

PineBridge International Funds

ANNUAL REPORT

&

FINANCIAL STATEMENTS

(For the year ended 31 December 2010)

PART 1

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- Please note that all figures down in this report are as of 31 December 2010 unless otherwise stated.

PineBridge International Funds – Singapore Bond Fund

Fund Manager's Review

Fund Performance

For 2010, the PineBridge International Funds - Singapore Bond Fund (the "Fund") returned 4.98% (before upfront sales charge) and 1.92% (net of upfront sales charge), while its benchmark, the JP Morgan Singapore Government Bond Index (All Sectors) returned 2.87% as of 31 December 2010.

Market Review

The financial markets experienced a volatile year as a number of concerns and developments kept market sentiments swinging back and forth. 2010 started with generally better sentiments, following on from 2009. However, as the year progressed, a number of developments started to surface which caused concern among investors. This included the deteriorating situation in the sovereign deficit crisis of peripheral Europe and its potential contagion effect, China's move to tighten its policy to rein in inflation, and the weaker than expected economic data out of the US which reignited concerns about a double dip recession risk. This led to a sell-off in equities and a widening of credit spreads as the first half of 2010 ended.

Nevertheless, the market rebounded and ended 2010 stronger, albeit with a couple of sell-off in the second half of 2010, triggered by the re-escalation of the European debt crisis culminating in the bail-out of Ireland, further policy tightening by China, and geo-political tension in the Korean peninsula. However, a number of factors were in place in the second half of 2010 which boosted sentiments and lifted the market. First we saw strong central bank actions by various developed market governments in a bid to boost their economies, such as the US Federal Reserve's quantitative easing program in November 2010 to purchase up to US\$600 billion of US treasury. Second, there was upside surprises in the economic data out of the US and globally including encouraging signs that the

moderation in China's growth is not as severe as feared. Third, the creation of a support fund from which EU member states can draw upon helped reduced the risk of a sovereign default out of Europe. Consequently, the financial markets ended 2010 higher. For equities, the S&P 500 equities index in the US ended 2010 11% higher than the year before while strong regional growth momentum in Asia lifted the MSCI All Country Far East ex Japan Equities index higher by 18%. The credit markets also turned in a good performance with the 5-year CDX North America Investment Grade Index ended 2010 at 85 basis points, 46 basis points tighter than the year's wide of 131 basis points seen in June 2010. While in Asia, the JP Morgan Asia Credit Index (investment grade sub-index) ended 2010 at 205 basis points, a recovery from its wide of 241 basis points during the year.

For 2010, the Singapore economy grew at an exceptional pace, with advance estimate showing that Singapore's GDP is estimated to come in at 14.7% for 2010. This is the highest rate of growth in Singapore's history, albeit partly from a low base effect of the previous year. The growth was underpinned by a strong performance in manufacturing as well as by strong growth in the services sector. The opening of the two integrated resorts in 2010 gave an additional boost to the tourism-related sector, as the country saw a record number of visitors. The buoyant economic conditions has resulted in an economy operating on full capacity, which in turn has created inflationary pressures, with Singapore CPI rising from 0.2% year-on-year in January 2010 to 3.8% year-on-year in November 2010. Imported inflation too has seen an increase with the rise in food and oil prices. Concerned with inflation, the Monetary Authority of Singapore tightened its monetary policy in April 2010 and October 2010 during its semi-annual policy meetings. Consequently, for 2010, Singapore Dollar ("SGD") has been on an appreciating bias, which in turn has attracted capital inflows, thereby keeping SGD short-term rates low.

PineBridge International Funds – Singapore Bond Fund *(continued)*

In fixed income, fears of contagion risk from the European situation, the risk of China's policy error in engineering a soft landing for its economy, the possibility of a double-dip recession in the US and the expectations of an extended period of low interest rate environment in the face of weak inflation and high unemployment in the US gave strong support to fixed income assets in the first half of 2010. US Treasury ("UST") yields collapsed, with the 10-year benchmark ended first half of 2010 at 2.95%, 84 basis points lower than the 3.79% yield at the beginning of the year. During the third quarter 2010, anticipation of further quantitative easing measures by the Federal Reserve gave a further lift to fixed income, resulting in a strong bond market rally in August, with the 10-year UST benchmark collapsing to a low of 2.38%. However, UST ended 2010 with a big sell-off in the fourth quarter as signs that a business-led recovery is underway, boosted by additional monetary and fiscal accommodation, with the latter coming from the US congress agreeing to the extension of expiring 2001/2003 tax cuts. As a result, the 10-year UST benchmark ended the year at 3.36%, a massive 0.98% rise from its year-low of 2.38% reached just four months back. In Singapore, the government securities ("SGS") followed the UST in a very similar fashion. The SGS 10-year benchmark started the year at 2.66%, rallied to as low as 1.87% in August 2010 and ended the year at 2.71%, a sell-off of 0.84%.

Fund Overview

The strong market rally in fixed income in the first three quarters of 2010 benefited the Fund's performance. However, the spike in SGD interest rates in the last quarter of 2010 as SGD yields followed USD yields higher partially offset these gains. Apart from the favourable interest rate movement, credit spread compression also attributed positively to the Fund's holding of SGD corporate bonds and its holdings of USD Asian bonds. Credit spreads had moved tighter in line with improved economic fundamentals as well as from strong technical support for bonds in the market. The Fund's holding of Singapore

exchange listed real estate investment trust units also performed well, in tandem with the increase in the Singapore equities market.

Outlook

Looking ahead to 2011, global economic recovery is expected to gain further momentum and Asia is expected to continue its strong growth, led by China. The shift to reliance on domestic demand in Asia will also continue as external uncertainties remain. Singapore will benefit from the overall economic growth and consumption growth in the region. However, unlike 2010, growth in 2011 is not expected to be as spectacular, as we will see further monetary policy tightening in many of Asia's fast-growing economies to confront a growing inflation problem. Hence, the expectation is for a more normal trend of growth for Singapore in 2011, with official projection of between 4-6%.

Despite the bullish outlook there continues to be significant risk in the horizon, with investors expected to focus on many of the same risks that were faced in 2010. The European debt crisis is far from resolution and will continue to hold investors' attention. China's policy tightening move will also be closely monitored as any significant slowdown in China's growth could impact Asian and global trade. The pace of recovery and the efforts of the US Federal Reserve to maintain price stability and improve the employment situation will also garner much attention, albeit recent data have shown that the recovery in the US have gained more momentum.

With the US and global economy expected to perform better in 2011, we should see US interest rates start to creep higher. However, with inflation still low and with unemployment still high, the US Federal Reserve is expected to keep its monetary policy accommodative, through its US treasury purchase program and with policy rates unchanged till the economy is on more stable ground. This will act to keep interest rate increases moderate. Furthermore, US interest rates have already made a significant adjustment in the last two months of 2010 pricing

PineBridge International Funds – Singapore Bond Fund *(continued)*

in the better economic forecast. In Singapore, SGD yields will track higher on the back of rising USD interest rates. However, the appreciating bias of the SGD on the back of tighter monetary policy stance will continue to attract capital inflows. This coupled with the ample liquidity in the domestic system will cap interest rates in Singapore. Given this backdrop, the Fund will continue to invest in good quality corporate debt securities at a good spread, which should do well as the global economy improves further.

Asset Allocation

By Country

Refer to “Portfolio Statements – By Geography (Primary)”

By Industry

Refer to “Portfolio Statements – By Industry (Secondary)”

By Asset Class

Refer to “Portfolio Statements – By Geography (Primary)”

By Credit Rating

Credit Rating*	Fair Value (S\$'000)	% of Fixed Income Instruments
Aaa	30,172	5.56
Aa2	30,882	5.69
Aa3	11,902	2.19
A1	40,821	7.53
A2	73,180	13.49
A3	82,694	15.25
Baa1	20,254	3.73
Baa2	13,186	2.43
Baa3	9,875	1.82
NR	194,723	35.91

Source: PineBridge Investments Singapore Limited.

* Moody's ratings or their equivalent, S & P rating where security is not rated by Moody's but rated by S & P.

Top 10 Holdings (as at 31 December 2010)

	Fair Value (S\$'000)	%
DBS Cap Funding 5.75% 29 May 2049	39,882	7.35
Standard Chartered 5.25% 10 Apr 2023	39,386	7.26
OCBC Capital Corp 5.1% 29 Aug 2049	22,075	4.07
OCBC 3.78% 28 Nov 2017	20,530	3.79
Morgan Stanley 4% 23 Oct 2017	18,421	3.40
Singapore Airlines 3.22% 09 Jul 2020	17,738	3.27
Queensley Hldgs Ltd 4.62% 07 Dec 2012	17,307	3.19
Capitamalls Asia CMASP 3.95% Aug 2017	16,231	2.99
DBS Bank 4.47% 15 Jul 2021	16,187	2.98
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,163	2.80

Source: PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2009)

	Fair Value (S\$'000)	%
Standard Chartered 5.25% 10 Apr 2023	38,165	6.55
DBS Cap Funding 5.75% 29 May 2049	38,073	6.53
Capitall Trust	23,450	4.02
OCBC Capital Corp 5.1% 29 Aug 2049	21,155	3.63
OCBC 3.78% 28 Nov 2017	20,306	3.48
Morgan Stanley 4% 23 Oct 2017	17,579	3.01
Queensley Hldgs Ltd 4.62% 07 Dec 2012	17,094	2.93
DBS Bank 4.47% 15 Jul 2021	15,131	2.59
Capitaland Treasury Ltd 4.35% 31 Oct 2019	14,262	2.45
Singapore Govt Securities 3.625% 01 Jul 2014	13,482	2.31

Source: PineBridge Investments Singapore Limited.

