



PineBridge International Funds

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2014

PINEBRIDGE INTERNATIONAL FUNDS

DIRECTORY

Managers

PineBridge Investments Singapore Limited
(Company Registration No. 199602054E)
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Directors of the Managers

Anasuya D/O Dhoraisingam
Rajeev Mittal
Wayne Michael Verge

Trustee

Citicorp Trustee (Singapore) Limited
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Registrar

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77 Robinson Road, #18-00 Robinson 77, Singapore 068896

Auditors

PricewaterhouseCoopers LLP
8 Cross Street, #17-00 PWC Building, Singapore 048424

Custodian

Citibank N.A., Singapore Branch
8 Marina View, #21-00 Asia Square Tower 1, Singapore 018960

Administrator

Citibank N.A., Singapore Branch
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Solicitors to the Managers

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10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315

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* Please note that all figures shown in this report are as of 31 December 2014 unless otherwise stated

PineBridge International Funds – Singapore Bond Fund

Fund Manager's Review

Market Overview

The year started with growing concerns about global growth, particularly given weaker than expected US growth. The market also focused on account imbalances in some emerging economies which negatively affected sentiment towards emerging economies generally, creating a strong bid for the US Treasuries and hence for the traditionally highly correlated Singapore Government Securities ("SGS"). Geopolitical risk related to the Ukraine political risks also contributed to this negative risk sentiment towards the end of the quarter. The market was also concerned about the deteriorating prospects for Chinese economic growth and some onshore defaults, especially related to the trust products that were heavily marketed in the past few years.

In Singapore, the economic data came in mixed and sometimes volatile, primarily because of the Chinese New Year related base effects which were celebrated in January this year and February last year. Generally, the Industrial Production data was strong, the PMI came in at expansionary levels while export data, although generally strong, continued to show some weakness in the electronics sector. Inflation numbers remained benign.

In the second quarter, the performance of the US Treasuries ("UST") continued to be strong, driven by an adjustment of economic expectations for the US recovery after a lackluster start of the year. The market also seemed to be re-evaluating where the long term Federal Reserve Fund Rate should be, with a growing acceptance that it should be lower than the 4% previously assumed. As such, the yield curve started to adjust lower. The UST market was also supported by continuing elevated levels of geopolitical risks in Ukraine, as well a flare up in domestic violence in Iraq. In Singapore, the Monetary Authority of

Singapore ("MAS") maintained "its policy of a modest and gradual appreciation of the S\$NEER policy band". The statement did not bring anything new of significance, although it did downgrade the projected (and less policy significant) headline inflation and maintained the expectation for a relatively robust economic growth in 2014. The Core CPI statement was maintained and it was the first time that the MAS explicitly recognizes the probable pass through effects of the tight labor market. On the economic front, the first quarter GDP numbers came in strong at 4.9% year-on-year, driven by broad based strength.

The major themes of the third quarter of 2014 were a consistently stronger US dollar, a notable increase in geopolitical risks particularly in Ukraine and the Middle East, renewed concerns about the global economic environment, especially related to the European Union and to a certain extent China and finally the return of volatility to the Fixed Income markets in September. Global risky assets had mixed performances and corporate credit generally had a flat quarter. US Treasuries, which the Singapore Government Securities usually strongly correlate to, performed strongly in July and August. In September, some improving economic data out of the United States led the market to start pricing in increasing chances of Fed rate hikes in 2015. There were growing expectations that the September FOMC will support that view; however, the meeting produced a statement that was largely unchanged from the previous ones although some of their projections material implied a potentially faster pace of rate hikes. After registering the lowest yields for the year in August, UST retraced some of their gains in September but still ended the quarter at higher levels than the previous quarter.

