



PineBridge International Funds

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2012

PART 1

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* Please note that all figures shown in this report are as of 31 December 2012 unless otherwise stated

PineBridge International Funds – Singapore Bond Fund

Fund Manager's Review

Market Overview

The markets faced a number of challenges during the year, from the continuing saga in the European sovereign debt crisis, to the weak US growth and to fears of a hard landing in China. However, as the year progressed into the latter part of the year, many of the tail risks that the market had feared started to ease off as strong policy actions worked to ease the financial stress in the market. Central banks including the US Federal Reserve, Bank of England, People's Bank of China, and Bank of Japan enacted additional quantitative easing measures to stimulate the economy while the ECB introduced its Outright Monetary Transactions plan which significantly reduced the probability of an adverse outcome in Europe. As a result of the increased confidence, the US and China's economy started to lift, albeit at a modest pace, in the latter part of the year.

For Singapore, after a strong 10.1% quarter-on-quarter expansion in 1Q12, the economy slowed sharply, turning in a weak 0.5% and -6.3% in 2Q12 and 3Q12 respectively. With flash estimate showing that 4Q12 had picked up slightly to 1.8% quarter-on-quarter growth, the Singapore economy is forecasted to end the year with a full-year year-on-year GDP growth of just 1.2%, compared to 4.8% in 2011. The weak growth can be attributed to the weak external demand which impacted Singapore's exports and manufacturing. In addition, the tight domestic labour market and the strong SGD currency have also constrained growth to a certain degree.

Given the challenges and uncertainties faced during the course of 2012, investors were generally cautious, seeking the 'safe haven' of the bond market. Coupled with the massive liquidity from policymakers' quantitative easing actions, yields headed lower. As an indication, the 10-year US Treasuries (UST) benchmark ended the year at 1.76%, from 1.88% at the beginning of the year, after touching a high of 2.38% in 1Q12 when

market optimism was still high, to a low of 1.39% in 3Q12, when Eurozone fears culminated.

In tandem with the UST yield movements, the Singapore Government Securities (SGS) yield moved in similar fashion, with the SGS 10-year benchmark moving from 1.64% at the beginning of 2012 to end the year at 1.30%, touching a high of 1.75% in 1Q12 and a low of 1.29% in 4Q12.

Despite the low yields, SGS experienced strong demand, which can be attributed to a number of factors. Apart from a strong 'flight-to-quality' flow into SGS from domestic buyers given heightened uncertainty, there were large foreign inflows into the market, attracted by the appreciating SGD, which was partly a product of MAS' tight monetary policy stance. The strong fiscal position and AAA rating of Singapore was also a draw as it provided a diversification away from other volatile markets. As a result, SGS ended the year at a historical low yield.

The massive liquidity in the market and the hunt for yield also benefited corporate credits, including SGD corporate credits. There was strong demand for SGD corporate credits during the year, especially in 2H12, which saw many SGD corporate bond issuances oversubscribed. The strong demand kept SGD corporate bond prices well supported.

Portfolio Overview

For the full year 2012, the PineBridge International Funds - Singapore Bond Fund (the Fund) returned 5.08% (before upfront sales charge) and 2.02% (net of upfront sales charge), while its benchmark, the JP Morgan Singapore Government Bond Index (All Sectors) returned 3.83% as of 31 December 2012.

Overall the Fund benefited from the favourable interest rates movement during the year as well as the credit spread compression, outperforming the benchmark, which comprised entirely of Singapore government securities.

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

Market Outlook

The global economic backdrop started 2013 looking better. Improvement in two of the world's largest economies, that of US and China, which started in the latter part of 2012 should continue into 2013. US recovery is expected to gain traction in 2013 once the uncertainties surrounding the debt ceiling negotiations are settled in 1Q13. The accelerating rebound in the US housing sector coupled with the pent-up demand in both the corporate and consumer sectors given the fiscal cliff and debt ceiling uncertainties and the record low borrowing rates should lead to stronger growth. In Europe, the stress in the Eurozone crisis has subsided significantly with ECB's strong actions, which in turn is expected to improve the economic backdrop for the region. While in Asia, China's growth, which went through a period of slowing economic growth in the past two years is turning, with manufacturing activity and exports rebounding. China's improved economic growth will in turn benefit the regional economies, including Singapore.

With a more positive economic outlook, global rates, including that of the US and Singapore are expected to trend higher. However, despite the rosier outlook, there are still a number of clear and present risks and uncertainties, including the near term political uncertainty of the US debt ceiling negotiations. There is also the possibility that the Eurozone debt problems could re-ignite again during the year or we get a false dawn in respect of US's and China's recovery. Hence, although interest rates are expected to increase, it will be capped in the short to medium term by uncertainties still prevalent in the environment.

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	89,490	21.91
Aa2	35,519	8.70
Aa3	5,335	1.30
A1	34,078	8.35
A2	23,889	5.85
A3	40,314	9.87
Baa1	17,392	4.26
Baa2	10,308	2.52
Baa3	2,635	0.65
Not Rated	134,530	32.93

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 – Singapore Bond Fund *(continued)*

Top 10 Holdings (as at 31 December 2012)		
	Fair Value (S\$'000)	%
Singapore Government Securities 3.5% 01 Mar 2027	22,372	5.48
Singapore Government Securities 3% 01 Sep 2024	20,864	5.11
DBS Capital Funding II 5.75% 29 May 2049	20,501	5.02
Singapore Airlines 3.22% 09 Jul 2020	17,601	4.31
DBS Bank Ltd 4.47% 15 Jul 2021	17,191	4.21
Standard Chartered Bank 5.25% 10 Apr 2023	16,982	4.16
F&N Treasury Pte Ltd 6% 30 Apr 2019	14,121	3.46
Capitaland Treasury Ltd 4.35% 31 Oct 2019	13,702	3.35
Capitamalls Asia Treasury 3.95% 24 Aug 2017	13,663	3.35
Singapore Government Securities 3.125% 01 Sep 2022	11,177	2.74

Source: PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2011)		
	Fair Value (S\$'000)	%
DBS Capital Funding II 5.75% 29 May 2049	41,470	8.66
Standard Chartered Bank 5.25% 10 Apr 2023	40,989	8.56
OCBC Capital Corp 5.1% 29 Aug 2049	22,533	4.71
Singapore Airlines 3.22% 09 Jul 2020	18,181	3.80
Morgan Stanley 4% 23 Oct 2017	17,329	3.62
OCBC 3.78% 28 Nov 2017	17,323	3.62
DBS Bank Ltd 4.47% 15 Jul 2021	17,115	3.58
Capitamalls Asia Treasury 3.95% 24 Aug 2017	16,463	3.44
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,411	3.22
F&N Treasury Pte Ltd 6% 30 Apr 2019	13,896	2.90

Source: PineBridge Investments Singapore Limited.

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	-	-
Net gain/(loss) on derivative contracts realised for the period 1 January to 31 December 2012	228,394	N/A
Net gain/(loss) on outstanding contracts marked to market	-	N/A

The calculation of the Fund's Global Exposure to financial derivatives is based on the Commitment Approach and is the sum of the exposure of each individual derivative.