PineBridge International Funds – Singapore Bond Fund *(continued)*

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	670,045	0.12
Net gain/(loss) on derivative contracts realised for the year 1 January 2010 to 31 December 2010	1,444,724	N/A
Net gain/(loss) on outstanding contracts marked to market	670,045	N/A

Amount and percentage of NAV invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of subscriptions and redemptions for the year 1 January 2010 to 31 December 2010

Refer to “Creation of units” and “Cancellation of units” in the Notes to the Financial Statements Report.

Amount of related-party transactions

Please refer to the Notes to the Financial Statements.

Performance of Fund and benchmark

Period	Fund Performance	JP Morgan Sing Govt Bond Index
3-month	-0.95%	-2.60%
6-month	1.46%	-0.80%
1-year	4.98%	2.87%
3-year [^]	2.60%	3.51%
5-year [^]	3.42%	3.97%
Since Inception (26.03.02) [^]	4.37%	3.83%

Source: PineBridge Investments Singapore Limited & Bloomberg.

Returns in S\$, bid-to-bid basis.

[^]Annualised returns.

Expense Ratios[#]

Please refer to the Notes to the Financial Statements.

[#] The expense ratio of the Fund does not include brokerage and other transaction costs, performance fees, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratios

Please refer to the Notes to the Financial Statements.

The turnover ratio is calculated based on the lesser of purchases or sales of the underlying investments of a scheme expressed as a percentage of daily average NAV.

Soft Dollars

Not applicable.

PineBridge International Funds – Acorns of Asia Balanced Fund

Fund Manager's Review

Overview

The year 2010 for stock markets in the Asia ex Japan ("AxJ") region was the proverbial game of two halves. An initial period of caution was followed by a climb in stock prices in the latter part of the year. Indeed, much of the gains registered by AxJ markets as a region occurred in the last four months of 2010.

Following a brief positive start to 2010, the succeeding months were marked by uncertainty, as risk aversion surfaced, with investors having to grapple with a few worries.

A main one was the financial turbulence in the European Union, prompted by worries over the sovereign debt burden of its economically weaker constituent countries such as Greece. Markets were simultaneously nervous about the sustainability of the economic recovery of the US, and a significant slowing of activity in China.

Consequently, by the mid-point of 2010, investors were in a "flight to safety" frame of mind, with a preference for government bonds and physical gold. In point of fact, US Treasury Bonds ("UST") were to record their best half-year gains in 15 years.

However, sentiment toward equities was to turn very noticeably from late August 2010, supporting a rally in share prices. A few factors acted as catalysts for this.

One was evidence that growth in China was re-accelerating. Its purchasing managers' index ("PMI"), a closely watched leading indicator for the economy, began to show a trend of improvement from its August 2010 reading.

Also, during that time, with unemployment still hovering around 10%, the US authorities unveiled two additional stimulus measures that were regarded as helpful to the prospects of the US economy.

First, the Federal Reserve (the Fed) announced a second quantitative-easing programme worth about US\$700 billion (approximately S\$900 million). This was designed to boost money supply growth to support economic activity.

Then, the US congress agreed to a package of tax-cut measures (to be introduced in 2011), totalling US\$858 billion (or about S\$1.1 trillion). This action was aimed at spurring job growth.

In total, both measures lessened fears of a double-dip recession in America. Taken together with the upward direction of China's PMI readings, they led investors to be more constructive about the world economic outlook, thus accounting for a re-rating of stocks in the final months of 2010.

The strong finish to 2010 was instrumental in helping AxJ (as measured by the MSCI Far East Free ex Japan index) gain 8.99% (in Singapore Dollar terms) during 2010. In doing so, it outperformed its world equivalent (MSCI World), which edged up only 1.98%, primarily due to weak performance contributions from most European markets.

In the fixed income market, a strong first three quarters or so of 2010, underpinned initially by the various market worries, and subsequently by the Fed's second round of quantitative easing mentioned above, gave way to a sharp correction in the final months of the year. This was triggered by signs that an economic recovery was taking place. As a result, 10-year USTs ended 2010 at 3.36%, a meaningful 0.98% rise from its year-low of 2.38% reached just four months earlier. In Singapore, the government securities ("SGS") followed the UST in a very similar fashion. The SGS 10-year benchmark started 2010 at 2.66%, rallied to as low as 1.87% in August and ended the year at 2.71%.

Against this backdrop, the PineBridge Acorns of Asia Balanced Fund (the "Fund") gained 6.47% (net of upfront sales charges) during 2010, compared to the composite benchmark's rise of 6.78%.

PineBridge International Funds – Acorns of Asia Balanced Fund *(continued)*

Over the year, the Fund maintained a preference for equities to fixed income investments. Its performance received strong positive contributions from its exposure to stocks in Indonesia, China, Hong Kong, Korea and Singapore. However, this was offset by negative contributions from Taiwan and Thailand.

In terms of sector allocations, the Fund's positionings in the Financials, Consumer Discretionary, Consumer Staples, and Energy areas helped performance. Conversely, its holdings of shares in the segments of Materials, Information Technology, and Industrials detracted from performance.

Market Review

The overall gains in the AxJ region during 2010 masked varied performances across markets. As we had highlighted in our first-half review of 2010, there was a perceptible geographical divide, with stocks in the South-east Asian countries doing visibly better than their equivalents in North Asia.

Specifically, the strongest returns were recorded in Thailand (+42.08% in Singapore Dollar terms), Malaysia (+25.01%), Indonesia (+22.21%), and the Philippines (+22.19%). Singapore (+11.45%) was relatively the slowest performer compared to its South-east Asian neighbours, and trailed gains achieved by Korea (+15.65%) and Hong Kong (+12.45%). It still managed to do better though than Taiwan (+11.17%) and China (-4.53%).

For the latter, investors had to endure uncertainty stemming from official intentions to rein in inflation, and dampen undue rises in property prices. A slew of curbing measures were introduced by the authorities, including engineering an increase in money market rates.

The concerns about China essentially spilled over into neighbouring Hong Kong, given the latter's linkages with the mainland economy. Overall, this sentiment overhang served to limit gains in the territory's stock prices.

For Taiwan, in spite of its developing closer economic ties with China during the year, illustrated by the signing of the landmark Economic Cooperation Framework Agreement (ECFA) in late June, equity investors were more sensitive to the risks to earnings of the economy's key electronics industries, given the uncertainty about a sustainable global recovery. News that Taiwanese firms were facing rising labour costs in their production centres in China further undermined sentiment.

In South Korea, there was also wariness about the profit prospects of its mainstay export industries, such as electronics and shipbuilding, based on the world economic outlook. Additionally, investors had to contend with the country's political tensions with its neighbour North Korea. This was underlined by the sinking of a South Korean naval vessel attributed to its northern counterpart. These occasional bouts of investor uncertainty served to inhibit the market's advance.

Likewise, Singapore's relatively pedestrian showing was partly on account of tentativeness about how official measures to manage rising real estate prices might impact the overall economy. In the event, the economy was able to grow at a record pace of 14.7% in 2010, its best performance since 1970, boosted by contributions from biomedical manufacturing exports.

In general though, it was Singapore's neighbours in South-east Asia that garnered attention with their stock markets' eye-catching returns.

Thailand led the way, and the impressive advance of its equities was all the more remarkable given the violence arising from opposition street protests in Bangkok in May 2010. Notwithstanding this, investors were attracted by the economy's resilience, which is now expected to grow by at least 8% in 2010, the fastest rise in 15 years. In addition, the underlying stock market's undemanding valuations were a further draw.

PineBridge International Funds – Acorns of Asia Balanced Fund *(continued)*

Investors were also prepared to allocate monies to Malaysia. This was due to the government's introduction of more business-friendly policies.

As for Indonesia, its equity market's performance was driven by improvements in corporate earnings, and the supportive monetary policies of its central bank. The country's fundamental progress since the 1997 financial crisis was also mirrored in a series of upgrades of its sovereign credit rating.

For the Philippines, it found favour in view of a relatively buoyant domestic consumption environment. This was facilitated by remittances sent back by Filipinos working abroad. Based on the latest data, the aggregate amount of such monies was a hefty US\$17.1 billion (or just under S\$22 billion) for the first eleven months of 2010.

Outlook

At the time of writing, global equities have begun to wobble following a relatively steady start to 2011. This is remarkably similar to what occurred in the early weeks of 2010, when a sprightly beginning was not sustained. Then, the worries had centred on the risks of a double-dip recession globally. Presently, the concerns are more to do with the spectre of inflation, as signs continue to emerge of a meaningful world economic recovery.

Indeed, the global economy is likely to have grown at a 5% rate in 2010, which would put it on par with the record pace it was posting just before the 2008 credit crisis hit. This momentum is expected to carry over into 2011, and spread to most regions.

Some evidence for this could be seen in the recent trend of the closely followed Composite Leading Indicator ("CLI") series for countries in the OECD (the Organization Of Economic Cooperation & Development, comprising primarily industrialized economies).

The most recent data reported (for November 2010) showed a 0.3 point rise to 102.9 for the CLI, representing a fourth consecutive month where the overall index has been firming at an increasing rate. This basically implies an improving pace of economic expansion.

With this growth pick-up has come discomfort with the threat of inflationary pressures. Investors are nervous that central banks may have to tighten monetary policy determinedly in response.

Such concerns have become dominant in AxJ, as many of its component economies had shown the quickest recovery from the downturn triggered by the financial turbulence of 2008.

Inflation readings in the region have surprised on the upside, and the forecasts are for further increases in the coming year. Much of the consumer price uptrend has been driven by supply-side issues relating to food and other commodities, due to weather-related events. For instance, crop harvests have been negatively impacted by Russia's worst drought in at least a half century, floods in Canada, and parched fields in Europe and South America. Consequently, according to the United Nations, based on an index maintained by its Food & Agriculture Organization, world food prices climbed 32% in the second half of 2010, topping the peak of June 2008.