The major themes of the eventful final quarter of 2014 were a continuation of geopolitical risks, particularly related to the Ukraine crisis, a perceived strengthening of the US economic recovery, a noticeably more accommodative rhetoric of the European Central Bank ("ECB")

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

which the bank now thinks is preparing for a full blown Quantitative Easing in the first quarter of 2015, a more accommodative People's Bank of China which undoubtedly helped a strong rally in the Chinese equity markets. The fourth quarter will also be remembered for a historic drop in commodity prices, with Brent Crude prices crashing by more than 40%. The dollar strength which had started earlier during the year continued and in some markets accelerated.

Looking at the UST which the SGS usually follow, we note a positive performance, particularly in October and November, before having a flat month in December given stronger economic

data and a slight change in tone by the Federal Reserve. The resilient performance of bonds is due to a large extent to still accommodative central banks (particularly the ECB) as well as relatively weak economic data out of Europe and Japan.

On the corporate credit issuance side, it was a reasonably busy year in SGD-denominated corporate issuance with 149 bonds issues for a total of S\$23.5 billion (up around 18% from 2013) and a very busy year in USD-denominated corporate with 515 bonds issued totaling \$274 billion (up 33% from 2013).

Fund Performance

	Net Returns			Annualized Returns			
	4th Qtr	1 Year	2 Year	3 Year	5 Year	10 Year	Since Inc.*
Singapore Bond Fund	1.47%	5.21%	1.93%	2.97%	3.62%	3.45%	4.03%
JP Morgan Singapore Bond Index (All)	1.35%	3.56%	0.01%	1.27%	2.69%	2.94%	3.46%
Value Added	0.12%	1.65%	1.92%	1.70%	0.93%	0.51%	0.57%

* Inception Date : 26 March 2002

The Singapore Bond Fund outperformed its benchmark by a substantial margin. The outperformance was primarily due to the fund's successful duration positioning and credit positioning and selection.

Market Outlook

We think that yields should remain generally low for some time, particularly if the ECB manages to successfully initiate a convincing QE program.

The lower inflationary pressures and deflationary threats in some markets should also help yields stay low. The SGS market, which usually follows the US Treasuries market, will be no exception. On the credit side, we continue to remain cautious and we expect credit related noise to increase throughout the year.

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

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 NAV
Aaa	87,811	21.67
Aa2	1,312	0.32
Aa3	40,258	9.93
A1	17,345	4.28
A2	45,396	11.18
A3	37,273	9.18
Baa1	31,366	7.74
Baa2	8,733	2.16
Baa3	28,155	6.94
Ba2	4,123	1.01
B1	4,042	1.00
NR	95,167	23.48

Source: PineBridge Investments Singapore Limited.

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

Top 10 Holdings (as at 31 December 2014)

	Fair Value (S\$'000)	% of NAV
Singapore Government Securities 3.25% 01 Sep 2020	17,890	4.41
Singapore Government Securities 2.875% 01 Jul 2029	15,939	3.93
HDB 3.008% 26 Mar 2021	11,011	2.72
DBS Capital Funding II 5.75% 29 May 2049	10,845	2.67
HDB 3.1% 24 Jul 2024	10,101	2.49
Singapore Government Securities 2.75% 01 Apr 2042	9,768	2.41
Singtel Group Treasury 3.4875% 08 Apr 2020	8,531	2.10
United Overseas Bank Ltd 4.9% 23 Jul 2049	8,484	2.09
Sembcorp Financial Services 3.7325% 09 Apr 2020	6,875	1.70
Singapore Government Securities 3.375% 01 Sep 2033	6,854	1.69

Source: PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2013)

	Fair Value (S\$'000)	% of NAV
Standard Chartered Bank 5.25% 10 Apr 2023	17,334	4.15
DBS Bank Ltd 4.47% 15 Jul 2021	17,024	4.07
Singapore Government Securities 3% 01 Sep 2024	16,425	3.93
Singapore Government Securities 2.875% 01 Sep 2030	14,821	3.54
Capitalland Treasury Ltd 4.35% 31 Oct 2019	13,845	3.31
Singapore Government Securities 3.125% 01 Sep 2022	13,240	3.17
Singapore Government Securities 2.25% 01 Jun 2021	12,957	3.10
Capitamalls Asia Treasury 3.95% 24 Aug 2017	12,776	3.06
Singapore Government Securities 3.25% 01 Sep 2020	12,393	2.96
Singapore Airlines 3.22% 09 Jul 2020	12,372	2.96

Source: PineBridge Investments Singapore Limited.