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 period 1 January 2012 – 31 December 2012

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 – Singapore Bond Fund *(continued)*

Performance of Fund and benchmark

Period	Fund Performance	JP Morgan Sing Govt Bond Index
3-month	1.46%	0.88%
6-month	2.51%	1.72%
1-year	5.08%	3.83%
3-year [^]	4.77%	4.51%
5-year [^]	3.42%	4.24%
10-year [^]	4.16%	3.53%
Since Inception (26 Mar 02) [^]	4.43%	4.11%

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.

Turnover Ratios

Please refer to the Notes to the Financial Statements.

Soft Dollars

Not applicable.

PineBridge International Funds – Acorns of Asia Balanced Fund

Fund Manager's Review

Market Overview

Financial markets in Asia ex Japan (AxJ) saw an eventful year in 2012. Investors endured a fitful first half of the year, before sentiment improved in the latter months.

Regional stock markets began the year relatively brightly, underpinned by the release of constructive US economic data, and the easing of funding pressures among banks in the Eurozone area following the creation of the Long Term Refinancing Operation in late December 2011.

However, a market correction set in from late February, as concerns about the health of the Eurozone re-emerged. Contagion fears heightened with increased worries of a disorderly Greece default leading to both Spain and Italy coming under intense scrutiny. Investors' discomfort level was further raised as the US economy began to show signs of slowing, thus risking a double-dip recession. At the same time, economic indicators coming out from China led to fears of a "hard landing" of the Chinese economy, as the authorities there maintained its tightening reins to work off the inflationary effects of the excessive pump-priming it undertook in the aftermath of the global financial crisis in late 2008.

However, share markets in the region were to bottom around the start of the second half of the year, as the major central banks, including the US Federal Reserve and the European Central Bank, announced determined monetary policy actions to support economic activity. Additionally, there were official moves in China to minimize the risk of a hard landing. All these developments helped to improve investors' confidence and equities ended the year on a firm note.

Broadly, in the face of a fluid market environment, equity investors in AxJ mainly adopted a

defensive posture during the year. They primarily favoured stocks with a yield profile and the larger-capitalization companies.

For the fixed income market, a similar desire for safety resulted in a further rally in US Treasuries. There was a likewise strong demand for Singapore Government Securities, which led to the yields of such instruments falling to historically low levels during the period under review.

Portfolio Overview

During 2012, the PineBridge International Funds - Acorns Of Asia Balanced Fund (the Fund) returned 6.34% (before upfront sales charge) and 3.24% (net of upfront sales charge), while its composite benchmark (comprising 60% of the MSCI Far East ex Japan index for equities, and 40% of the JP Morgan Singapore Government Bond index for fixed income) returned 10.55%.

For the year as a whole, the Fund maintained a marginally overweight position in equities, while running an underweight exposure to fixed income. Despite the latter, the portfolio's preference for higher yielding corporate bonds with established credit profiles stood it in good stead.

While regional stock markets collectively experienced a positive year, as mentioned earlier, investors were selective in their positioning in them. Generally, with uncertainty about the global growth outlook prevailing until the later months of 2012, there was an inclination toward more defensive-type stocks, such as the larger-capitalization firms, and counters with dividend yields.

At the same time, investors tended to avoid emerging, growth-oriented companies in such areas as industrials, consumer discretionary, and information technology, where the Fund would be typically represented. Consequently, the portfolio's overall performance was hampered.

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

Market Outlook

At the time of writing in late January 2013, regional stock markets have made a positive start to 2013. Recent economic data is suggesting an improvement in the global growth environment, albeit at an ambling pace. For instance, the US housing sector, a key contributor to economic activity, has seen home prices improving since March of 2012.

World monetary conditions also continue to remain meaningfully accommodative, with the key central banks showing their determination to provide the necessary liquidity to help resuscitate economies.

At the same time, extreme risk aversion is beginning to tail off, as worries over systemic risks in the European banking system and China's economy subside. Our view is also that the worst effects of the US fiscal cliff issue have been avoided with the move to stave off across-the-board tax increases among US households.

In general, the present backdrop is typically constructive for growth equities. However, we expect markets to remain fluid, not least because there is still lingering uncertainty over a few risk factors, including the impending US debt ceiling limit negotiations. There is concern that political brinksmanship on this could lead to a similar situation as in August 2011, when a delay in extending the limit led to heightened risk aversion, and unstable financial markets.

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	93,507	7.81
Aa2	21,553	1.80
Aa3	1,642	0.14
A1	50,410	4.20
A2	30,288	2.53
A3	42,174	3.52
Baa1	40,950	3.42
Baa2	8,695	0.73
Baa3	1,581	0.13
Not Rated	144,730	12.06

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 2012)		
	Fair Value (\$S'000)	%
DBS Capital Funding II 5.75% 29 May 2049	33,665	2.81
Brilliance China Automotive Holdings Ltd	24,553	2.05
Street Square Pte Ltd 3.02% 05 May 2014	24,188	2.02
Sands China Ltd	22,862	1.91
SK Hynix Inc	22,473	1.88
Malayan Banking Bhd 3.8% 28 Apr 2021	21,645	1.81
DBS Bank Ltd 4.47% 15 Jul 2021	21,489	1.79
Galaxy Entertainment Group Ltd	21,389	1.78
Standard Chartered Bank 5.25% 10 Apr 2023	21,162	1.77
United Overseas Bank Ltd 4.1% 03 Sep 2019	20,790	1.73

Source : PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2011)		
	Fair Value (\$S'000)	%
Standard Chartered Bank 5.25% 10 Apr 2023	34,683	3.02
DBS Capital Funding II 5.75% 29 May 2049	34,049	2.96
AAC Acoustic Technology Holdings	30,635	2.67
Sands China Ltd	25,409	2.21
Street Square Pte Ltd 3.02% 05 May 2014	24,171	2.10
DBS Bank Ltd 4.47% 15 Jul 2021	21,394	1.86
Malayan Banking Bhd 3.8% 28 Apr 2021	21,125	1.84
United Overseas Bank Ltd 4.1% 03 Sep 2019	20,959	1.82
Hankook Tire Co Ltd	19,889	1.73
Morgan Stanley 4% 23 Oct 2017	18,305	1.59

Source: PineBridge Investments Singapore Limited.

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	-	-
Net gain/(loss) on derivative contracts realized for the period 1 January to 31 December 2012	198,329	N/A
Net gain/(loss) on outstanding contracts marked to market	-	N/A

The calculation of the Fund's Global Exposure to financial derivatives is based on the Commitment Approach and is the sum of the exposure of each individual derivative.

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 period 1 January 2012 – 31 December 2012

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	3.33%	3.82%
6-month	4.62%	7.42%
1-year	6.34%	10.55%
3-year [^]	1.07%	3.67%
5-year [^]	-2.40%	0.85%
10-year [^]	7.49%	8.18%
Since Inception (01 Oct 01) [^]	7.54%	8.54%

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.

Turnover Ratios

Please refer to the Notes to the Financial Statements.

Soft Dollars

In the normal course of business, the Manager 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 Manager. The goods and services received generally benefit the entire Manager's 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 Manager.