Outside of inflation, investors will also continue to keep an eye on the fiscal situations in Europe and the US. The budget deficit millstones hanging around the neck of several European economies have so far seen Greece and Ireland requiring massive rescue packages, and could yet claim other victims such as Portugal and Spain. The danger of a sovereign default is still substantial.

In the US, the risks centre on the budget shortfalls in state and local governments. Rising tax revenues may ease the problem in 2011, yet public spending cuts could be a drag on US growth in the next few years.

PineBridge International Funds – Acorns of Asia Balanced Fund *(continued)*

Balanced against these less constructive factors, however, is the fact that emerging AxJ enters 2011 with economic growth rates that are expected to be at least twice as fast as those of the developed economies. Given this, the region, over the longer term, should continue to attract strong portfolio inflows.

Additionally, the trend of industrialization in the large economies of China, India and Indonesia is also expected to stay intact, and this would further generate growth opportunities for investors in AxJ.

At the same time, despite recent upticks, interest rates globally are still comparatively low on a historical basis, and are anticipated to stay that way for the time being. This is primarily due to the Fed's inclination to maintain a benign monetary stance. Its rationale is to help resuscitate the American employment market. To date, barely 15% of US jobs lost during the recent recession have been recaptured.

By association, fixed income yields in Singapore are also expected to have only moderate upside during the current year. One factor for this is the anticipated appreciating bias of the Singapore Dollar, given the likelihood of further capital inflows. Another is the ample liquidity still residing in the domestic financial system.

Nonetheless, we are of the view that the presence of the various risk factors highlighted will imply fluid markets. Against this backdrop, investors are likely to sternly evaluate sectors and companies based on their earnings ability. Stock selection would therefore be key for investment performance.

In the near-term however, in view of the expected volatility in markets, as investors react to the economic and financial developments of the day, the Fund will seek to maintain an active stance with respect to its exposure to equities. In the case of fixed income, the Fund will continue to invest in good quality corporate debt securities with attractive spreads.

Asset Allocation

By Country

Refer to "Portfolio Statements – By Geography (Primary)"

By Industry

Refer to "Portfolio Statements – By Industry (Secondary)"

By Asset Class

Refer to "Portfolio Statements – By Geography (Primary)"

By Credit Rating

Credit Rating*	Fair Value (S\$'000)	% of Fixed Income Instruments
Aaa	18,612	1.35
Aa2	13,876	1.01
Aa3	8,208	0.60
A1	20,435	1.49
A2	71,357	5.19
A3	45,024	3.27
Baa1	4,121	0.30
Baa2	5,081	0.37
Baa3	5,122	0.37
NR	125,882	9.15

Source: PineBridge Investments Singapore Limited.

* Moody's ratings or their equivalent, S & P rating where security is not rated by Moody's but rated by S & P.

PineBridge International Funds – Acorns of Asia Balanced Fund *(continued)*

Top 10 Holdings (as at 31 December 2010)		
	Fair Value (S\$'000)	%
Standard Chartered 5.25% 10 Apr 2023	33,327	2.42
DBS Cap Funding 5.75% 29 May 2049	32,745	2.38
Hynix Semiconductor Inc	27,447	2.00
PT United Tractors	26,858	1.95
AAC Acoustic Technology Holdings	26,369	1.92
Queensley Hldgs Ltd 4.62% 07 Dec 2012	24,433	1.78
Capitamall Trust	23,537	1.71
Lenovo Group Ltd	21,780	1.58
United Overseas Bank Ltd 4.1% 03 Sep 2019	20,947	1.52
PT Delta Dunia Makmur TBK	20,243	1.47

Source: PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2009)		
	Fair Value (S\$'000)	%
Standard Chartered 5.25% 10 Apr 2023	32,294	2.47
DBS Cap Funding 5.75% 29 May 2049	31,260	2.39
Queensley Hldgs Ltd 4.62% 07 Dec 2012	24,133	1.85
AAC Acoustic Technology Holdings	24,108	1.85
Foxconn Tech Co	22,601	1.73
Capitamall Trust	21,749	1.65
United Overseas Bank Ltd 4.1% 03 Sep 2019	20,185	1.55
Hyundai Dept Store Co	19,534	1.50
Samsung SDI Co Ltd	19,329	1.48
Lifestyle Intl Hldgs Ltd	18,717	1.43

Source: PineBridge Investments Singapore Limited.

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	335,193	0.02
Net gain/(loss) on derivative contracts realized for the year 1 January 2010 to 31 December 2010	320,985	N/A
Net gain/(loss) on outstanding contracts marked to market	335,193	N/A

Amount and percentage of NAV invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of subscriptions and redemptions for the year 1 January 2010 to 31 December 2010

Refer to “Creation of units” and “Cancellation of units” in the Notes to the Financial Statements Report.

Amount of related-party transactions

Please refer to the Notes to the Financial Statements.

PineBridge International Funds – Acorns of Asia Balanced Fund *(continued)*

Performance of Fund and benchmark

Period	Fund Performance	60% MSCI All Country Far East Free Ex Japan (DTR Net) in SGD / 40% JP Morgan Sing Govt. Bond Index
3-month	3.62%	1.62%
6-month	13.60%	8.34%
1-year	9.66%	6.78%
3-year [^]	-2.02%	-0.01%
5-year [^]	4.73%	6.35%
Since Inception (01.10.01) [^]	9.96%	9.97%

Source: PineBridge Investments Singapore Limited.

Returns in S\$, bid-to-bid basis.

[^]Annualised returns

Expense Ratios[#]

Please refer to the Notes to the Financial Statements.

[#] The expense ratio of the fund does not include brokerage and other transaction costs, performance fees, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratios

Please refer to the Notes to the Financial Statements.

The turnover ratio is calculated based on the lesser of purchases or sales of the underlying investments of a scheme expressed as a percentage of daily average NAV.

Soft Dollars

In the normal course of business, the Managers shall be entitled to receive soft dollar benefits from selected brokers, in relation to equity transactions, from whom products and services were received from third parties. These brokers may also execute trades for other clients managed by the Managers. The goods and services received generally benefit the entire Managers' clients and trades are executed on the best available terms with no excessive churning. Goods and services received can reasonably be expected to assist in the provision of the investment services and include research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, custodial services and computer hardware and software used in the support of the investment process of the Managers.

PINEBRIDGE INTERNATIONAL FUNDS
(Formerly known as AIG International
Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

ANNUAL REPORT

For the year ended 31 December 2010

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

ANNUAL REPORT

For the year ended 31 December 2010

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PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of the PineBridge International Funds (formerly known as AIG International Funds), namely the Acorns of Asia Balanced Fund and Singapore Bond Fund (collectively the “Funds”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Funds during the year covered by these financial statements, set out on pages 17 to 65, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
Citicorp Trustee (Singapore) Limited

Authorised Signatory

28 March 2011

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of the PineBridge Investments Singapore Limited, (the “Manager”), the accompanying financial statements set out on pages 17 to 65, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the sub-funds of PineBridge International Funds (formerly known as AIG International Funds), namely the Acorns of Asia Balanced Fund and Singapore Bond Fund (collectively the “Funds”) as at 31 December 2010 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the directors of
PineBridge Investments Singapore Limited

Victor Koh
Chief Executive Officer
28 March 2011

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Independent Auditor's Report to the Unitholders of the Sub-Funds of Pinebridge International Funds

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

We have audited the accompanying financial statements of the sub-funds of PineBridge International Funds (formerly known as AIG International Funds), namely the Acorns of Asia Balanced Fund and Singapore Bond Fund (collectively the "Funds") set out on pages 17 to 65, which comprise the Balance Sheets and Portfolio Statements as at 31 December 2010, the Statements of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Funds' Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Funds' Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at 31 December 2010 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 28 March 2011

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Statements of Total Return

For the year ended 31 December 2010

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		2010 S\$	2009 S\$	2010 S\$	2009 S\$
Investment income					
Dividends		20,979,200	19,032,628	3,964,852	6,244,864
Interest on deposits with banks		19,613	66,229	53,907	100,038
Other		29	-	-	70
		20,998,842	19,098,857	4,018,759	6,344,972
Less: Expenses					
Audit fee		27,000	34,051	17,000	23,295
Custody and related fees		621,879	532,965	75,735	67,546
Management fees		19,601,243	15,622,747	5,689,975	5,217,574
Registrar and related fees		44,956	41,827	31,103	29,828
Trustee fees		522,700	416,607	231,857	212,961
Other		1,783,487	1,361,016	610,494	566,534
		22,601,265	18,009,213	6,656,164	6,117,738
Net (loss)/income		(1,602,423)	1,089,644	(2,637,405)	227,234
Net gains or losses on value of investments					
Net realised gains/(losses) on investments		125,741,666	(38,706,746)	29,757,581	11,477,467
Net change in fair value on investments		54,397,661	483,836,603	2,953,152	55,947,448
Net realised gains on forward foreign exchange contracts		320,985	747,728	1,444,724	1,096,328
Net change in fair value on forward foreign exchange contracts		344,067	(729,543)	690,380	(1,161,184)
Net foreign exchange (losses)/gains		(53,679,169)	4,540,507	(2,575,269)	(519,525)
		127,125,210	449,688,549	32,270,568	66,840,534
Total return for the year before income tax		125,522,787	450,778,193	29,633,163	67,067,768
Less: Income tax	3	(2,579,085)	(2,384,218)	(269,437)	(540,935)
Total return for the year		122,943,702	448,393,975	29,363,726	66,526,833