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

Exposure to derivatives

	S\$	% of NAV
Fair value of derivative contracts	(3,469,758)	(0.86)
Net (loss)/gain on derivative contracts realised for the period 01 January to 31 December 2014	(735,792)	N/A
Net (loss)/gain on outstanding contracts marked to market	(3,469,758)	N/A

The global exposure of the Sub-funds to financial derivatives is calculated based on the Commitment Approach as appropriate and is the sum of:

- the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- the sum of the values of cash collateral received pursuant to:
 - the reduction of exposure to counterparties of OTC financial derivatives; and
 - EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

Amount and percentage of Net Asset Value ("NAV") invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of subscriptions and redemptions for the period 1 January 2014 – 31 December 2014

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

Amount of related-party transactions

Please refer to the Notes to the Financial Statements.

Performance of fund and benchmark

Period	Sub-Fund Performance ¹	Sub-Fund Performance ²	Benchmark Performance ³
3-month	-1.48%	1.47%	1.35%
6-month	-0.94%	2.03%	1.35%
1-year	2.15%	5.21%	3.56%
3-year ⁴	1.96%	2.97%	1.27%
5-year ⁴	3.01%	3.62%	2.69%
10-year ⁴	3.04%	3.45%	2.94%
Since Inception (26 Mar 12) ⁴	3.71%	4.03%	3.46%

Notes:

- Performance calculations of the sub-fund are in SGD, based on a bid-to-bid basis (taking into account Preliminary Charge of 4% up to 30 June 2007 and 3% from 1 July 2007, and Realisation Charge of 0%) with net dividends, if any, reinvested (taking into account all charges which would have been payable upon such reinvestment).
- Performance calculations of the sub-fund are in SGD, based on a bid-to-bid basis with net dividends, if any, reinvested (taking into account all charges which would have been payable upon such reinvestment).
- The benchmark against which the sub-fund is measured is the JP Morgan Singapore Government Bond Index. Performance calculations of the benchmark are in SGD.
- For periods exceeding one year, performance calculations are on an average annual compounded basis.
- Source: PineBridge Investments Singapore Limited & Bloomberg.
- Past performance of the sub-fund is not necessarily a guide to its future performance.

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) in aggregate recorded a positive 2014, despite beginning the year on an uncertain note.

In the initial months of the year, investors were grappling with several risk events, including weakness in US employment growth, and the uncertain health of the Chinese economy. Additionally, domestic interest rates there were rising, leading to concerns about stress in the banking sector.

Investors were also fearful that the US Federal Reserve (Fed) might be prematurely withdrawing monetary stimulus, as it continued its so-called "tapering" to steadily reduce its bond-buying program.

However, sentiment began recovering from late March as evidence of improving growth in the United States appeared, following what was viewed as a bad weather-induced disappointing GDP performance in the first-quarter.

The more constructive mood was also supported by a targeted stimulus program installed by the Chinese government to ensure that the domestic economy there would meet official targets of a 7% p.a. expansion.

Positive national election outcomes in India and Indonesia also raised hopes that these sizeable economies would flourish and see their growth accelerate from the anticipated introduction of governance reforms and infrastructure developments.

The regional markets' uptrend was interrupted in mid-September, when worries re-surfaced about the potential dislocation impact on global capital flows from the Fed nearing the end of its quantitative easing program.

However, sentiment soon steadied as the Bank of Japan announced an aggressive expansion of its asset-buying plan by more than 30% in an effort to keep the country's economic revival on track.