PINEBRIDGE INTERNATIONAL FUNDS

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

ANNUAL REPORT

For the year ended 31 December 2012

PINEBRIDGE INTERNATIONAL FUNDS

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

ANNUAL REPORT

For the year ended 31 December 2012

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PINEBRIDGE 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, 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 year 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 15 to 60, 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
25 March 2013

PINEBRIDGE INTERNATIONAL FUNDS

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

Statement by the Manager

In the opinion of the directors of PineBridge Investments Singapore Limited, (the “Manager”), the accompanying financial statements set out on pages 15 to 60, 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, namely the Acorns of Asia Balanced Fund and Singapore Bond Fund (collectively the “Funds”) as at 31 December 2012 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

Tan Kheng Lai
Chief Executive Officer
25 March 2013

PINEBRIDGE 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

(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, namely the Acorns of Asia Balanced Fund and Singapore Bond Fund (collectively the "Funds") set out on pages 15 to 60, which comprise the Balance Sheets and Portfolio Statements as at 31 December 2012, the Statements of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 controls. 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 2012 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, 25 March 2013

PINEBRIDGE INTERNATIONAL FUNDS

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

Statements of Total Return

For the year ended 31 December 2012

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		2012 S\$	2011 S\$	2012 S\$	2011 S\$
Investment income					
Dividends		16,292,043	19,573,301	1,218,493	1,906,543
Interest on deposits with banks		4,010	30,046	3,470	8,888
		16,296,053	19,603,347	1,221,963	1,915,431
Less: Expenses					
Audit fee		27,000	27,000	17,001	17,000
Custody and related fees		598,646	613,916	58,483	66,377
Management fees		17,893,354	19,532,772	4,601,544	5,142,779
Registrar and related fees		20,000	19,998	20,000	19,998
Refund of registrar and related fees		-	(33,951)	-	(14,529)
Trustee fees		477,156	520,874	184,062	205,711
Other*		(1,240,607)	626,139	(300,777)	169,703
		17,775,549	21,306,748	4,580,313	5,607,039
Net loss		(1,479,496)	(1,703,401)	(3,358,350)	(3,691,608)
Net gains or losses on value of investments					
Net realised gains on investments		50,320,072	68,168,934	17,549,714	10,062,740
Net change in fair value on investments		53,762,593	(219,502,812)	8,575,308	16,171,327
Net realised gains on forward foreign exchange contracts		198,329	404,161	228,394	721,303
Net change in fair value on forward foreign exchange contracts		44,047	(379,239)	61,377	(731,422)
Net foreign exchange (losses)/ gains		(26,333,922)	916,443	(336,850)	914
		77,991,119	(150,392,513)	26,077,943	26,224,862
Total return/(loss) for the year before income tax		76,511,623	(152,095,914)	22,719,593	22,533,254
Less: Income tax	3	(1,457,640)	(2,412,672)	-	(22,744)
Total return/(loss) for the year		75,053,983	(154,508,586)	22,719,593	22,510,510

* Includes Goods and Services Tax Rebates from Inland Revenue Authority of Singapore

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Balance Sheets

As at 31 December 2012

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		2012 S\$	2011 S\$	2012 S\$	2011 S\$
ASSETS					
Investments		1,177,550,053	1,140,622,648	393,489,276	476,443,811
Cash and bank balances	9	20,752,339	12,850,806	15,948,267	4,229,810
Receivables	4	2,855,375	334,324	112,624	106,814
Financial derivatives, at fair value	6	-	627,834	-	-
Total assets		1,201,157,767	1,154,435,612	409,550,167	480,780,435
LIABILITIES					
Payables	5	2,697,986	5,322,532	1,105,860	2,069,951
Financial derivatives, at fair value	6	-	44,047	-	61,377
Net assets attributable to unitholders	7	1,198,459,781	1,149,069,033	408,444,307	478,649,107
Total liabilities		1,201,157,767	1,154,435,612	409,550,167	480,780,435

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements

As at 31 December 2012

Acorns of Asia Balanced Fund			
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %	
By Geography (Primary)			
Quoted Equities			
China			
Anhui Conch Cement Co Ltd	2,300,000	10,219,835	0.85
Brilliance China Automotive Holdings Ltd	16,300,000	24,553,445	2.05
China Citic Bank Corp Ltd	27,800,000	20,149,746	1.68
China Lilang Ltd	18,000,000	13,018,236	1.09
China National Building Material	7,500,000	13,401,125	1.12
China Overseas Land & Investment Ltd	5,000,000	18,199,059	1.52
Digital China Holdings Ltd	6,000,000	12,498,263	1.04
Intime Department Store Group	14,250,000	20,432,580	1.70
Kunlun Energy Co Ltd	5,500,000	14,004,609	1.17
Lenovo Group Ltd	15,500,000	17,120,508	1.43
L'occitane International SA	2,500,000	9,651,016	0.81
Sands China Ltd	4,280,000	22,861,799	1.91
Shun Tak Holdings Ltd	23,500,000	15,477,866	1.29
Zhuzhou CSR Times Electric Co Ltd	3,650,000	16,362,214	1.37
Zoomlion Heavy Industry Science and Technology Co Ltd	8,250,000	14,845,232	1.24
Total China		242,795,533	20.27
Hong Kong			
AAC Acoustic Technology Holdings Ltd	3,800,000	16,166,437	1.35
Cheung Kong Infrastructure Holdings Ltd	600,000	4,481,223	0.37
Galaxy Entertainment Group Ltd	4,480,000	21,388,857	1.78
Hysan Development Co Ltd	2,500,000	14,693,179	1.23
Shangri-La Asia Ltd	6,000,000	14,521,431	1.21
Techtronic Industries Co Ltd	5,000,000	11,313,354	0.94
Total Hong Kong		82,564,481	6.88

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Indonesia			
PT Adi Sarana Armada TBK	93,500,000	4,893,606	0.41
PT Bank Negara Indonesia Persero TBK	20,000,000	9,221,463	0.77
PT Bumi Resources Minerals TBK	70,000,000	2,137,136	0.18
PT BW Plantation TBK	83,500,000	14,359,313	1.20
PT Indomobil Sukses Internasional TBK	18,000,000	11,776,057	0.98
PT United Tractors TBK	3,000,000	7,346,016	0.61
Total Indonesia	49,733,591	4.15	
Malaysia			
Genting Malaysia Bhd	9,000,000	12,684,626	1.06
Total Malaysia	12,684,626	1.06	
Philippines			
Alliance Global Group Inc	8,000,000	3,974,063	0.33
International Container Term Services Inc	2,800,000	6,125,888	0.51
Puregold Price Club Inc	3,834,800	3,695,865	0.31
Total Philippines	13,795,816	1.15	