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Balance Sheets

As at 31 December 2010

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		2010 S\$	2009 S\$	2010 S\$	2009 S\$
ASSETS					
Investments		1,364,221,707	1,245,842,221	529,709,300	514,881,778
Cash and bank balances	9	13,749,928	6,681,860	2,039,090	2,235,741
Fixed deposits with financial institutions		-	55,495,861	11,162,222	61,438,943
Receivables	4	670,206	1,082,452	250,121	5,618,636
Financial derivatives, at fair value	6	335,193	-	670,045	-
Total assets		1,378,977,034	1,309,102,394	543,830,778	584,175,098
LIABILITIES					
Payables	5	3,555,654	2,704,708	1,512,356	949,386
Financial derivatives, at fair value	6	-	8,874	-	20,335
Net assets attributable to unitholders	7	1,375,421,380	1,306,388,812	542,318,422	583,205,377
Total liabilities		1,378,977,034	1,309,102,394	543,830,778	584,175,098

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements

As at 31 December 2010

Acorns of Asia Balanced Fund			
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	
By Geography (Primary)			
Quoted Equities			
China			
Agile Property Holdings Ltd	8,600,000	16,322,453	1.19
Angang Steel Co Ltd	3,000,000	5,862,220	0.43
Anhui Conch Cement Co Ltd	2,280,000	13,640,554	0.99
Beijing Enterprises Holdings	750,000	5,935,250	0.43
China Bluechemical Ltd	15,050,000	13,785,376	1.00
China Lilang Ltd	7,800,000	15,447,742	1.12
China Molybdenum Co Ltd	8,000,000	9,440,286	0.69
China Oilfield Services Ltd	3,580,000	9,878,897	0.72
China Overseas Land & Invest	3,500,000	8,237,145	0.60
China Petroleum & Chemical	6,000,000	7,337,677	0.53
China Shenhua Energy Co Ltd	2,000,000	10,744,102	0.78
CNOOC Ltd	5,800,000	17,574,777	1.28
Cosco Holdings Ltd	6,500,000	8,839,541	0.64
Digital China Holdings Ltd	7,367,000	17,654,135	1.28
Dongfeng Motor Group Co	5,070,000	11,162,281	0.81
Hengan International Group Co Ltd	450,000	4,979,669	0.36
Lenovo Group Ltd	26,500,000	21,780,325	1.58
Petrochina Co Ltd	3,460,000	5,767,487	0.42
Sands China Ltd	5,106,000	14,494,339	1.05
Shui On Land Ltd	3,500,000	2,154,597	0.16
Sinofert Holdings Ltd	9,000,000	5,941,439	0.43
Zhongsheng Group Holdings	1,685,500	4,701,155	0.34
Zhuzhou Csr Times Elec Co Ltd	1,200,000	6,020,658	0.44
Total China	237,702,105	17.27	

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Hong Kong			
AAC Acoustic Technology Holdings Ltd	7,700,000	26,369,262	1.92
Cheung Kong Infrastructure	500,000	2,933,586	0.21
Hysan Development Co Ltd	2,860,000	17,322,926	1.26
Intime Department Store	4,741,000	8,919,981	0.65
Lifestyle International Holdings Ltd	3,500,000	11,044,475	0.80
Pacific Basin Shipping Ltd	10,500,000	8,959,195	0.65
Shangri-La Asia Ltd	2,000,000	6,964,687	0.51
Shun Tak Holdings Ltd	11,280,000	9,029,007	0.66
Total Hong Kong	91,543,119	6.66	
Indonesia			
PT Astra Agro Lestari	2,500,000	9,337,658	0.68
PT Bank Negara	27,600,920	15,148,894	1.10
PT Bumi Resources	93,373,000	8,785,407	0.64
PT Bumi Resources Mineral-C	62,248,666	1,002,779	0.07
PT Bumi Resources TBK	42,050,000	17,983,901	1.31
PT BW Plantation	85,000,000	15,510,491	1.13
PT Dunia Makmur	88,750,000	20,243,472	1.47
PT International Nickel Indonesia	17,200,000	11,892,327	0.86
PT Sampoerna Agro	20,000,000	8,981,258	0.65
PT Tambang Batubara Bukit Asam	2,000,000	6,543,488	0.48
PT United Tractors	8,000,000	26,858,240	1.95
Total Indonesia	142,287,915	10.34	

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acoms of Asia Balanced Fund (continued)			
	Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010	Percentage of total net assets attributable to unitholders at 31 Dec 2010
		S\$	%
By Geography (Primary) (continued)			
Quoted Equities (continued)			
South Korea			
Daewoo Shipbuilding & Marine	262,650	10,794,555	0.78
Daishin Securities Co Ltd	550,000	10,260,524	0.75
Doosan Heavy Industries	115,500	11,204,492	0.81
Doosan Infracore Co Ltd	210,000	6,660,013	0.48
Fila Korea Ltd	130,000	11,464,652	0.83
Glovis Co Ltd	80,000	13,431,959	0.98
Honam Petrochemical Corp	25,950	7,892,463	0.57
Hynix Semiconductor Inc	1,011,490	27,447,055	2.00
Hyundai Home Shopping Network	155,850	18,061,491	1.31
Hyundai Mobis	50,300	16,179,801	1.18
Hyundai Steel Co Ltd	65,000	9,186,420	0.67
Kia Motors Corporation	265,000	15,130,740	1.10
LG Chemical Ltd	31,500	13,889,867	1.01
Samsung Electro Mechanics	72,068	10,103,854	0.73
Samsung Engineering Co Ltd	40,000	8,728,512	0.63
Samsung SDI Co Ltd	25,000	4,734,539	0.34
Samsung Techwin Co Ltd	103,000	12,053,148	0.88
Seoul Semiconductor Co Ltd	312,300	14,282,802	1.04
SK Energy Co Ltd	70,000	15,314,468	1.11
Sungwoo Hitech Co Ltd	600,000	9,259,911	0.67
Total South Korea		246,081,266	17.87

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary) (continued)		
Quoted Equities (continued)		
Thailand		
Banpu Public Co Ltd - Foreign	330,000	11,042,290
LPN Development PCL - Foreign	10,025,000	3,852,583
PTT Exploration & Prod - Foreign	800,000	5,605,224
Total Thailand	20,500,097	1.49
Total Equities	979,981,647	71.20
Quoted Debt Securities		
Germany		
Deutsche Bank 3.25% 10 Oct 2012	8,000,000	8,207,698
Total Germany	8,207,698	0.60
Hong Kong		
HK Land Treasury 3.43% 14 May 2020	1,750,000	1,696,479
HK Land Treasury 3.65% 05 Oct 2015	10,000,000	10,264,000
Sun Hung Kai Properties 4% 02 Nov 2020	1,000,000	1,201,120
Total Hong Kong	13,161,599	0.96

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
India		
ICICI Bank Ltd 3.3% 03 May 2012	2,000,000	0.15
Total India	2,016,488	0.15
Korea		
Shinhan Bank 3.93% 16 Jan 2016	1,000,000	0.07
Shinhan Bank 3.94% 15 Jan 2016	2,000,000	0.15
Total Korea	3,047,074	0.22
Malaysia		
Danga Capital 3.725% 11 Aug 2020	2,000,000	0.14
Total Malaysia	1,934,984	0.14
Qatar		
Qtel Intl Fin 4.75% Feb 2021	1,000,000	0.09
Total Qatar	1,231,763	0.09
Russia		
JSC VTB Bank 4.2% 11 Aug 2012	4,000,000	0.30
Total Russia	4,121,359	0.30

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acoms of Asia Balanced Fund (continued)			
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	
By Geography (Primary) (continued)			
Quoted Debt Securities			
Singapore			
Ascott Capital 4.38% 14 Aug 2012	8,000,000	8,402,240	0.61
Capitaland Ltd 3.125% 05 Mar 2018	1,000,000	1,038,083	0.08
Capitaland Treasury Ltd 4.3% 31 Aug 2020	2,000,000	2,006,145	0.15
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,000,000	15,163,048	1.10
Capitalmalls Asia 3.95% Aug 2017	2,000,000	2,028,921	0.15
CCT MTN Pte Ltd 3.64% 18 Feb 2015	3,000,000	3,064,389	0.22
City Development 3.45% 10 Sep 2012	4,000,000	4,126,345	0.30
CMT MTN Pte Ltd 4.321% 08 Apr 2015	600,000	785,336	0.06
DBS Bank 4.47% 15 Jul 2021	16,000,000	16,187,147	1.18
Fraser & Neave Ltd 6% 30 Apr 2019	3,000,000	3,433,175	0.25
Keppel Land Ltd 3.51% 03 Feb 2015	3,500,000	3,616,986	0.26
Mapletree Treasury 3.88% 04 Oct 2018	3,500,000	3,490,741	0.25
Mapletree Treasury 4.45% 07 Mar 2018	7,000,000	7,233,244	0.53
Mapletree Treasury 4.6% 20 Aug 2013	4,000,000	4,277,847	0.31
OCBC 3.78% 28 Nov 2017	10,000,000	10,265,175	0.75
OCBC 3.75% 15 Nov 2022	3,000,000	3,610,993	0.26
Overseas Union Enterprises 3.36% 27 Sep 2013	2,000,000	2,006,456	0.15
Public Utilities 3.095% 08 Oct 2014	5,000,000	5,297,114	0.39
Queensley Holdings Ltd 4.62% 07 Dec 2012	24,000,000	24,432,907	1.78
Sembcorp Finance 3.7325% 09 Apr 2020	1,500,000	1,490,231	0.11
Sengkang Mall 4.88% 20 Nov 2012	3,600,000	3,727,374	0.27