This unexpected development helped most markets to sustain their gains for the year, although it did trigger regional currency volatility as the Japanese Yen saw a visible slippage from the increased money-printing efforts.

Underlying the overall advance in AxJ were divergent contributions from its component markets. These ranged from a negative return in Malaysia (-12.10% in Singapore Dollar terms) to double-digit advances in the Philippines (+36.27%), Indonesia (+22.85%), Thailand (+19.93%), Hong Kong (+10.56%), and Taiwan (+10.08%).

Perceived as a market with already elevated valuations, sentiment toward Malaysia was further undermined by concerns regarding its economy. The slump in crude oil prices occurring from the latter part of last year would likely have an unhelpful impact on government revenues, whilst the introduction of a sales tax in 2015 is anticipated to engender a slowdown in consumer spending.

For the three ASEAN markets that advanced strongly, their gains were in a sense a reaction to losses they had endured from the latter part of 2013. Back then, they were the main victims of the start of tapering by the Fed, as they were perceived to have relatively greater vulnerability to capital outflow risks compared to their North Asian counterparts.

As sentiment stabilized however, investors re-focused on their particular attractions. The Philippines garnered interest on account of its favourable demographics, and a commitment to attract foreign direct investments.

In Indonesia, investors were optimistic that, like India, a reform-oriented president in the person

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

of Mr Joko Widodo would undertake steps to raise the growth profile of the economy. This has been borne by the recent government move to reduce fuel subsidies, thereby allowing for more room in the fiscal budget to devote to infrastructure improvements.

In the case of Thailand, investors adopted a longer-term view of its economic outlook, given its potential to be a strategic hub in an economically-active Indochina region. Thus, despite a major political event in the form of a military takeover, leading to the ouster of Prime Minister Yingluck Shinawatra's administration, the stockmarket stayed more than resilient.

Elsewhere, despite a degree of economic impact arising from the pro-democracy street demonstrations, investors in Hong Kong remained unfazed. They viewed the territory as one of the beneficiaries of a secular opening up of the capital markets in China, as evidenced by the launch of the Shanghai-Hong Kong Stock Connect investment platform on 17 November of last year.

In Taiwan, the market maintained its positive performance trend it had established in 2013. The on-going economic rapprochement with China was a supportive factor. Taiwan was also seen as being better able to withstand tapering, given its relatively low external debt profile, and ample foreign exchange reserves.

Fund Performance

During 2014, the Acorns Of Asia Balanced Fund (the Fund) returned 1.24% (before upfront sales charge) and -1.71% (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 4.24%.

For the year, the Fund adhered to a fairly conservative asset allocation position. In general, it had an underweighting in equities;

the preference was for a greater allocation toward its fixed income positioning. Returns for the latter were supported by the preference for higher yielding corporate bonds with established credit profiles.

For equities, the Fund had a selective exposure approach to the ASEAN markets. It kept limited weightings in Singapore, Malaysia, and Thailand, while overweighting the Philippines. Elsewhere, the portfolio was strongly represented in Korea and Taiwan.

Sector-wise, the portfolio benefitted from its exposure to the industrial and information technology sectors. Some of the smaller companies in the latter area, for instance, generated noticeable returns, particularly in Taiwan. Being key participants in the supply-chain of popular smart-device brands like Apple Inc helped their earnings growth profile, which attracted considerable investor attention.

On the other hand, the portfolio's strong weighting in the consumer discretionary sector had a detractive impact on performance. This was partly due to a few companies within its holdings not being able to meet earnings expectations.

Market Outlook

At the time of writing in mid-January, regional equity markets have entered 2015 on a cautious footing. Market sentiment has been underpinned by recent signs of improvement in the US economy, and continuing stimulus efforts in China, Japan, and potentially the European Union.

Nonetheless, uncertainty prevails. In point of fact, the World Bank, in its latest assessment of the global economy, reduced the latter's growth forecast for this year to 3%, from its previous estimate of 3.4% published in June of 2014.