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Singapore			
OCBC 5.1% 29 Dec 2049	20,000	2,057,800	0.17
OCBC Capital Corp 5.1% 29 Aug 2049	60,000	6,451,200	0.54
Ezion Holdings Ltd	8,580,000	14,457,300	1.21
Keppel Land Ltd	2,000,000	8,060,000	0.67
Sembcorp Marine Ltd	2,000,000	9,200,000	0.77
STX OSV Holdings Ltd	8,500,000	11,050,000	0.92
Total Singapore		51,276,300	4.28
South Korea			
Able C&C Co Ltd	101,750	9,158,543	0.76
Fila Korea Ltd	145,000	10,586,757	0.88
Gamevil Inc	84,200	9,682,502	0.81
Hana Financial Group Inc	280,000	11,068,181	0.92
LG Display Co Ltd	380,000	13,460,468	1.12
LG Household & Health Care Ltd	10,000	7,495,150	0.63
LG Uplus Corp	860,000	7,642,772	0.64
Lotte Shopping Co Ltd	20,000	8,567,516	0.71
Nexen Tire Corp	620,000	11,316,878	0.94
NHN Corp	51,000	13,207,208	1.10
Orion Corp	10,000	12,526,142	1.05
Paradise Co Ltd	805,010	15,795,912	1.32
Samsung SDI Co Ltd	50,000	8,613,148	0.72
SK Hynix Inc	765,000	22,472,617	1.88
SK Innovation Co Ltd	60,000	11,910,102	0.99
Total South Korea		173,503,896	14.47

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)		
Quoted Equities (continued)		
Taiwan		
Advantech Co Ltd	900,000	4,580,161
Catcher Technology Co Ltd	1,550,000	9,354,843
Chipbond Technology Corp	4,500,000	10,787,983
Formosa International Hotels Corp	650,000	10,648,139
Hiwin Technologies Corp	1,350,000	12,065,508
Largan Precision Co Ltd	450,000	14,724,651
Mediatek Inc	1,000,000	13,584,868
Mega Financial Holding Co Ltd	10,000,000	9,484,173
Pegatron Corp	9,850,000	15,556,041
TPK Holding Co Ltd	400,000	8,630,387
Win Semiconductors Corp	6,000,000	8,251,861
Total Taiwan	117,668,615	9.82
Thailand		
Central Pattana PCL	2,000,000	6,505,937
Total Thailand	6,505,937	0.54
Total Equities	750,528,795	62.62

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
<u>By Geography (Primary)</u> (continued)		
<u>Quoted Debt Securities</u>		
Hong Kong		
HK Land Treasury SG 3.43% 14 May 2020	1,750,000	0.15
HK Land Treasury Service 3.65% 05 Oct 2015	7,000,000	0.61
Joynote Limited 3.408% 20 Jul 2018	7,000,000	0.59
Wharf Finance No1 Ltd 4.5% 20 Jul 2021	4,000,000	0.35
Total Hong Kong	20,424,602	1.70
India		
ICICI Bank Ltd 3.8% 19 Apr 2016	4,000,000	0.34
Total India	4,052,656	0.34
Malaysia		
Danga Capital Bhd 3.725% 11 Aug 2020	2,000,000	0.17
Malayan Banking Bhd 3.8% 28 Apr 2021	21,000,000	1.81
Total Malaysia	23,718,730	1.98
Netherlands		
ABN Amro Bank NV 4.7% 25 Oct 2022	1,500,000	0.13
Total Netherlands	1,535,530	0.13

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Russia		
VTB Bank 3.4% 06 Jun 2014	10,000,000	0.84
Total Russia	10,066,478	0.84
Singapore		
Ascendas Pte Ltd 4.75% 18 Oct 2049	1,000,000	0.09
Capitaland Treasury Ltd 4.3% 31 Aug 2020	2,000,000	0.17
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,000,000	1.32
Capitamalls Asia Treasury 3.7% 29 Aug 2022	1,500,000	0.13
Capitamalls Asia Treasury 3.95% 24 Aug 2017	2,000,000	0.18
Capitamalls Asia Treasury 2.15% 21 Jan 2014	3,000,000	0.26
CCT MTN Pte Ltd 3.64% 18 Feb 2015	3,000,000	0.26
DBS Bank Ltd 4.47% 15 Jul 2021	20,000,000	1.79
DBS Capital Funding II 5.75% 29 May 2049	31,200,000	2.81
F&N Treasury Pte Ltd 6% 30 Apr 2019	3,000,000	0.29
HDB 1.83% 21 Nov 2018	3,000,000	0.26
HDB 2.505% 27 Jun 2024	3,000,000	0.25
HDB 2.815% 26 Jul 2021	10,000,000	0.91
HDB 3.14% 18 Mar 2021	3,000,000	0.28
Keppel Corp Ltd 3.1% 12 Oct 2020	3,000,000	0.25
Keppel Corp Ltd 3.145% 14 Feb 2022	2,000,000	0.17
Keppel Corp Ltd 3.8% 23 Apr 2027	5,000,000	0.42

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
	Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
Keppel Land Ltd 3.51% 03 Feb 2015	3,500,000	3,632,180	0.30
Land Transport Authority 3.275% 29 Oct 2025	2,000,000	2,173,915	0.18
Mapletree Industrial Trust 3.75% 08 Mar 2019	2,000,000	2,082,029	0.17
Mapletree Logistics Trust 5.375% 19 Mar 2049	1,500,000	1,581,073	0.13
Mapletree Treasury 3.88% 04 Oct 2018	3,500,000	3,682,593	0.31
Mapletree Treasury 4.45% 07 Mar 2018	7,000,000	7,594,766	0.63
Neptune Orient Lines Ltd 4.25% 26 Apr 2017	2,000,000	2,031,540	0.17
Neptune Orient Lines Ltd 4.4% 22 Jun 2021	3,000,000	2,925,897	0.24
NTUC Income Insurance 3.65% 23 Aug 2027	1,250,000	1,312,538	0.11
OCBC 4% 29 Dec 2049	5,000,000	5,031,527	0.42
Sembcorp Finance Services 3.7325% 09 Apr 2020	1,500,000	1,606,960	0.13
Singapore Airlines 2.15% 30 Sep 2015	2,500,000	2,562,575	0.21
Singapore Airlines 3.22% 09 Jul 2020	2,000,000	2,070,667	0.17
Singapore Government Securities 1.125% 01 Apr 2016	3,000,000	3,093,200	0.26
Singapore Government Securities 2.25% 01 Jun 2021	9,000,000	9,793,408	0.82
Singapore Government Securities 2.375% 01 Apr 2017	2,000,000	2,184,283	0.18
Singapore Government Securities 2.5% 01 Jun 2019	3,000,000	3,328,411	0.28