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	
By Geography (Primary) (continued)			
Others			
Singapore			
Ascendas Real Estate Investment Trust	8,159,000	16,889,130	1.23
Ascott Residence Trust	845,000	1,030,900	0.07
Capitacommerical Trust	1,719,000	2,578,500	0.19
Capitamall Trust	12,070,500	23,537,475	1.71
DBS Bank 4.7% 31 Dec 2049	2,000,000	2,036,027	0.15
DBS Bank 6% Non Cum PF	100,000	10,100,000	0.73
DBS Cap Funding 5.75% 29 May 2049	31,200,000	32,745,041	2.38
First Ship Lease Trust	2,200,000	1,012,000	0.07
Frasers Centrepoint Trust	4,720,000	7,032,800	0.51
OCBC 5.1% 31 Dec 2049	20,000	2,099,200	0.15
OCBC Capital Corp 5.1% 29 Aug 2049	70,000	7,358,400	0.53
Starhill Global Reit	7,000,000	4,340,000	0.32
Total Singapore		110,759,473	8.04
Total Others		110,759,473	8.04
Portfolio of investment		1,364,221,707	99.15
Other net assets		11,199,673	0.85
Net assets attributable to unitholders		1,375,421,380	100.00

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

	Acoms of Asia Balanced Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 Dec 2010	Percentage of total net assets attributable to unitholders at 31 Dec 2009
	%	%
<u>By Geography (Summary)</u>		
<u>Quoted Equities</u>		
China	17.27	20.83
Hong Kong	6.66	6.07
Indonesia	10.34	7.17
Malaysia	1.54	1.70
Philippines	1.41	0.66
Singapore	2.70	2.15
South Korea	17.87	12.32
Taiwan	11.92	13.72
Thailand	1.49	1.87
Total Equities	71.20	66.49
<u>Quoted Debt Securities</u>		
Germany	0.60	0.64
Hong Kong	0.96	0.76
India	0.15	0.25
Korea	0.22	-
Malaysia	0.14	-
Qatar	0.09	-
Russia	0.30	-
Singapore	12.67	14.19
United Arab Emirates	0.18	0.18
United Kingdom	2.79	2.84
United States	1.81	1.83
Total Debt Securities	19.91	20.69

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)			
Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	Percentage of total net assets attributable to unitholders at 31 Dec 2009 %	
By Industry (Secondary)			
Quoted Equities			
Agribusiness	53,556,222	3.89	2.80
Airlines	7,579,644	0.55	-
Apparel	26,912,394	1.95	-
Auto	75,681,201	5.50	7.93
Cement	13,640,554	0.99	1.97
Chemicals	33,221,648	2.41	0.69
Coal	75,342,660	5.48	3.36
Computer	-	-	1.09
Conglomerates	-	-	0.79
Construction Material	7,175,263	0.52	0.60
Consumer	-	-	2.75
Consumer Product	4,979,669	0.36	1.99
Electronics	257,250,334	18.70	17.12
Engineering & Construction	19,933,004	1.44	1.25
Finance	30,950,247	2.25	1.92
Hotel	6,964,687	0.51	1.08
Infrastructure	14,889,494	1.08	1.26
Internet	17,654,135	1.28	-
Leisure	14,494,339	1.05	1.10
Machinery Heavy	33,518,253	2.43	0.92
Manufacturing	-	-	0.64
Mining	22,335,392	1.62	1.53
Offshore Marine	29,628,700	2.15	-
Oil & Gas Services	56,557,353	4.12	2.44
Real Estate	75,936,827	5.54	4.55
Refining	7,337,677	0.53	0.66
Retail	44,414,078	3.22	2.33
Shipbuilding	10,794,555	0.78	0.89
Steel	15,048,640	1.10	2.15
Transportation	17,798,736	1.29	2.38
Transportation Others	6,385,941	0.46	0.30
Total Equities	979,981,647	71.20	66.49

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Acorns of Asia Balanced Fund (continued)			
	Fair value at 31 Dec 2010	Percentage of total net assets attributable to unitholders at 31 Dec 2010	Percentage of total net assets attributable to unitholders at 31 Dec 2009
	S\$	%	%
By Industry (Secondary) (continued)			
Quoted Debt Securities			
Airlines	2,483,432	0.18	0.18
Banks	109,036,812	7.93	7.55
Finance	31,866,430	2.32	1.83
Hotels & Hospitality	-	-	0.24
Industrial Others	4,923,406	0.36	1.42
Real Estate	103,604,918	7.54	7.52
Sovereign	13,518,979	0.99	1.55
Telecom	1,231,763	0.09	-
Transportation Others	1,517,733	0.11	-
Utilities	5,297,114	0.39	0.40
Total Debt Securities	273,480,587	19.91	20.69
Others			
Banks	54,338,668	3.94	3.89
Hotels & Hospitality	-	-	0.09
Infrastructure	-	-	0.05
Real Estate	55,408,805	4.03	4.06
Shipping	1,012,000	0.07	0.10
Total Others	110,759,473	8.04	8.19
Portfolio of investments	1,364,221,707	99.15	95.37
Other net assets	11,199,673	0.85	4.63
Net assets attributable to unitholders	1,375,421,380	100.00	100.00

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund		
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary)		
Quoted Debt Securities		
Hong Kong		
HK Land Treasury 3.43% 14 May 2020	4,000,000	0.72
HK Land Treasury 3.65% 05 Oct 2015	10,000,000	1.89
Sun Hung Kai Properties 4% 02 Nov 2020	5,500,000	1.22
Total Hong Kong	20,747,826	3.83
India		
ICICI Bank Ltd 3.3% 03 May 2012	7,000,000	1.30
Total India	7,057,707	1.30
Korea		
Shinhan Bank 3.93% 16 Jan 2016	3,000,000	0.56
Shinhan Bank 3.94% 15 Jan 2016	6,500,000	1.22
Total Korea	9,649,194	1.78
Malaysia		
Danga Capital 3.725% 11 Aug 2020	6,000,000	1.07
Total Malaysia	5,804,951	1.07
Qatar		
Qtel Intl Fin 4.75% Feb 2021	1,000,000	0.23
Total Qatar	1,231,763	0.23
Russia		
JSC VTB Bank 4.2% 11 Aug 2012	10,000,000	1.90
Total Russia	10,303,397	1.90

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund (continued)			
	Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore			
Ascott Capital 4.38% 14 Aug 2012	10,000,000	10,502,800	1.94
Capitaland Ltd 3.125% 05 Mar 2018	2,500,000	2,595,207	0.48
Capitaland Treasury Ltd 4.3% 31 Aug 2020	10,000,000	10,030,726	1.85
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,000,000	15,163,048	2.80
Capitamalls Asia 3.95% Aug 2017	16,000,000	16,231,364	2.99
CCT MTN Pte Ltd 3.64% 18 Feb 2015	6,000,000	6,128,778	1.13
City Development 3.45% 10 Sep 2012	6,000,000	6,189,518	1.14
CMT MTN Pte Ltd 4.321% 08 Apr 2015	1,700,000	2,225,119	0.41
CMT MTN Pte Ltd 3.55% 01 Sep 2017	4,000,000	3,931,074	0.72
DBS Bank 4.47% 15 Jul 2021	16,000,000	16,187,147	2.98
Fraser & Neave Ltd 6% 30 Apr 2019	12,000,000	13,732,701	2.53
Keppel Land Ltd 3.51% 03 Feb 2015	5,500,000	5,683,836	1.05
Mapletree Treasury 4.45% 07 Mar 2018	8,000,000	8,266,564	1.52
Mapletree Treasury 4.6% 20 Aug 2013	8,500,000	9,090,424	1.68
Mapletree Treasury 3.88% 04 Oct 2018	10,000,000	9,973,545	1.84
OCBC 3.78% 28 Nov 2017	20,000,000	20,530,351	3.79
OCBC 3.75% 15 Nov 2022	2,000,000	2,407,329	0.44
Oveaseas Union Enterprises 3.36% 27 Sep 2013	6,000,000	6,019,368	1.11
Public Utilities 3.012% 12 Jul 2022	4,000,000	3,904,774	0.72
Public Utilities 3.095% 08 Oct 2014	6,000,000	6,356,536	1.17

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

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Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund (continued)		
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Singapore (continued)		
Queensley Holdings Ltd 4.62% 07 Dec 2012	17,000,000	17,306,643
Sembcorp Finance 3.7325% 09 Apr 2020	8,000,000	7,947,901
Sengkang Mall Ltd 4.88% 20 Nov 2012	2,400,000	2,484,916
Singapore Airlines 3.22% 09 Jul 2020	18,000,000	17,737,890
Singapore Govt Securities 3% 01 Sep 2024	5,000,000	5,044,638
Singapore Govt Securities 3.125% 01 Sep 2022	2,000,000	2,070,691
Singapore Govt Securities 3.25% 01 Sep 2020	1,500,000	1,584,395
Singapore Govt Securities 3.625% 01 Jul 2014	12,000,000	13,323,918
Singapore Post 3.5% 30 Mar 2020	3,000,000	3,035,466
Singtel Group 3.4875% 08 Apr 2020	8,000,000	7,944,208
SP Power Assets 4.84% 22 Oct 2018	1,750,000	1,959,444
SPARC II Ltd 5% 07 Sep 2011	1,000,000	1,040,253
Temasek Finance 3.265% 19 Feb 2020	8,000,000	8,148,693
UOB Cayman Ltd 5.796% 29 Dec 2049	1,200,000	1,592,632
UOB Ltd 4.1% 03 Sep 2019	8,000,000	8,378,937
UOL Ltd 3.34% 15 May 2012	9,000,000	9,188,184
Wing Tai Holdings 3.3% 26 May 2015	6,500,000	6,436,718
Total Singapore	290,375,736	53.53

The accompanying notes form an integral part of these financial statements.