While it sees the American economy and falling energy prices as providing some lift for growth,

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

this could be offset by any activity reversal in China, or a deepening of the economic malaise in the Eurozone.

The World Bank also cautioned that other risks to the global recovery abounded. These include a spike in financial volatility, and intensifying geopolitical tensions.

We therefore believe that investors will remain sensitive to developments in these areas going through the year. How they pan out in the months ahead should have a meaningful influence on the direction of regional markets.

Against this backdrop, we remain of the view that the environment for equities will be fluid, and the Fund will look to be measured in terms of its exposure to stocks.

For fixed income, we think that yields should remain generally low for some time, particularly if the European central bank manages to successfully initiate a convincing quantitative easing program. Lower inflationary pressures and deflationary threats in some markets should also help yields stay low. The Singapore government securities market, which usually follows its US counterpart, will be no exception. On the corporate credit side, we have a cautious stance. Given the unclear world economic background, we would expect some credit-related situations to surface during the year.

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 NAV
Aaa	16,210	10.59
Aa3	4,515	2.95
A1	2,799	1.83
A2	8,028	5.26
A3	3,268	2.13
Baa1	6,308	4.13
Baa2	1,006	0.66
Baa3	4,879	3.18
Ba2	1,460	0.96
B1	674	0.44
NR	22,773	14.88

Source: PineBridge Investments Singapore Limited.

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

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

Top 10 Holdings (as at 31 December 2014)		
	Fair Value (S\$'000)	% of NAV
CSR Corp Ltd	3,561	2.33
China Railway Construction Corp	2,527	1.65
China CITIC Bank Corp Ltd	2,439	1.59
China Telecom Corp Ltd	2,323	1.52
Zijin Mining Group Co Ltd	2,176	1.42
Keppel Corp Ltd 3.1% 12 Oct 2020	2,046	1.34
Keppel Corp Ltd 3.145% 14 Feb 2022	2,034	1.33
Sinotrans Ltd	1,966	1.29
Singapore Government Securities 2.75% 01 Apr 2042	1,954	1.28
Amber Circle Funding Ltd 3.25% 04 Dec 2022	1,946	1.27

Source: PineBridge Investments Singapore Limited.

Top 10 Holdings (as at 31 December 2013)		
	Fair Value (S\$'000)	% of NAV
Singapore Government Securities 0.5% 01 Apr 2018	62,574	5.16
Singapore Government Securities 1.125% 01 Apr 2016	28,065	2.31
Singapore Government Securities 2.5% 01 Jun 2019	26,046	2.15
China CITIC Bank Corp Ltd	24,941	2.06
Singapore Government Securities 3% 01 Sep 2024	23,611	1.95
Sands China Ltd	20,677	1.70
Singapore Government Securities 4% 01 Sep 2018	20,422	1.68
Singapore Government Securities 3.125% 01 Sep 2022	19,595	1.61
Singapore Government Securities 2.25% 01 Jun 2021	18,937	1.56
Singapore Government Securities 3.375% 01 Sep 2033	18,262	1.50

Source: PineBridge Investments Singapore Limited.

Exposure to derivatives

	S\$	% of NAV
Fair value of derivative contracts	(481,072)	(0.31)
Net (loss)/gain on derivative contracts realized for the period 01 January to 31 December 2014	(281,694)	N/A
Net gain/(loss) on outstanding contracts marked to market	(481,072)	N/A

The global exposure of the Sub-funds to financial derivatives is calculated based on the Commitment Approach as appropriate and is the sum of:

- a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c) the sum of the values of cash collateral received pursuant to:
 - i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii) EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

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 2014 – 31 December 2014

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	Sub-Fund Performance ¹	Sub-Fund Performance ²	Benchmark Performance ³
3-month	-2.35	0.58%	-0.32%
6-month	-2.23	0.70%	1.02%
1-year	-1.71	1.24%	4.24%
3-year ⁴	3.65	4.68%	5.85%
5-year ⁴	1.57	2.17%	3.64%
10-year ⁴	3.25	3.75%	5.63%
Since Inception (01 Oct 01) ⁴	6.58	6.97%	7.77%

