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**Important Risk Disclosure for ABF Pan Asia Bond Index Fund (2821 HK)**

- ABF Pan Asia Bond Index Fund ("PAIF") is an exchange traded bond fund which seeks to provide investment returns that corresponds closely to the total return of the Markit iBoxx ABF Pan-Asia Index ("Index"), before fees and expenses, and its return may deviate from that of the Index.
- PAIF primarily invests in local currency government and quasi-government bonds in eight Asian markets, comprising of China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand.
- Investment involves risks, including risks of exposure to bonds in both developed and emerging Asia markets. Investors may lose part or all of their investments.
- The trading price of PAIF may differ from the underlying net asset value per share.
- PAIF may not be suitable for all investors. Investors should not invest based on this marketing material only. Investors should read the PAIF's prospectus, including the risk factors, take into consideration of the product features, their own investment objectives, risk tolerance level etc and seek independent financial and professional advices as appropriate prior to making any investment.

## Asia's Largest Fixed Income ETF, ABF Pan Asia Bond Index Fund, reaches US\$3 billion

Growing demand from investors for Asian fixed income ETF as an asset class

**Hong Kong, July 25, 2012** – ABF Pan Asia Bond Index Fund (2821 HK) "PAIF", managed by State Street Global Advisors Singapore Limited (SSgA), the investment management business of State Street Corporation (NYSE: STT), has reached US\$3 billion in total assets under management (AUM). Representing more than 50 percent of the total fixed income ETF market in the Asia-Pacific region, the growth of the PAIF ETF reflects the growing demand from investors for Asian fixed income as an asset class through the use of the exchange traded funds (ETFs).<sup>1</sup>

Janice Wu, managing director for SSgA said, "With the ongoing volatility in global markets in recent years, investors have been looking to invest in an asset class that tracks Asian growth and provides investment diversification. The PAIF ETF allows investors to gain exposure to local currency debt in the form of sovereign and quasi sovereign issues of eight Asian countries. It not only provides two potential sources of return through yield and currency appreciation but allows access to the China interbank market, which is not usually available to general investors."

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<sup>1</sup> Bloomberg, as of 30 June 2012.

PAIF, inception on 29 June 2005, tracks the Markit iBoxx ABF Pan-Asia Index and is registered in Singapore and listed on both the Hong Kong and Tokyo Stock Exchanges. It invests in the local government bonds of China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand. PAIF was the first-ever Asian bond ETF launched in the Asia Pacific region and is currently the largest fixed income ETF in APAC with assets under management at US\$3.00 billion, as of 30 June 2012.<sup>2</sup> As of 30 June 2012, PAIF's annualized total return since inception was 7.52% and the total return for last 12 months was 4.68%.<sup>3</sup>

PAIF was recently named Best-in-Class in the ETF category at the 2011 Benchmark Fund of the Year Awards and Best Asia Bond award at the Morningstar Awards for Singapore 2012.

Ms. Wu added, "With PAIF, we are pleased to provide a product that covers an asset class which has been widely accepted by investors, particularly in the institutional space, within and outside the Asia-Pacific region. Through our ETFs, we aim to continue to offer innovative investment solutions that provide investors with better access to every major asset class in a relatively cost-effective, efficient and transparent way."

State Street Global Advisors is a pioneer and a leading provider of ETFs, having introduced the world's first ETF in 1993. In 1999, it launched Hong Kong's first ETF, the Tracker Fund of Hong Kong (2800 HK), currently the largest ETF in Asia ex-Japan. Additionally, it has also introduced Australia's first ETF and Singapore's first locally-listed ETF in 2001 and 2002 respectively. On a global scale, SSgA was the second largest ETF provider in the world with total assets under management (AUM) of over US\$307\*\* billion and the first largest ETF provider in the Asia Pacific region with an AUM of US\$12.7 billion, as of 31 March 2012<sup>4</sup>.

\*\*This AUM includes the assets of the SPDR Gold Trust (approx. \$68.7 billion as of March 31, 2012), for which State Street Global Markets, LLC, an affiliate of State Street Global Advisors serves as the marketing agent.

### **About State Street Global Advisors**

State Street Global Advisors (SSgA) is a global leader in asset management. The firm is relied on by sophisticated investors worldwide for its disciplined investment process, powerful global investment platform and access to every major asset class, capitalization range and style. SSgA is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors.

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<sup>2</sup> Bloomberg as of 30 June 2012.

<sup>3</sup> Source: State Street Global Advisors, data as at 30 June 2012. This is PAIF annualized returns since inception on June 29, 2005 to 30 June 2012. PAIF's net-of-fees returns in USD terms on NAV-to-NAV basis, taking into account transaction fees and on the assumption that all distributions are reinvested. PAIF historical annualized returns: 6/2006: 6.8 percent; 6/2007: 8.9 percent; 6/2008: 7.2 percent; 6/2009: 6.4 percent; 6/2010: 7.0 percent; 6/2011: 7.5 percent; 6/2012: 7.1 percent. Performance returns are calculated net of fees in USD terms and on NAV-to-NAV basis, with all distributions reinvested.

<sup>4</sup> Source: SSgA

**Important Disclosure**

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Nothing contained here constitutes investment advice or should be relied on as such. The past performance of PAIF is not necessarily indicative of its future performance. The prospectus for PAIF is available and may be obtained from State Street Global Advisors Singapore Limited (the "Manager"), authorized participants or can be downloaded from [www.abf-paif.com](http://www.abf-paif.com)<sup>5</sup>. The value of PAIF and the income from them, if any, may fall or rise. The semi-annual distributions are dependent on PAIF's performance and are not guaranteed. Redemption of PAIF's units could only be executed in substantial size through designated dealers and the listing of PAIF on the Stock Exchange of Hong Kong ("SEHK") does not guarantee a liquid market for the units, and PAIF may be delisted from the SEHK.

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