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
Singapore Government Securities 2.75% 01 Apr 2042	4,750,000	5,099,719	0.43
Singapore Government Securities 2.875% 01 Sep 2030	5,000,000	5,650,774	0.47
Singapore Government Securities 3% 01 Sep 2024	11,000,000	12,750,228	1.06
Singapore Government Securities 3.125% 01 Sep 2022	10,500,000	12,353,717	1.03
Singapore Government Securities 3.25% 01 Sep 2020	5,500,000	6,425,613	0.54
Singapore Government Securities 3.5% 01 Mar 2027	9,500,000	11,488,444	0.96
Singapore Government Securities 3.75% 01 Sep 2016	2,000,000	2,277,899	0.19
Singapore Government Securities 4% 01 Sep 2018	7,000,000	8,433,230	0.70
Singapore Post Limited 3.5% 30 Mar 2020	1,500,000	1,642,291	0.14
SMRT Capital Pte Ltd 1.2% 05 Oct 2017	5,000,000	5,040,686	0.42
Street Square Pte Ltd 3.02% 05 May 2014	24,000,000	24,187,786	2.02
Suntec Real Estate Invst 3.1% 08 Aug 2016	4,000,000	4,065,764	0.34
Temasek Financial (I) Ltd 3.265% 19 Feb 2020	5,000,000	5,587,323	0.47
United Overseas Bank Ltd 3.45% 01 Apr 2021	16,000,000	16,521,606	1.38
United Overseas Bank Ltd 4.1% 03 Sep 2019	20,000,000	20,790,362	1.73
UOL Group Ltd 2.5% 01 Jul 2014	11,000,000	11,165,278	0.93
Wing Tai Holdings 3.3% 26 May 2015	2,000,000	2,034,837	0.17
Total Singapore	330,005,086	27.53	

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
South Korea			
Korea National Oil Corp 3.15% 16 Feb 2016	3,500,000	3,651,236	0.30
Shinhan Bank 3.93% 16 Jan 2016	1,000,000	1,055,386	0.09
Shinhan Bank 3.94% 15 Jan 2016	2,000,000	2,111,079	0.18
Total South Korea	6,817,701	0.57	
United Kingdom			
Standard Chartered Bank 5.25% 10 Apr 2023	20,250,000	21,162,293	1.77
Total United Kingdom	21,162,293	1.77	
United States			
Morgan Stanley 4% 23 Oct 2017	9,000,000	9,238,182	0.77
Total United States	9,238,182	0.77	
Total Debt Securities			
	427,021,258	35.63	
Portfolio of investment			
	1,177,550,053	98.25	
Other net assets			
	20,909,728	1.75	
Net assets attributable to unitholders			
	1,198,459,781	100.00	

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

	Acorns of Asia Balanced Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 December 2012	Percentage of total net assets attributable to unitholders at 31 December 2011
	%	%
<u>By Geography (Summary)</u>		
<u>Quoted Equities</u>		
China	20.27	18.92
Hong Kong	6.88	4.00
Indonesia	4.15	7.30
Malaysia	1.06	0.57
Philippines	1.15	1.02
Singapore*	4.28	3.94
South Korea	14.47	13.61
Taiwan	9.82	10.99
Thailand	0.54	1.00
United Kingdom*	-	0.40
Total Equities	62.62	61.75
<u>Quoted Debt Securities</u>		
Germany	-	0.53
Hong Kong	1.70	1.99
India	0.34	0.52
Malaysia	1.98	2.01
Netherlands	0.13	-
Russia	0.84	1.19
Singapore*	27.53	25.16
South Korea	0.57	0.58
United Kingdom	1.77	3.44
United States	0.77	2.14
Total Debt Securities	35.63	37.56

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

By Geography (Summary) *(continued)*

Others

Singapore*

United Kingdom*

Total Others

Portfolio of investments

Other net assets

Net assets attributable to unitholders

Acorns of Asia Balanced Fund (continued)	
Percentage of total net assets attributable to unitholders at 31 December 2012	Percentage of total net assets attributable to unitholders at 31 December 2011
%	%
-	-
-	-
-	-
98.25	99.31
1.75	0.69
100.00	100.00

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)			
Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2012 %	Percentage of total net assets attributable to unitholders at 31 Dec 2011 %	
By Industry (Secondary)			
Quoted Equities			
Agribusiness	14,359,313	1.20	2.23
Apparel	23,604,993	1.97	1.88
Auto	47,646,380	3.97	7.92
Banks*	8,509,000	0.71	1.41
Cement	23,620,960	1.97	3.80
Chemicals	-	-	0.88
Coal	-	-	3.30
Consumer Product	16,653,693	1.39	-
Cosmetics	9,651,016	0.81	1.58
Distribution	12,498,263	1.04	1.00
Electronics	174,617,327	14.57	11.86
Engineering & Construction	4,481,223	0.37	-
Finance	49,923,563	4.16	2.25
Food	12,526,142	1.05	-
Hotel	25,169,570	2.10	0.68
Infrastructure	16,362,214	1.37	-
Leisure	99,594,967	8.31	5.84
Machinery Heavy	22,191,248	1.85	2.40
Manufacturing	12,065,508	1.01	1.43
Metals	-	-	0.50
Offshore Marine	34,707,300	2.90	2.58
Oil & Gas Services	25,914,711	2.16	1.40
Real Estate	62,936,041	5.25	2.10
Resources	2,137,136	0.18	-
Retail	32,695,961	2.72	5.16
Shipbuilding	-	-	0.79
Telecommunications	7,642,772	0.64	-
Transportation	4,893,606	0.41	-
Transportation Others	6,125,888	0.51	0.76
Total Equities	750,528,795	62.62	61.75

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Acorns of Asia Balanced Fund (continued)		
Fair value at 31 December 2012	Percentage of total net assets attributable to unitholders at 31 Dec 2012	Percentage of total net assets attributable to unitholders at 31 Dec 2011
S\$	%	%
By Industry (Secondary) (continued)		
Quoted Debt Securities		
Airlines	-	0.22
Banks*	159,126,466	13.29
Conglomerates	15,225,322	1.26
Finance	9,238,182	0.77
Government Agencies	22,484,887	1.88
Insurance	1,312,538	0.11
Investment Companies	7,661,059	0.64
Offshore Marine	-	0.26
Oil & Gas	3,651,236	0.30
Real Estate	109,168,986	9.11
Shipping	-	0.25
Sovereign	82,878,926	6.92
Transportation	16,273,656	1.35
Total Debt Securities	427,021,258	35.63
Others		
Banks*	-	-
Total Others	-	-
Portfolio of investments	1,177,550,053	98.25
Other net assets	20,909,728	1.75
Net assets attributable to unitholders	1,198,459,781	100.00

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary)		
Quoted Equities		
Singapore		
OCBC 5.1% 29 Dec 2049	40,000	4,115,600
OCBC Capital Corp 5.1% 29 Aug 2049	60,000	6,451,200
Total Singapore	10,566,800	2.59
Total Equities	10,566,800	2.59
Quoted Debt Securities		
Hong Kong		
HK Land Treasury SG 3.43% 14 May 2020	4,000,000	4,070,287
Joynote Limited 3.408% 20 Jul 2018	3,000,000	3,055,961
Wharf Finance No1 Ltd 4.5% 20 Jul 2021	2,000,000	2,083,996
Total Hong Kong	9,210,244	2.26
Malaysia		
Danga Capital Bhd 3.725% 11 Aug 2020	6,000,000	6,221,207
Malayan Banking Bhd 3.8% 28 Apr 2021	5,000,000	5,153,570
Total Malaysia	11,374,777	2.78
Netherlands		
ABN Amro Bank NV 4.7% 25 Oct 2022	4,000,000	4,094,746
Total Netherlands	4,094,746	1.00
Russia		
VTB Bank 3.4% 06 Jun 2014	4,000,000	4,026,591
Total Russia	4,026,591	0.99