Notes:

1. Performance calculations of the sub-fund are in SGD, based on a bid-to-bid basis (taking into account Preliminary Charge of 5% up to 30 June 2007 and 3% from 1 July 2007, and Realisation Charge of 0%) with net dividends, if any, reinvested (taking into account all charges which would have been payable upon such reinvestment).
2. Performance calculations of the sub-fund are in SGD, based on a bid-to-bid basis with net dividends, if any, reinvested (taking into account all charges which would have been payable upon such reinvestment).
3. With effect from 1 September 2014, the benchmark against which the sub-fund is measured is the 60% MSCI All Country Far East ex-Japan SMID Net Return and 40% JP Morgan Singapore Government Bond Index. Before 1 September 2014, the benchmark against which the sub-fund is measured is the 60% MSCI All Country Far East Free ex-Japan (DTR Net) in SGD and 40% JP Morgan Singapore Government Bond Index. Performance calculations of the benchmark are in SGD.
4. For periods exceeding one year, performance calculations are on an average annual compounded basis.
5. Source: PineBridge Investments Singapore Limited & Bloomberg.
6. Past performance of the sub-fund is not necessarily a guide to its future performance.

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 Managers' clients and trades are executed on the best available terms with no excessive churning. Goods and services received can reasonably be expected to assist in the provision of the investment services and include research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, custodial services and computer hardware and software used in the support of the investment process of the Manager.

PINEBRIDGE INTERNATIONAL FUNDS

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

ANNUAL REPORT

For the year ended 31 December 2014

PINEBRIDGE INTERNATIONAL FUNDS

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

ANNUAL REPORT

For the year ended 31 December 2014

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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 “Sub-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, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-funds during the year covered by these financial statements, set out on pages 17 to 64, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised Signatory
23 March 2015

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 17 to 64, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders’ Funds, 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 “Sub-funds”) as at 31 December 2014 and the total return and changes in unitholders’ funds 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 Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-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

Anasuya D/O Dhoraisingam
Chief Executive Officer
23 March 2015

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

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 "Sub-funds"), which comprise the Statements of Financial Position and Portfolio Statements as at 31 December 2014, the Statements of Total Return and Statements of Movements of Unitholders' Funds for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 64.

Manager's Responsibility for the Financial Statements

The Sub-funds' Manager (the "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 Singapore Chartered Accountants, 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 Sub-funds' 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 Sub-funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Sub-funds as at 31 December 2014 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 Singapore Chartered Accountants.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 23 March 2015

PINEBRIDGE INTERNATIONAL FUNDS

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

Statements of Total Return

For the year ended 31 December 2014

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		2014 S\$	2013 S\$	2014 S\$	2013 S\$
Investment income					
Dividends		3,278,288	13,703,829	50,581	204,000
Interest on deposits with banks		4,077	19,388	-	1,074
		3,282,365	13,723,217	50,581	205,074
Less: Expenses					
Audit fee		27,000	27,000	17,000	17,000
Custody and related fees		220,869	612,605	61,798	50,812
Management fees	8	3,637,992	18,002,394	4,114,058	3,976,344
Registrar and related fees		20,000	20,000	20,000	20,000
Trustee fees	8	97,013	480,064	164,562	159,054
Transaction Expenses		2,753,500	5,886,081	-	-
Other*		(315,683)	388,811	174,748	121,927
		6,440,691	25,416,955	4,552,166	4,345,137
Net Income		(3,158,326)	(11,693,738)	(4,501,585)	(4,140,063)
Net gains or losses on value of investments and financial derivatives					
Net realised gains on investments		93,443,638	64,533,179	13,203,918	11,962,503
Net change in fair value on investments		(95,847,695)	19,961,110	11,404,181	(13,320,028)
Net realised (losses)/gains on forward foreign exchange contracts		(281,694)	(45,808)	(735,792)	(227,250)
Net change in fair value on forward foreign exchange contracts		(381,807)	(99,265)	(3,138,874)	(330,884)
Net foreign exchange (losses)/gains		(1,301,193)	6,359,319	4,708,016	699,187
		(4,368,751)	90,708,535	25,441,449	(1,216,472)
Total (loss)/return for the year before income tax		(7,527,077)	79,014,797	20,939,864	(5,356,535)
Less: Income tax	3	(505,454)	(1,184,736)	-	-
Total (loss)/return for the year		(8,032,531)	77,830,061	20,939,864	(5,356,535)