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Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund (continued)		
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
United Kingdom		
Royal BK Scotland 2.85% 31 Mar 2014	10,000,000	9,942,616
Standard Chartered 5.25% 10 Apr 2023	39,000,000	39,385,886
Standard Chartered 6.409% 31 Dec 2049	2,900,000	3,579,840
Standard Chartered 7.014% 30 Dec 2049	5,000,000	6,294,803
Total United Kingdom	59,203,145	10.91
United States		
Citigroup Inc 4.05% 29 Jun 2016	10,000,000	9,950,219
Household Fin Corp 4.07% 24 Feb 2014	4,500,000	4,717,730
Morgan Stanley 4% 23 Oct 2017	18,750,000	18,421,156
Total United States	33,089,105	6.10
Total Debt Securities	437,462,824	80.65

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

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Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund (continued)			
Holdings as at 31 Dec 2010	Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	
By Geography (Primary) (continued)			
Others			
Singapore			
Ascott Residence Trust	768,000	936,960	0.17
Capitamall Trust	1,321,500	2,576,925	0.48
DBS Bank Ltd 4.7% 31 Dec 2049	4,000,000	4,072,055	0.75
DBS Bank 6% Non Cum PF	65,850	6,650,850	1.23
DBS Cap Funding 5.75% 29 May 2049	38,000,000	39,881,781	7.35
First Ship Lease Trust	6,600,000	3,036,000	0.56
Frasers Centrepoint Trust	823,000	1,226,270	0.23
Frasers Commercial Trust Reit	4,679,000	772,035	0.14
OCBC 5.1% 31 Dec 2049	40,000	4,198,400	0.77
OCBC Capital Corp 5.1% 29 Aug 2049	210,000	22,075,200	4.07
Starhill Global Reit	11,000,000	6,820,000	1.26
Total Singapore	92,246,476	17.01	
Total Others	92,246,476	17.01	
Portfolio of investments	529,709,300	97.66	
Other net assets	12,609,122	2.34	
Net assets attributable to unitholders	542,318,422	100.00	

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

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Portfolio Statements *(continued)*

As at 31 December 2010

	Singapore Bond Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 Dec 2010	Percentage of total net assets attributable to unitholders at 31 Dec 2009
	%	%
<u>By Geography (Summary)</u>		
<u>Quoted Debt Securities</u>		
Germany	-	1.39
Hong Kong	3.83	4.52
India	1.30	1.64
Korea	1.78	0.71
Malaysia	1.07	-
Qatar	0.23	-
Russia	1.90	-
Singapore	53.53	42.57
United Kingdom	10.91	8.17
United States	6.10	6.42
Total Debt Securities	80.65	65.42
<u>Others</u>		
China	-	0.25
India	-	0.08
Malaysia	-	0.07
Singapore	17.01	22.48
Total Others	17.01	22.88
Portfolio of investments	97.66	88.30
Other net assets	2.34	11.70
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

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Portfolio Statements *(continued)*

As at 31 December 2010

Singapore Bond Fund (continued)		
Fair value at 31 Dec 2010 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %	Percentage of total net assets attributable to unitholders at 31 Dec 2009 %
<u>By Industry (Secondary)</u>		
<u>Quoted Debt Securities</u>		
Airlines	17,737,890	3.27
Banks	146,300,311	26.96
Finance	37,092,530	6.84
Government Agency	-	1.73
Hotels & Hospitality	-	0.88
Industrial Others	21,680,602	4.00
Real Estate	168,195,658	31.02
Sovereign	22,023,642	4.06
Telecom	9,175,971	1.69
Transportation Others	3,035,466	0.56
Utilities	12,220,754	2.25
Total Debt Securities	437,462,824	80.65
<u>Others</u>		
Banks	76,878,286	14.17
Hotels & Hospitality	-	-
Infrastructure	-	-
Real Estate	12,332,190	2.28
Shipping	3,036,000	0.56
Total Others	92,246,476	17.01
Portfolio of investments	529,709,300	97.66
Other net assets	12,609,122	2.34
Net assets attributable to unitholders	542,318,422	100.00

The accompanying notes form an integral part of these financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements

For the financial year ended 31 December 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

PineBridge International Funds (formerly known as AIG International Funds) is a Singapore umbrella fund constituted under a Trust Deed dated 15 February 1999 (and the "Supplemental Deeds") between PineBridge Investments Singapore Limited, (the "Manager") and Citicorp Trustee (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore.

These financial statements cover the following sub-funds under PineBridge International Funds:

- Acorns of Asia Balanced Fund
- Singapore Bond Fund

The sub-funds are unit trusts included under the Central Provident Fund Investment Scheme ("CPFIS").

The registered offices of the Manager and the Trustee are 1 Robinson Road, #12-02, AIA Tower, Singapore 048542; and 3 Temasek Avenue, #12-00 Centennial Tower, Singapore 039190, respectively.

The sub-funds investors are mainly from Singapore, with subscription and redemptions of the units denominated in Singapore dollars.

The performance of the sub-funds is measured and reported to the investors in Singapore Dollar. The Manager considers the Singapore Dollar as the functional currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. These financial statements are expressed in Singapore Dollar, which is the sub-funds' functional and presentation currency.

2. Significant accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of quoted investments and financial derivatives at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP7") issued by the Institute of Certified Public Accountants of Singapore ("ICPAS").

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

(b) Investment income recognition

Dividend income from investments is recognised when the right to receive payment is established.

Interest income arising from fixed deposits and debt securities is recognised in the Statement of Total Return on a time-proportion basis using the effective interest method.

(c) Charging of operating expenses against the value of the sub-funds

All direct operating expenses are attributable to the sub-funds and charged to the Statements of Total Return for each sub-fund. Certain shared expenses are allocated to each sub-fund based on the respective sub-fund's net asset values. From time to time, the Manager may at its own discretion, choose to absorb certain expenses of the sub-funds.

(d) Investments

The sub-funds' portfolio of investments comprises investments in debt securities and equities which are recognised at fair value. These investments are designated by the Manager as investments at fair value through profit and loss with realised and unrealised gains and losses from changes in fair values of investments included in the Statement of Total Return.

(e) Fair value

Fair values of investments are based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. Accrued interest or discount and premium on debt securities at the balance sheet date are incorporated in the fair value of the debt securities. The carrying amounts of current receivables (including cash and bank balances) and payables approximate their fair values.

(f) Foreign currency translation

Foreign currency monetary assets and liabilities are converted to Singapore dollars at rates of exchange prevailing at the date of the balance sheet. Transactions in foreign currencies during the year are converted into Singapore dollars for the respective sub-funds at the rates of exchange prevailing on the transaction dates. Differences on exchange are included in the respective Statements of Total Return.

Amounts receivable and payable denominated in foreign currencies are translated into Singapore dollars at exchange rates prevailing at the balance sheet date. All translation gains or losses are recognised in the Statements of Total Return.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

(g) Derivative financial instruments

Derivatives including forwards and swaps are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair values. Fair values are obtained from quoted market prices in active markets, including forward rates, recent market transactions and valuation techniques, as appropriate. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative. Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statements of Total Return.

3. Tax

The Fund is a unit trust under the Central Provident Fund Investment Scheme. Accordingly, the Fund is accorded the following Singapore income tax treatment:

(a) General

No tax is withheld from distributions made by the Fund.

(b) Tax of the Fund

The following types of income/gains earned by the Fund are exempt from Singapore income tax in accordance with Section 35(12) of the Income Tax Act:

- interest (other than interest for which has been deducted under Section 45 of the Singapore Income Tax Act);
- distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore; and
- gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, forwards, swaps and options relating to securities, financial indices, interest rates and currencies.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

3. Tax (continued)

(b) Tax of the Fund (continued)

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Singapore income tax	495,131	497,543	269,437	532,615
Overseas income tax	2,083,954	1,886,675	-	8,320
Total income tax	2,579,085	2,384,218	269,437	540,935

4. Receivables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Amounts receivable for creation of units	582,549	1,065,174	249,973	4,268,362
Accrued interest receivables	-	402	148	400
Sales awaiting settlement	-	-	-	1,243,422
Other receivables	87,657	16,876	-	106,452
	670,206	1,082,452	250,121	5,618,636

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

5. Payables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Payable to unitholders for cancellation of units	1,612,673	923,140	971,109	381,359
Accrued expenses	1,942,981	1,781,568	541,247	568,027
	3,555,654	2,704,708	1,512,356	949,386

6. Financial derivatives, at fair value

- (a) Financial derivative contracts comprise forward foreign exchange contracts. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the balance sheet date are analysed below.

	Contractual or underlying principal amount	Fair value gains	Fair value losses
	S\$	S\$	S\$
2010			
Acorns of Asia Balanced Fund [see (b) below]	12,395,574	335,193	-
Singapore Bond Fund [see (b) below]	24,790,808	670,045	-
2009			
Acorns of Asia Balanced Fund [see (b) below]	2,781,413	-	(8,874)
Singapore Bond Fund [see (b) below]	6,373,489	-	(20,335)

- (b) The forward foreign exchange contracts were entered into with Citibank Singapore, a member of Citigroup and a related party of the Trustee.