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund (continued)			
	Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore			
Ascendas Pte Ltd 4.75% 18 Oct 2049	2,500,000	2,575,560	0.63
Capitaland Treasury Ltd 4.35% 31 Oct 2019	13,000,000	13,701,559	3.35
Capitamalls Asia Treasury 3.7% 29 Aug 2022	4,250,000	4,305,683	1.05
Capitamalls Asia Treasury 3.95% 24 Aug 2017	13,000,000	13,663,043	3.35
CCT MTN Pte Ltd 3.64% 18 Feb 2015	6,000,000	6,212,808	1.52
CMT MTN Pte Ltd 3.55% 01 Sep 2017	4,000,000	4,184,106	1.02
DBS Bank Ltd 3.1% 14 Feb 2023	6,000,000	6,133,419	1.50
DBS Bank Ltd 3.3% 21 Feb 2022	2,000,000	2,063,906	0.51
DBS Bank Ltd 4.47% 15 Jul 2021	16,000,000	17,191,291	4.21
DBS Capital Funding II 5.75% 29 May 2049	19,000,000	20,501,390	5.02
F&N Treasury Ltd 6% 30 Apr 2019	12,000,000	14,120,661	3.46
Great Eastern Life Assurance 4.6% 19 Jan 2026	5,000,000	5,420,688	1.33
HDB 2.088% 30 Aug 2022	2,000,000	2,013,227	0.49
HDB 2.505% 27 Jun 2024	3,000,000	3,040,621	0.74
HDB 2.815% 26 Jul 2021	4,000,000	4,339,793	1.06
Keppel Corp Ltd 3.145% 14 Feb 2022	2,000,000	2,008,592	0.49
Keppel Corp Ltd 3.8% 23 Apr 2027	3,000,000	3,022,823	0.74
Land Transport Authority 3.275% 29 Oct 2025	2,000,000	2,173,915	0.53
Mapletree Industrial Trust 3.75% 08 Mar 2019	2,000,000	2,082,029	0.51
Mapletree Logistics Trust 5.375% 19 Mar 2049	2,500,000	2,635,122	0.65
Mapletree Treasury Services 3.88% 04 Oct 2018	10,000,000	10,521,695	2.58

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Singapore (continued)		
Mapletree Treasury Services 4.45% 07 Mar 2018	8,000,000	2.13
Neptune Orient Lines Ltd 4.25% 26 Apr 2017	2,000,000	0.50
Neptune Orient Lines Ltd 4.4% 08 Nov 2019	2,000,000	0.49
NTUC Income Insurance 3.65% 23 Aug 2027	3,000,000	0.77
Public Utilities Board 3.012% 12 Jul 2022	4,000,000	1.08
Sembcorp Financial Services 3.7325% 09 Apr 2020	8,000,000	2.10
Singapore Airlines 3.22% 09 Jul 2020	17,000,000	4.31
Singapore Government Securities 2.25% 01 Jun 2021	10,000,000	2.66
Singapore Government Securities 2.5% 01 Jun 2019	3,000,000	0.81
Singapore Government Securities 2.75% 01 Apr 2042	4,000,000	1.05
Singapore Government Securities 2.875% 01 Sep 2030	3,000,000	0.83
Singapore Government Securities 3% 01 Sep 2024	18,000,000	5.11
Singapore Government Securities 3.125% 01 Sep 2022	9,500,000	2.74
Singapore Government Securities 3.25% 01 Sep 2020	6,500,000	1.86
Singapore Government Securities 3.5% 01 Mar 2027	18,500,000	5.48

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Singapore (continued)		
Singapore Post Limited 3.5% 30 Mar 2020	3,000,000	3,284,583
Singtel Group Treasury 3.4875% 08 Apr 2020	8,000,000	8,740,088
SP Power Assets 4.84% 22 Oct 2018	1,750,000	2,050,456
Temasek Financial (I) Ltd 3.265% 19 Feb 2020	5,000,000	5,587,323
United Overseas Bank Ltd 3.15% 11 Jul 2022	8,000,000	8,255,697
United Overseas Bank Ltd 3.45% 01 Apr 2021	10,000,000	10,326,004
United Overseas Bank Ltd 4.1% 03 Sep 2019	8,000,000	8,316,145
Wing Tai Holdings 4.5% 26 Sep 2022	2,250,000	2,301,994
Total Singapore	321,124,208	78.62
United Kingdom		
Royal Bank of Scotland PLC 2.85% 31 Mar 2014	5,000,000	5,061,543
Standard Chartered Bank 5.25% 10 Apr 2023	16,250,000	16,982,087
Total United Kingdom	22,043,630	5.40
United States		
HSBC Finance Corp 4.07% 24 Feb 2014	2,750,000	2,836,563
Morgan Stanley 4% 23 Oct 2017	8,000,000	8,211,717
Total United States	11,048,280	2.70
Total Debt Securities	382,922,476	93.75

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund (continued)		
Holdings as at 31 December 2012	Fair value at 31 December 2012 S\$	Percentage of total net assets attributable to unitholders at 31 December 2012 %
By Geography (Primary) (continued)		
Portfolio of investments	393,489,276	96.34
Other net assets	14,955,031	3.66
Net assets attributable to unitholders	408,444,307	100.00

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

	Singapore Bond Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 Dec 2012 %	Percentage of total net assets attributable to unitholders at 31 Dec 2011 %
By Geography (Summary)		
Quoted Equities		
Singapore*	2.59	6.47
United Kingdom*	-	1.88
Total Equities	2.59	8.35
Quoted Debt Securities		
Hong Kong	2.26	3.99
Malaysia	2.78	2.30
Netherlands	1.00	-
Russia	0.99	0.81
Singapore*	78.62	63.18
South Korea	-	3.09
United Kingdom	5.40	11.21
United States	2.70	6.63
Total Debt Securities	93.75	91.21
Others		
Singapore*	-	-
United Kingdom*	-	-
Total Others	-	-
Portfolio of investments	96.34	99.56
Other net assets	3.66	0.44
Net assets attributable to unitholders	100.00	100.00

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Portfolio Statements *(continued)*

As at 31 December 2012

Singapore Bond Fund (continued)		
Fair value at 31 Dec 2012	Percentage of total net assets attributable to unitholders at 31 Dec 2012	Percentage of total net assets attributable to unitholders at 31 Dec 2011
S\$	%	%
By Industry (Secondary)		
Quoted Equities		
Banks*	10,566,800	2.59
		8.35
Total Equities	10,566,800	2.59
		8.35
Quoted Debt Securities		
Airlines	-	3.80
Banks*	108,106,389	26.48
Conglomerates	27,722,529	6.79
Finance	11,048,280	2.70
Government Agency	15,969,870	3.90
Insurance	8,570,778	2.10
Investment Companies	11,808,530	2.89
Oil & Gas	-	1.06
Real Estate	80,073,575	19.61
Sovereign	83,902,259	20.54
Telecommunications	8,740,088	2.14
Transportation	24,929,722	6.10
Transportation Others	-	0.65
Utilities	2,050,456	0.50
Total Debt Securities	382,922,476	93.75
		91.21
Others		
Banks*	-	-
Total Others	-	-
		-
Portfolio of investments	393,489,276	96.34
Other net assets	14,955,031	3.66
Net assets attributable to unitholders	408,444,307	100.00
		100.00

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

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

PINEBRIDGE 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 2012

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

1. General

PineBridge 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 office of the Manager is 1 Robinson Road, #21-01, AIA Tower, Singapore 048542 and the registered office of the Trustee is 8 Marina View #21-00 Asia Square Tower 1, Singapore 018960.