* 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)

Statements of Financial Position

As at 31 December 2014

		Acorns of Asia Balanced Fund		Singapore Bond Fund	
	Note	2014 S\$	2013 S\$	2014 S\$	2013 S\$
ASSETS					
Investments		144,717,233	1,141,760,642	400,979,243	414,923,700
Cash and bank balances	8	9,491,495	33,682,311	9,091,502	4,245,952
Fixed deposits with financial institutions		-	40,000,000	-	-
Sales awaiting settlement		184,075	1,612,086	-	-
Receivables	4	17,808	194,260	2,658	196,080
Total assets		154,410,611	1,217,249,299	410,073,403	419,365,732
LIABILITIES					
Payables	5	941,596	2,757,336	1,118,905	882,993
Purchases awaiting settlement		-	736,103	-	-
Financial derivatives, at fair value	6	481,072	99,265	3,469,758	330,884
Total liabilities		1,422,668	3,592,704	4,588,663	1,213,877
EQUITY					
Net assets attributable to unitholders		152,987,943	1,213,656,595	405,484,740	418,151,855

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)

Statement of Movements of Unitholders' Funds

For the year ended 31 December 2014

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Net assets attributable to unitholders at the beginning of financial year	1,213,656,595	1,198,459,781	418,151,855	408,444,307
Operations				
Change in net assets attributable to unitholders resulting from operations	(8,032,531)	77,830,061	20,939,864	(5,356,535)
Unitholders' contributions/ (withdrawals)				
Creation of units	1,480,305	25,319,444	61,819,001	140,638,732
Cancellation of units	(1,054,116,426)	(87,952,691)	(95,425,980)	(125,574,649)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,052,636,121)	(62,633,247)	(33,606,979)	15,064,083
Total (decrease)/increase in net assets attributable to unitholders	(1,060,668,652)	15,196,814	(12,667,115)	9,707,548
Net assets attributable to unitholders at the end of financial year	152,987,943	1,213,656,595	405,484,740	418,151,855

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 2014

Acorns of Asia Balanced Fund			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
<u>By Geography (Primary)</u>			
<u>Quoted Equities</u>			
China			
BYD Co Ltd	100,000	517,534	0.34
China CITIC Bank Corp Ltd	2,300,000	2,439,488	1.60
China Everbright International Ltd	920,000	1,810,399	1.18
China Oilfield Services Ltd	380,000	872,186	0.57
China Railway Construction Corp	1,500,000	2,527,137	1.65
China Telecom Corp Ltd	3,000,000	2,322,510	1.52
Huadian Fuxin Energy Corp Ltd	2,500,000	1,556,014	1.02
Huaneng Power International Inc	580,000	1,036,501	0.68
Huaneng Renewables Corp Ltd	2,300,000	984,424	0.64
Sands China Ltd	250,000	1,626,354	1.06
Zijin Mining Group Co Ltd	5,800,000	2,175,861	1.42
Total China	17,868,408	11.67	
Hong Kong			
AAC Technologies Holdings Inc	70,000	495,963	0.32
Chow Tai Fook Jewellery Group	780,000	1,383,275	0.90
CSR Corp Ltd	2,000,000	3,560,500	2.33
Galaxy Entertainment Group Ltd	238,000	1,771,502	1.16
Samsonite International SA	249,900	980,110	0.64
Sinotrans Ltd	2,230,000	1,965,966	1.29
Stella International Holdings	330,000	1,153,582	0.75
VTech Holdings Ltd	88,000	1,668,661	1.09
Total Hong Kong	12,979,559	8.48	