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

7. Net assets attributable to unitholders

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
At the beginning of financial year	1,306,388,812	787,360,075	583,205,377	512,009,592
Operations				
Change in net assets attributable to unitholders resulting from operations	122,943,702	448,393,975	29,363,726	66,526,833
Unitholders' contributions/ (withdrawals)				
Creation of units	56,778,122	136,953,035	33,567,497	54,192,577
Cancellation of units	(110,689,256)	(66,318,273)	(103,818,178)	(49,523,625)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(53,911,134)	70,634,762	(70,250,681)	4,668,952
Total increase/(decrease) in net assets attributable to unitholders	69,032,568	519,028,737	(40,886,955)	71,195,785
At the end of financial year	1,375,421,380	1,306,388,812	542,318,422	583,205,377
Units in issue (see note 8)	572,766,048	597,014,367	372,794,374	421,129,098
Net asset attributable to unitholders per unit	2.401	2.188	1.455	1.385

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

7. Net assets attributable to unitholders (continued)

Reconciliation of “Net assets attributable to unitholders per unit for issuing/redeeming units” at financial year end and the “Net assets attributable to unitholders per unit per the financial statements”:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Net assets attributable to unitholders per unit for issuing/redeeming units	2.406	2.194	1.455	1.386
Effect of adopting bid prices as fair value	(0.005)	(0.006)	-	(0.001)
Net assets attributable to unitholders per unit per the financial statements	2.401	2.188	1.455	1.385

8. Units in issue

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010	2009	2010	2009
Units at beginning of financial year	597,014,367	559,626,665	421,129,098	418,191,189
Units created	25,373,993	74,154,078	23,407,444	42,169,517
Units cancelled	(49,622,312)	(36,766,376)	(71,742,168)	(39,231,608)
Units at end of financial year	572,766,048	597,014,367	372,794,374	421,129,098

9. Related party disclosures

- (a) As at 31 December 2010, the Manager and Trustee of PineBridge International Funds are PineBridge Investments Singapore and Citicorp Trustee (Singapore) Limited, a subsidiary of Citigroup, respectively. Management fees and trustee fees paid or payable by the respective sub-funds to the Manager and Trustee are shown in the Statement of Total Return and are on terms set out in the Trust Deed. All other related party transactions are disclosed elsewhere in the financial statements.

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

9. Related party disclosures (continued)

(b) As at 31 December 2010 and during the financial year then ended, the following significant transactions took place between the sub-funds and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

(i)

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Income derived/ (expenses incurred) for the financial year				
- Current account	709	12,815	907	-
- Bank charges	(690)	(1,426)	(645)	(735)

(ii) As at the end of the financial year, the sub-funds maintained current accounts with Citibank N.A., Singapore Branch as follows:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
Balance at end of the financial year				
- Current account	13,749,928	6,681,860	2,039,090	2,235,741

10. Financial risk management

The investments held by each sub-fund are subject to market price risk, interest rate risk, credit risk, liquidity risk and currency risk. The sub-funds' overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects on performance.

Specific guidelines on exposures to individual securities, single entity, groups of related companies and certain industries are in place at any time for each sub-fund as part of the overall financial risk management to reduce their risk exposures.

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

The sub-funds' assets consist primarily of financial instruments such as equity investments, fixed income (including hybrid) investments, money market investments, fixed deposits and cash in accordance with the sub-funds' stated investment objectives. The allocation of assets among the various types of investments is determined by the Manager so as to achieve the sub-funds' investment objectives.

(a) Market risk

Market risk is the risk of loss from uncertainties and fluctuations in the market prices of financial instruments due to changes in interest rates, credit spreads, exchange rates and other indirect factors such as volatility and correlations. Each sub-fund's investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the sub-funds.

Each sub-fund distinguishes the following components of market risk:

- Price risk
- Interest rate risk
- Currency risk

(i) *Price risk*

The portfolio managers of each sub-fund, together with in-house analysts are engaged in research activity and a range of internal and external formal and informal meetings and discussions, the purpose of which is to identify, analyse and mitigate market risks. Internal meetings focus on the review and outlook of macro-economic fundamentals, interest rates, fixed income, equity and currency markets and asset allocation. These meetings are held on a periodic basis ranging from weekly to monthly. Stock and sector allocations for equities are constantly monitored to determine whether any of the evaluated factors have changed or if an individual stock has hit valuation targets. If valuation targets are achieved and fair values are met, then the investment criteria will be re-examined to ascertain whether or not the security has met evaluation criteria (used to make buy and sell decision) and should be exited.

The sub-funds do not attempt to track a particular benchmark. Benchmark comparisons are carried out for performance measurement and illustrative purposes only, as there are considerable differences between the sub-funds' investment objectives and their respective benchmarks. This is due to the lack of suitable benchmarks which are similar to the sub-funds' investments objectives.

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(i) *Price risk* (continued)

While the benchmark of the equities component of the Acorns of Asia Balanced sub-fund is the MSCI AC FE ex Japan DTR Net Index whose constituents are stocks with certain minimum levels of market capitalisation, the sub-fund invests in stocks of growth companies with lower levels of market capitalisation but with the potential to grow into large companies. Hence, there would be considerable differences between the equities holdings in the sub-fund compared to the components of its equity benchmark.

As of 31 December 2010, the historical 1-year beta for Acorns of Asia Balanced sub-fund (for equities and REITS only) is estimated to be 1.07 (2009: 0.89). The benchmark for equities portion is MSCI AC FE ex Japan DTR Net.

The table below summarises the impact of increases/decreases from the sub-fund's underlying investments in equities and REITS on the sub-fund's net asset attributable to unitholders as at 31 December 2010 and 2009. The analysis is based on the assumption that the estimated 1-year beta of 1.07 (2009: 0.89) is applied to the closing net asset values for every 5% movement in the underlying benchmark index.

Fund	Benchmark component	Impact of 5% (2009: 5%) increase in benchmark on net assets attributable to unitholders	
		31 Dec 2010 (S\$m)	31 Dec 2009 (S\$m)
Acorns of Asia Balanced Fund	MSCI AC FE ex Japan DTR Net	55.45	41.17

The market prices of the debt securities held by the sub-funds are highly affected by the volatility of the interest rate and credit spread movements as the sub-funds debt securities investments are primarily in bonds issued by corporations, both Singapore and non-Singapore. Consequently, no separate price risk sensitivity analysis is prepared for the debt securities component of the Acorns of Asia Balanced sub-fund and the Singapore Bond sub-fund, as this is covered as part of interest risk and credit risk sensitivity analyses.

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As each sub-fund invests in debt securities whose values are driven by changes in interest rates, each sub-fund is subject to interest rate (duration) risk. When interest rates rise, the price of previously acquired debt securities will normally fall because new debt securities acquired will pay higher rate of interest, and vice-versa. Interest rate risks are managed by the portfolio managers utilising the output of an internal Duration Committee. The Committee uses a systematic framework to take into account fundamental, valuation and technical influences on interest rates. This framework is used as the basis for discussion of interest rate risk and qualitative conclusions. The output from this Committee is used as an input by portfolio managers in managing the interest rate risk of fixed income holdings. The fast moving nature of markets necessitates that portfolio managers be authorised to initiate fixed income trades within the stated investment objectives and guidelines of each sub-fund, with discretion to manage the day-to-day duration risk.

The tables below summarise the sub-funds' exposures to interest rate risks.

Acorns of Asia Balanced Fund:

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2010				
Assets				
Investments	-	273,480,587	1,090,741,120	1,364,221,707
Receivables	-	-	670,206	670,206
Cash and bank balances	13,749,928	-	-	13,749,928
Financial derivatives, at fair value	-	-	335,193	335,193
Total assets	13,749,928	273,480,587	1,091,746,519	1,378,977,034
Liabilities				
Payables	-	-	3,555,654	3,555,654
Net assets attributable to unitholders	-	-	1,375,421,380	1,375,421,380
Total liabilities	-	-	1,378,977,034	1,378,977,034

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Acorns of Asia Balanced Fund:

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2009				
Assets				
Investments	-	270,014,986	975,827,235	1,245,842,221
Receivables	-	-	1,082,452	1,082,452
Cash and bank balances	6,681,860	-	-	6,681,860
Fixed deposits with financial institutions	-	55,495,861	-	55,495,861
Total assets	6,681,860	325,510,847	976,909,687	1,309,102,394
Liabilities				
Payables	-	-	2,704,708	2,704,708
Financial derivatives, at fair value	-	-	8,874	8,874
Net assets attributable to unitholders	-	-	1,306,388,812	1,306,388,812
Total liabilities	-	-	1,309,102,394	1,309,102,394

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Singapore Bond Fund:

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2010				
Assets				
Investments	-	437,462,824	92,246,476	529,709,300
Receivables	-	-	250,121	250,121
Cash and bank balances	2,039,090	-	-	2,039,090
Fixed deposits with financial institutions	-	11,162,222	-	11,162,222
Financial derivatives, at fair value	-	-	670,045	670,045
Total assets	2,039,090	448,625,046	93,166,642	543,830,778
Liabilities				
Payables	-	-	1,512,356	1,512,356
Net assets attributable to unitholders	-	-	542,318,422	542,318,422
Total liabilities	-	-	543,830,778	543,830,778

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Singapore Bond Fund:

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2009				
Assets				
Investments	-	381,471,752	133,410,026	514,881,778
Receivables	-	-	5,618,636	5,618,636
Cash and bank balances	2,235,741	-	-	2,235,741
Fixed deposits with financial institutions	-	61,438,943	-	61,438,943
Total assets	2,235,741	442,910,695	139,028,662	584,175,098
Liabilities				
Payables	-	-	949,386	949,386
Financial derivatives, at fair value	-	-	20,335	20,335
Net assets attributable to unitholders	-	-	583,205,377	583,205,377
Total liabilities	-	-	584,175,098	584,175,098

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Fund

Impact of 50 bps (2009: 50bps) decrease in interest rates on net assets attributable to unit holders	
31 Dec 2010 (S\$m)	31 Dec 2009 (S\$m)
7.52	6.94
12.79	8.71

Acorns of Asia Balanced

Singapore Bond

(iii) *Currency risk*

Each sub-fund invests in securities denominated in currencies other than Singapore Dollar and may be affected favourably or unfavourably by movements in the exchange rate between the Singapore Dollar and the foreign currencies. The sub-funds may enter into forward foreign currency contracts to hedge some or all of these currency exposure.

