
Press Release

ABF Pan Asia Bond Index Fund Celebrates 15 Years as Largest Asian Bond ETF

- ABF Pan Asia Bond Index Fund ("PAIF") is an exchange traded bond fund which seeks to provide investment returns that correspond 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.
- PAIF is not "actively managed" and will not try to "beat" the market it tracks.
- 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 PAIF 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 PAIF.
- 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.

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HONG KONG & SINGAPORE, August 3, 2020 – The ABF Pan Asia Bond Index Fund (PAIF) managed by State Street Global Advisors, the asset management business of State Street Corporation (NYSE: STT), today marked 15 successful years.

Domiciled in Singapore, PAIF was launched by the Executives' Meeting of East-Asia and Pacific Central Banks (EMEAP) Group¹, comprising 11 central banks and monetary authorities in the East Asia and Pacific region, in 2005. In June 2018, PAIF launched a securities lending program to deepen liquidity in the secondary markets.

"The EMEAP Group launched PAIF as an innovative, low-cost and efficient investment tool 15 years ago to raise investor awareness and interest in Asian bonds," said Meaghan Victor, head of SPDR Asia Pacific distribution at State Street Global Advisors. "As creator of the world's first ETFs², State Street Global Advisors was proud to partner with the EMEAP Group to launch the world's first Asian local currency bond ETF."

Benchmarked to the Markit iBoxx ABF Pan-Asia Index, PAIF invests in the sovereign and quasi-sovereign local currency bonds of eight major Asian economies, including China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand. The fund was listed in Hong Kong in 2005 (HKEx Stock Code: 2821) and cross-listed in Tokyo in 2009 (TSE Stock Code: 1349).

“PAIF provides institutional and retail investors with easy, lower cost market access to Asia’s local bond markets, allowing them to diversify their portfolios with more than 365 local currency bonds in Asia in one single trade³,” Victor added. “With assets under management having grown more than threefold to USD3.6 billion⁴ since its launch in July 2005, PAIF is the largest fixed income ETF in Asia Pacific⁵. This growth reflects the increased demand in Asian fixed income assets from both institutional and retail investors.”

PAIF has been generating positive returns since its 2005 inception, delivering an annualized return since then of 4.3%⁶ and regular income distributed semi-annually at a yield of 2.55% p.a.⁷ (Dividend amount or dividend rate is not guaranteed.)

“The Asian bond market has seen growth in terms of the number of bond issuers, as well as issuance volume, with longer duration bonds being issued over the past 15 years,” said Kheng Siang Ng, Asia Pacific head of Fixed Income at State Street Global Advisors. “We have seen an increased appetite for access to Asia’s fixed income market as it offers higher yields and diversification benefits with its low correlation with other major assets. The improvement in access to China’s large bond market and the growing appetite for Chinese assets are also driving increased demand for Asian bonds.”

PAIF offers investors exposure to the strong growth of Asian bond markets, while providing a diversified basket of local currency Asian bonds, with a minimum investment amount of USD1,199.5⁸ (HKD9,332), including China, whose local bonds comprised around 25% of the fund’s exposure⁹.

“As the Asian bond markets grow and mature, we believe the asset class will evolve from an emerging market into a developed market asset in the next 10-15 years,” Ng added. “It will eventually become part of the strategic asset allocation of institutional investors globally, which will further deepen the fixed income markets in the region.”

¹ The EMEAP Group comprises 11 central banks and monetary authorities in East Asia and Pacific region, including Reserve Bank of Australia, People’s Bank of China, Hong Kong Monetary Authority, Bank Indonesia, Bank of Japan, The Bank of Korea, Bank Negara Malaysia, Reserve Bank of New Zealand, Bangko Sentral ng Philipinas, Monetary Authority of Singapore and Bank of Thailand.

² ETFs managed by State Street Global Advisors have the oldest inception dates within the US, Hong Kong, Australia, and Singapore. State Street Global Advisors launched the first ETF in the US on January 22, 1993; launched the first ETF in Hong Kong on November 11, 1999; launched the first ETF in Australia on August 24, 2001; and launched the first ETF in Singapore on April 11, 2002.

³ Source: State Street Global Advisors, as of June 30, 2020

⁴ Source: State Street Global Advisors, as of July 7, 2020

⁵ Source: Bloomberg, as of May 31, 2020

⁶ Source: State Street Global Advisors, as of May 31, 2020. The fund performance data for the month of May 2020 is calculated based on the closing NAV on the last Hong Kong business day of the month (i.e. May 29, 2020). This closing NAV will also be applied as the opening NAV for the fund performance calculation for the month of June 2020. The index performance data for the month of May 2020 is calculated up to May 30, 2020 and took into account the valuation movements of the underlying index constituents that are traded on markets that remained open on the Hong Kong public holiday on May 30, 2020. This is PAIF's net-of-fees returns in USD terms on NAV-to-NAV basis, with all distributions reinvested. For details on fees, please refer to PAIF's Prospectus. Fund performance Year-to-date (YTD) and in the preceding 5 calendar years: -0.1% (YTD), 7.91% (2019), 0.11% (2018), 9.35% (2017), -0.54% (2016), -3.35% (2015). Inception date: June 29, 2005

⁷ Source: State Street Global Advisors, as of June 30, 2020. Current yield = (Total Dividend Per Unit in the Past 12 Months / Closing NAV Per Unit) x 100%. Dividend amount or dividend rate is not guaranteed.

⁸ Source: State Street Global Advisors, closing price as of July 7, 2020

⁹ Source: State Street Global Advisors, as of June 30, 2020

PAIF Holdings Geographical Breakdown:	
China	25.05%
Singapore	15.77%
South Korea	15.71%
Malaysia	11.46%
Thailand	9.80%
Hong Kong	8.54%
Indonesia	7.83%
Philippines	5.85%

About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost-effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's third largest asset manager with nearly US \$3.05 trillion* under our care.

* This figure is presented as of June 30, 2020 and includes approximately \$67 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Diversification does not ensure a profit or guarantee against loss.

In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETFs may be bought and sold on the exchange through any brokerage account, ETFs are not individually redeemable from PAIF. Investors may acquire ETFs and tender them for redemption through PAIF in Creation Unit Aggregations only, please see the prospectus for more details. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns. Frequent trading of ETF's could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

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