Unit aggregations normally will only be offered to Authorized Participants. This Prospectus is not intended for use in any other country or jurisdiction.

Set out below are restrictions applicable to investors in certain jurisdictions.

United Kingdom

Units in the Trust are interests in a collective investment scheme which has not been authorised or recognised by the Financial Services Authority in the United Kingdom. Accordingly, this Prospectus is not being distributed to, and must not be passed on, to the general public in the United Kingdom. As the offer relates to units in a trust, it does not constitute an offer of securities into the United Kingdom.

This Prospectus is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at, persons falling within the following categories:

(A) if made by a person who is not an authorised person under the Financial Services and Markets Act 2000 ("**FSMA**"), is being made only to or, directed only at, persons falling within: (i) Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**") (investment professionals), (ii) Article 49 of the Financial Promotion Order (high net worth companies, unincorporated associations etc) and (iii) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**"); or

(B) if made by a person who is an authorised person under FSMA, is being made only to or, directed only at, persons falling within: (i) Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 as amended (the "**Promotion of CISs Order**") (investment professionals), (ii) Article 22(2) of the Promotion of CISs Order (high net worth companies, unincorporated associations etc) and (iii) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**").

This Prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials relating to the Trust.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Trust and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Japan

Units have not been, and will not be, registered under Article 4 of the Financial Instruments and Exchange Act (the "**FIEA**") of Japan, and may not be offered or sold directly or indirectly in Japan or to or for the benefit of any resident in Japan except pursuant to an exemption available under the FIEA, or otherwise in accordance with the applicable laws and regulations of Japan.

The Units are listed on the Tokyo Stock Exchange (the "**TSE**"), and therefore are available to investors in Japan, provided that all the relevant laws and regulations are complied with. As the listing of the Units on the TSE is not expected to involve any primary issuance (i.e., creation) in Japan and the sale of the Units on the TSE does not constitute a "public offering on a secondary basis," no registration under Article 4 of the FIEA has been made.

ABF PAN ASIA BOND INDEX FUND
PROSPECTUS REQUIRED PURSUANT TO THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE

BOARD OF DIRECTORS OF
STATE STREET GLOBAL ADVISORS SINGAPORE LIMITED

Signed:

____

Hon Wing Cheung
Director

Signed:

____

Bernard Patrick Reilly
Director
(signed by Hon Wing Cheung for and on behalf of Bernard Patrick Reilly)

Signed:

____

Kelly Quinn Driscoll
Director
(signed by Hon Wing Cheung for and on behalf of Kelly Quinn Driscoll)

Parties involved in the Trust

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Singapore Limited
Company Registration No. 200002719D

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Hon Wing Cheung
Bernard Patrick Reilly
Kelly Quinn Driscoll

Trustee
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