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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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 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.

PINEBRIDGE 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 2012

2. Significant accounting policies (continued)

(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.

(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 sub-funds are included under the Central Provident Fund Investment Scheme. Accordingly, the sub-funds are accorded the following Singapore income tax treatment:

(a) General

No tax is withheld from distributions made by the sub-funds.

(b) Tax of the sub-funds

The following types of income/gains earned by the sub-funds 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);

PINEBRIDGE 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 2012

3. Tax (continued)

(b) Tax of the sub-funds (continued)

- 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.

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Singapore income tax	-	226,668	-	22,744
Overseas income tax	1,457,640	2,186,004	-	-
Total income tax	1,457,640	2,412,672	-	22,744

4. Receivables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Amounts receivable for creation of units	462,154	302,421	97,077	87,097
Sales awaiting settlement	2,366,295	-	-	-
Other receivables	26,926	31,903	15,547	19,717
	2,855,375	334,324	112,624	106,814

PINEBRIDGE 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 2012

5. Payables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Payable to unitholders for cancellation of units	881,726	1,557,756	666,497	984,874
Accrued expenses	1,816,260	3,764,776	439,363	1,085,077
	2,697,986	5,322,532	1,105,860	2,069,951

6. Financial derivatives, at fair value

Financial derivative contracts comprise of forward foreign exchange contracts and warrants. 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\$
2012			
Acorns of Asia Balanced Fund			
Foreign exchange forward contracts	-	-	-
Warrants	-	-	-
Singapore Bond Fund			
Foreign exchange forward contracts	-	-	-
2011			
Acorns of Asia Balanced Fund			
Foreign exchange forward contracts	7,883,640	-	(44,047)
Warrants	5,938,971	627,834	-
Singapore Bond Fund			
Foreign exchange forward contracts	10,985,400	-	(61,377)

PINEBRIDGE 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 2012

7. Net assets attributable to unitholders

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
At the beginning of financial year	1,149,069,033	1,375,421,380	478,649,107	542,318,422
Operations Change in net assets attributable to unitholders resulting from operations	75,053,983	(154,508,586)	22,719,593	22,510,510
Unitholders' contributions/ (withdrawals) Creation of units	42,438,795	51,118,478	64,787,023	46,502,149
Cancellation of units	(68,102,030)	(122,962,239)	(157,711,416)	(132,681,974)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(25,663,235)	(71,843,761)	(92,924,393)	(86,179,825)
Total increase/ (decrease) in net assets attributable to unitholders	49,390,748	(226,352,347)	(70,204,800)	(63,669,315)
At the end of financial year	1,198,459,781	1,149,069,033	408,444,307	478,649,107
Units in issue (see note 8)	529,755,140	541,539,070	256,297,378	315,490,507
Net asset attributable to unitholders per unit	2.262	2.122	1.594	1.517

PINEBRIDGE 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 2012

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	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Net assets attributable to unitholders per unit for issuing/redeeming units	2.265	2.130	1.594	1.517
Effect of adopting bid prices as fair value	(0.003)	(0.008)	-	-
Net assets attributable to unitholders per unit per the financial statements	2.262	2.122	1.594	1.517

8. Units in issue

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012	2011	2012	2011
Units at beginning of financial year	541,539,070	572,766,048	315,490,507	372,794,374
Units created	19,013,920	21,788,464	41,513,810	30,617,135
Units cancelled	(30,797,850)	(53,015,442)	(100,706,939)	(87,921,002)
Units at end of financial year	529,755,140	541,539,070	256,297,378	315,490,507

9. Related party disclosures

- (a) As at 31 December 2012, the Manager and Trustee of PineBridge International Funds are PineBridge Investments Singapore Limited 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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

9. Related party disclosures (continued)

(b) As at 31 December 2012 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:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Income derived/ (expenses incurred) for the financial year				
- Current account	76	767	-	-
- Bank charges	(315)	(887)	(255)	(420)

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

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 S\$	2011 S\$	2012 S\$	2011 S\$
Balance at end of the financial year				
- Current account	20,752,339	12,850,806	15,948,267	4,229,810

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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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 2012, the historical 1-year beta for Acorns of Asia Balanced sub-fund (for equities excluding Preference Shares) is estimated to be 0.97 (2011: 1.24). 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 excluding Preference Shares on the sub-fund's net asset attributable to unitholders as at 31 December 2012 and 2011. The analysis is based on the assumption that the estimated 1-year beta of 0.97 (2011: 1.24) is applied to the closing net asset values for every 5% movement in the underlying benchmark index.

Fund	Benchmark component	Impact of 5% (2011: 5%) increase in benchmark on net assets attributable to unitholders	
		31 Dec 2012 S\$m	31 Dec 2011 S\$m
Acorns of Asia Balanced Fund	MSCI AC FE ex Japan DTR Net	35.99	42.79

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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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 sub-funds are not exposed to significant cash flow interest rate risk as the sub-funds do not hold significant floating rate financial instruments.

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 2012				
Assets				
Investments	-	427,021,258	750,528,795	1,177,550,053
Receivables	-	-	2,855,375	2,855,375
Cash and bank balances	20,752,339	-	-	20,752,339
Total assets	20,752,339	427,021,258	753,384,170	1,201,157,767
Liabilities				
Payables	-	-	2,697,986	2,697,986
Net assets attributable to unitholders	-	-	1,198,459,781	1,198,459,781
Total liabilities	-	-	1,201,157,767	1,201,157,767

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Acorns of Asia Balanced Fund: (continued)

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2011				
Assets				
Investments*	-	431,898,616	708,724,032	1,140,622,648
Receivables	-	-	334,324	334,324
Cash and bank balances	12,850,806	-	-	12,850,806
Financial derivatives, at fair value	-	-	627,834	627,834
Total assets	12,850,806	431,898,616	709,686,190	1,154,435,612
Liabilities				
Payables	-	-	5,322,532	5,322,532
Financial derivatives, at fair value	-	-	44,047	44,047
Net assets attributable to unitholders	-	-	1,149,069,033	1,149,069,033
Total liabilities	-	-	1,154,435,612	1,154,435,612

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

PINEBRIDGE 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 2012

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 2012				
Assets				
Investments	-	382,922,476	10,566,800	393,489,276
Receivables	-	-	112,624	112,624
Cash and bank balances	15,948,267	-	-	15,948,267
Total assets	15,948,267	382,922,476	10,679,424	409,550,167
Liabilities				
Payables	-	-	1,105,860	1,105,860
Net assets attributable to unitholders	-	-	408,444,307	408,444,307
Total liabilities	-	-	409,550,167	409,550,167

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Singapore Bond Fund: (continued)