The following sets out the total exposure to foreign currencies for the sub-funds:

Acorns of Asia Balanced Fund as at 31 December 2010:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	329,245,223	-	329,245,223
IDR	142,287,914	-	142,287,914
KRW	246,081,267	-	246,081,267
MYR	21,220,787	-	21,220,787
PHP	19,506,414	-	19,506,414
THB	20,500,097	-	20,500,097
TWD	174,715,618	-	174,715,618
USD	12,039,816	(12,395,860)	(356,044)
	965,597,136	(12,395,860)	953,201,276

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Currency risk* (continued)

Acorns of Asia Balanced Fund as at 31 December 2009:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	347,584,481	-	347,584,481
IDR	93,676,284	-	93,676,284
KRW	161,081,340	-	161,081,340
MYR	22,632,028	-	22,632,028
PHP	8,598,598	-	8,598,598
THB	24,444,954	-	24,444,954
TWD	179,979,773	-	179,979,773
USD	6,296,023	(2,781,105)	3,514,918
	844,293,481	(2,781,105)	841,512,376

Singapore Bond Fund as at 31 December 2010:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	23,969,268	(24,791,381)	(822,113)
	23,969,268	(24,791,381)	(822,113)

Singapore Bond Fund as at 31 December 2009:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
MYR	419,680	-	419,680
USD	12,241,155	(6,372,783)	5,868,372
	12,660,835	(6,372,783)	6,288,052

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table shows the sub-funds' sensitivity to foreign currency exposure should those currencies increase or decrease by 1% against the Singapore Dollar with all other variables held constant.

Sub-Fund	Impact of 1% (2009: 1%) increase in foreign currency exchange rates against Singapore Dollar on net asset attributable to unit holders		
	Currency	31 Dec 10	31 Dec 09
Acorns of Asia Balanced Fund	HKD	3,292,452	3,475,845
	IDR	1,422,879	936,763
	KRW	2,460,813	1,610,813
	MYR	212,208	226,320
	PHP	195,064	85,986
	THB	205,001	244,450
	TWD	1,747,156	1,799,798
	USD	(3,560)	35,149
Singapore Bond Fund	MYR	-	4,197
	USD	(8,221)	58,684

(b) Credit risk

Credit risk is the risk that one party to a financial instrument or transaction will cause a financial loss for the other party by failing to discharge an obligation when it falls due. This includes issuer (or investment) risk and counterparty risk. Issuer risks involve the loss of principal if the issuer of debt securities defaults on their payment obligation. Issuer risks also arise from the widening of credit spread on debt securities which results in a decline in the price of the securities. The impact of a 50 basis points widening/narrowing in credit spreads on all the fixed income securities held by the sub-funds is the same as the impact of a 50 basis points increase/decrease in interest rates shown in Note 10(a)(ii).

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(b) Credit risk (continued)

Counterparty risk involves the risk of non-performance of a counterparty in a transaction resulting in the inability to complete the transaction which may result in a loss.

Each sub-fund invests in debt securities and is subject to issuer risks. Substantial research tools are available to the portfolio managers for use in the management of credit risk. These include an internal proprietary Credit Risk System (CRS), which provides individual company and industry research done by a team of in-house credit analysts, internal credit risk ratings, external ratings agencies' credit risk ratings, rating agency reports, purchased research databases and other advanced credit risks management tools. Issuer risk for each sub-fund is also mitigated by the following limits:

- exposure to debt securities issued by any single issuer cannot exceed 10% of each sub-funds' assets
- exposure to debt securities issued by any one group of companies cannot exceed 20% of each sub-funds' assets
- debt securities issued by non-Singapore entities which are rated non-investment grade cannot exceed 5% of each sub-funds' assets

Counterparty risk is managed by the following:

- transactions can be executed with only brokers included in the internal approved broker list. The list is updated on a quarterly basis or more frequently if circumstances demand it.
- all trades with counterparties are executed on Delivery Versus Payment basis. This is a securities industry procedure in which the buyers' payment for securities is due upon delivery of securities.

The sub-funds do not engage in securities lending.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(b) Credit risk (continued)

The table below analyses the credit ratings of the debt securities held by the sub-funds.

		S&P or Moody's Rating of debt securities credit ratings as at 31 Dec 2010					
S&P	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Below BBB-	Not rated	
Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	18.61	23.60	113.53	14.32	-	103.42	273.48
- % of portfolio	1.36	1.72	8.26	1.05	-	7.52	19.91
Singapore Bond Fund							
- SGD millions	30.17	45.82	126.47	43.31	-	191.69	437.46
- % of portfolio	5.55	8.45	23.32	7.99	-	35.34	80.65

		S&P or Moody's Rating of debt securities credit ratings as at 31 Dec 2009					
S&P	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Below BBB-	Not rated	
Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	20.27	2.04	110.00	16.74	1.34	119.62	270.01
- % of portfolio	1.56	0.16	8.42	1.28	0.11	9.16	20.69
Singapore Bond Fund							
- SGD millions	36.23	6.97	131.39	35.34	2.68	168.87	381.48
- % of portfolio	6.21	1.20	22.53	6.06	0.46	28.96	65.42

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as AIG International Funds)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(b) Credit risk (continued)

The table below shows the credit ratings of financial institutions which the sub-funds place fixed deposits and hold cash bank accounts with.

	Amounts placed with financial institutions as at 31 Dec 2010	Credit rating as at 31 Dec 2010
	(S\$m)	
Acorns of Asia Balanced Fund		
- Citigroup	13.7	A+
Singapore Bond Fund		
- BNP Paribas	2.9	AA
- Citigroup	2.0	A+
- OCBC	8.2	A+

	Amounts placed with financial institutions as at 31 Dec 2009	Credit rating as at 31 Dec 2009
	(S\$m)	
Acorns of Asia Balanced Fund		
- ABN Amro	29.2	A+
- Citigroup	20.8	A+
- OCBC	12.2	A+
Singapore Bond Fund		
- ABN Amro	27.4	A+
- Citigroup	29.7	A+
- OCBC	6.6	A+

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(b) Credit risk (continued)

As at 31 December 2010, all deposits with banks licensed in Singapore are guaranteed by the Singapore government, which is rated "AAA" until 31 December 2010.

Citibank N.A., Singapore Branch is the custodian of the 2 sub-funds and was rated "A+" as at 31 December 2010.

(c) Liquidity risk

Liquidity risk is the risk that a sub-fund will encounter difficulty in selling any of its investments in order to settle a liability including a redemption request. The sub-funds are exposed to daily cash redemption of units. Liquidity risk is mitigated by investing in debt issues which are at least SGD100 million in size, restricting exposure to any one single debt issue to a maximum of 10% of issue size and ensuring that the sub-funds invest a significant portion of assets in investments that can be traded in the market and maintaining a prudent level of cash and short-term securities that can be utilised to meet redemptions when needed.

The sub-funds' holdings of assets which can be converted to cash without any difficulties are as follows:

	Cash and short-term fixed deposits	Singapore Government Securities	Corporate bonds maturing within 12 months
	(\$m)	(\$m)	(\$m)
Acorns of Asia Balanced Fund			
- 31 December 2010	13.75	13.52	4.67
- 31 December 2009	62.18	20.27	18.73
Singapore Bond Fund			
- 31 December 2010	13.20	22.02	1.04
- 31 December 2009	63.68	36.23	63.62

Payables, which comprise of amounts due to unitholders for cancellation of units and accrued expenses, are due within 3 months from the balance sheet date.

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(d) Capital management

The sub-funds' capital is represented by the net assets attributable to unitholders. The sub-funds strive to invest the subscriptions of redeemable participating units in investments that meet the sub-funds' investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

(e) Fair value measurement

Effective 1 January 2009 the sub-funds adopted the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the sub-funds' financial assets and liabilities (by class) measured at fair value:

Acorns of Asia Balanced Fund as at 31 December 2010:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets measured at fair value				
Investments:				
- Equity securities	979,981,647	-	-	979,981,647
- Debt securities	-	273,480,587	-	273,480,587
- Derivatives	-	335,193	-	335,193
- Others	110,759,473	-	-	110,759,473
	1,090,741,120	273,815,780	-	1,364,556,900
Liabilities measured at fair value				
Financial derivatives, at fair value	-	-	-	-
	-	-	-	-

PINEBRIDGE INTERNATIONAL FUNDS

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(e) Fair value measurement (continued)

Acorns of Asia Balanced Fund as at 31 December 2009:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Equity securities	868,733,206	-	-	868,733,206
- Debt securities	-	270,014,986	-	270,014,986
- Others	107,094,029	-	-	107,094,029
	975,827,235	270,014,986	-	1,245,842,221
Liabilities measured at fair value				
Financial derivatives, at fair value	-	8,874	-	8,874
	-	8,874	-	8,874

Singapore Bond Fund as at 31 December 2010:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Debt securities	-	437,462,824	-	437,462,824
- Derivatives	-	670,045	-	670,045
- Others	92,246,476	-	-	92,246,476
	92,246,476	438,132,869	-	530,379,345
Liabilities measured at fair value				
Financial derivatives, at fair value	-	-	-	-
	-	-	-	-

PINEBRIDGE INTERNATIONAL FUNDS

(Formerly known as *AIG International Funds*)

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

10. Financial risk management (continued)

(e) Fair value measurement (continued)

Singapore Bond Fund as at 31 December 2009:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Debt securities	-	381,471,752	-	381,471,752
- Others	133,410,026	-	-	133,410,026
	133,410,026	381,471,752	-	514,881,778
Liabilities measured at fair value				
Financial derivatives, at fair value	-	20,335	-	20,335
	-	20,335	-	20,335

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and preference shares. The sub-funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include debt securities, corporate bonds and foreign exchange forward contracts.

The sub-funds do not engage in Level 3 investments.

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Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2010

11. Financial ratios

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2010 %	2009 %	2010 %	2009 %
Expense ratio ¹	1.73	1.73	1.15	1.15
Portfolio turnover ratio ²	52.65	74.72	50.53	31.86

- ¹ Expense ratio as at 31 December 2010 and 2009 is calculated in accordance with IMAS Guidelines on disclosure of expense ratios issued on 25 May 2005.

The expense ratio does not include (where applicable) brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

- ² Portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Important Notice:

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