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2011				
Assets				
Investments*	-	436,492,988	39,950,823	476,443,811
Receivables	-	-	106,814	106,814
Cash and bank balances	4,229,810	-	-	4,229,810
Total assets	4,229,810	436,492,988	40,057,637	480,780,435
Liabilities				
Payables	-	-	2,069,951	2,069,951
Financial derivatives, at fair value	-	-	61,377	61,377
Net assets attributable to unitholders	-	-	478,649,107	478,649,107
Total liabilities	-	-	480,780,435	480,780,435

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Fund

Impact of 50 bps (2011: 50bps) decrease in interest rates on net assets attributable to unitholders	
31 Dec 2012 S\$m	31 Dec 2011 S\$m
10.86	10.90
11.87	12.16

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 2012:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	325,360,014	-	325,360,014
IDR	49,733,591	-	49,733,591
KRW	175,870,190	-	175,870,190
MYR	12,684,625	-	12,684,625
PHP	13,795,816	-	13,795,816
THB	6,505,937	-	6,505,937
TWD	122,659,193	-	122,659,193
	706,609,366	-	706,609,366

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Currency risk* (continued)

Acorns of Asia Balanced Fund as at 31 December 2011:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	263,247,154	-	263,247,154
IDR	83,896,443	-	83,896,443
KRW	156,380,519	-	156,380,519
MYR	6,593,555	-	6,593,555
PHP	11,762,832	-	11,762,832
THB	11,388,223	-	11,388,223
TWD	132,969,358	-	132,969,358
USD	12,569,243	(7,883,210)	4,686,033
	678,807,327	(7,883,210)	670,924,117

Singapore Bond Fund as at 31 December 2012:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	-	-	-
	-	-	-

Singapore Bond Fund as at 31 December 2011:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	11,606,296	(10,984,800)	621,496
	11,606,296	(10,984,800)	621,496

PINEBRIDGE 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 2012

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% (2011: 1%) increase in foreign currency exchange rates against Singapore Dollar on net assets attributable to unitholders	
	31 Dec 2012 S\$	31 Dec 2011 S\$
Acorns of Asia Balanced Fund		
HKD	3,253,600	2,632,472
IDR	497,336	838,964
KRW	1,758,702	1,563,805
MYR	126,846	65,936
PHP	137,958	117,628
THB	65,059	113,882
TWB	1,226,592	1,329,694
USD	-	46,860
Singapore Bond Fund		
USD	-	6,215

(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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2012

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 2012							
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	Baa1to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	93.51	23.20	122.87	51.23	-	144.73	435.54
- % of portfolio	7.81	1.94	10.25	4.28	-	12.06	36.34
Singapore Bond Fund							
- SGD millions	89.49	40.85	98.28	30.33	-	134.53	393.48
- % of portfolio	21.91	10.0	24.07	7.43	-	32.93	96.34

S&P or Moody's Rating of debt securities credit ratings as at 31 Dec 2011							
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	Baa1to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	36.41	37.63	170.89	48.58	-	154.77	448.28
- % of portfolio	3.17	3.28	14.87	4.23	-	13.47	39.02
Singapore Bond Fund							
- SGD millions	36.42	43.55	211.72	33.90	-	150.86	476.45
- % of portfolio	7.61	9.09	44.21	7.08	-	31.50	99.49

PINEBRIDGE 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 2012

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 2012	Credit rating as at 31 Dec 2012
	S\$m	
Acorns of Asia Balanced Fund		
- Citigroup	20.75	A
Singapore Bond Fund		
- Citigroup	15.95	A

	Amounts placed with financial institutions as at 31 Dec 2011	Credit rating as at 31 Dec 2011
	S\$m	
Acorns of Asia Balanced Fund		
- Citigroup	12.85	A
Singapore Bond Fund		
- Citigroup	4.23	A

As at 31 December 2012, all deposits with banks licensed in Singapore are guaranteed by the Singapore government, which is rated "AAA", until 31 December 2012.

Citibank N.A., Singapore Branch is the custodian of the 2 sub-funds and was rated "A" as at 31 December 2012.

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(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
	S\$m	S\$m	S\$m
Acorns of Asia Balanced Fund			
- 31 December 2012	20.75	82.88	2.06
- 31 December 2011	12.85	31.05	27.22
Singapore Bond Fund			
- 31 December 2012	15.95	83.90	4.12
- 31 December 2011	4.23	27.85	2.42

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.

(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.

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(e) Fair value measurement

The sub-funds apply the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- 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 2012:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets measured at fair value				
Investments:				
- Equity securities	750,528,795	-	-	750,528,795
- Debt securities	-	427,021,258	-	427,021,258
	750,528,795	427,021,258	-	1,177,550,053

Acorns of Asia Balanced Fund as at 31 December 2011:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets measured at fair value				
Investments:				
- Equity securities*	708,724,032	-	-	708,724,032
- Debt securities*	-	431,898,616	-	431,898,616
- Derivatives	627,834	-	-	627,834
- Others*	-	-	-	-
	709,351,866	431,898,616	-	1,141,250,482
Liabilities measured at fair value				
- Derivatives	-	44,047	-	44,047
	-	44,047	-	44,047

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

PINEBRIDGE 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 2012

10. Financial risk management (continued)

(e) Fair value measurement (continued)

Singapore Bond Fund as at 31 December 2012:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Equity securities	10,566,800	-	-	10,566,800
- Debt securities	-	382,922,476	-	382,922,476
	10,566,800	382,922,476	-	393,489,276

Singapore Bond Fund as at 31 December 2011:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Equity Securities*	39,950,823	-	-	39,950,823
- Debt securities*	-	436,492,988	-	436,492,988
- Others*	-	-	-	-
	39,950,823	436,492,988	-	476,443,811
Liabilities measured at fair value				
Financial derivatives, at fair value	-	61,377	-	61,377
	-	61,377	-	61,377

With effect from 27 September 2012, IDC (Interactive Data Corporation) has been adopted as the primary source of valuation for Fixed Income securities for the purpose of daily Net Asset Valuation. The rationale for this change is to have a more consistent and independent market accepted price source for valuation of fixed income securities. IDC is a leading independent provider of daily evaluations for fixed income securities through its bond evaluation service.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include actively traded 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.

* For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities/Quoted Debt Securities to comply with the clarifications provided by the CPF Board. Refer to Note 12.

PINEBRIDGE 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 2012

11. Financial ratios

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2012 %	2011 %	2012 %	2011 %
Expense ratio ¹	1.49	1.64	1.00	1.09
Portfolio turnover ratio ²	83.57	65.99	32.21	15.06

¹ Expense ratio as at 31 December 2012 and 2011 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.

12. Comparatives

For the financial year ended 31 December 2011, investments in preference shares have been reclassified from Others to Quoted Equities in the Portfolio Statements of the sub-funds. This reclassification was applied to comply with the clarifications provided by the CPF Board in the Response to Feedback Received on Proposed Revisions to CPF Investments Guidelines dated 16 July 2012. There is no impact to the net assets attributable to unitholders by this reclassification.

Notwithstanding the clarification provided by the CPF Board, the accounting classification of the financial instruments as debt or equity is dependent on the attributes specific to each financial instrument and whether the financial instruments meet the definition in Singapore Financial Reporting Standard 32: Financial Instruments Presentation.

Important Notice:

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