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Indonesia			
Gudang Garam Tbk PT	130,000	841,202	0.55
Soechi Lines Tbk PT	7,000,000	492,505	0.32
Telekomunikasi Indonesia Persero	2,500,000	763,542	0.50
Total Indonesia		2,097,249	1.37
Malaysia			
Bumi Aramada Bhd	800,000	329,809	0.22
Genting Malaysia Bhd	600,000	923,615	0.60
Total Malaysia		1,253,424	0.82
Philippines			
International Container Terminal Services Inc	220,000	748,154	0.49
SM Investments Corp	18,000	433,811	0.28
Total Philippines		1,181,965	0.77
Singapore			
China Everbright Water Ltd	980,000	980,000	0.64
First Resources Ltd	630,000	1,178,100	0.77
SIIC Environment Holdings Ltd	8,000,000	1,104,000	0.72
Silverlake Axis Ltd	1,050,000	1,317,750	0.86
Total Singapore		4,579,850	2.99

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
South Korea			
Amorepacific Corp	530	1,415,567	0.93
CJ Korea Express Co Ltd	8,030	1,893,534	1.24
Cheil Industries Inc	2,303	437,777	0.29
Coway Co Ltd	10,000	1,013,010	0.66
Hanssem Co Ltd	6,000	826,529	0.54
Hite Jinro Co Ltd	38,000	1,062,938	0.69
Hyundai Glovis Co Ltd	4,010	1,406,321	0.92
Jinsung T.E.C.	85,000	573,698	0.37
KEPCO Plant Service & Engineer	16,800	1,610,902	1.05
Korea Kolmar Co Ltd	17,230	913,130	0.60
Korea Zinc Co Ltd	3,200	1,553,442	1.02
KT&G Corp	8,000	732,447	0.48
LG Uplus Corp	75,000	1,037,673	0.68
Samsung Life Insurance Co Ltd	13,100	1,836,110	1.20
Shinsegae Food Co Ltd	15,000	1,921,951	1.26
SK Hynix Inc	7,000	402,136	0.26
Total South Korea		18,637,165	12.19

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Taiwan			
Advantech Co Ltd	100,000	981,234	0.64
Chipbond Technology Corp	500,000	1,213,466	0.79
Chroma ATE Inc	350,000	1,202,377	0.79
Delta Electronics Inc	100,000	788,753	0.52
Eclat Textile Co Ltd	65,000	873,068	0.57
Fubon Financial Holding Co Ltd	620,000	1,315,313	0.86
Giant Manufacturing Co Ltd	100,000	1,175,807	0.77
Hermes Microvision Inc	14,000	937,298	0.61
Hiwin Technologies Corp	90,000	997,971	0.65
Largan Precision Co Ltd	10,000	1,002,156	0.66
Novatek Microelectronics Corp	60,000	446,890	0.29
Uni-President Enterprises Corp	700,000	1,470,386	0.96
Vanguard International Semiconductor Corp	400,000	875,369	0.57
Total Taiwan		13,280,088	8.68
Thailand			
Kasikornbank PCL	100,000	920,365	0.60
Total Thailand		920,365	0.60
Total Equities		72,798,073	47.58

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities			
China			
Amber Circle Funding Ltd 3.25% 23 Feb 2018	1,500,000	1,946,129	1.27
Bestgain Real Estate 2.625% 13 Mar 2018	250,000	325,108	0.21
China Overseas Finance VI 4.25% 08 May 2019	1,250,000	1,711,275	1.12
China Resources Gas Group 4.5% 05 Apr 2022	500,000	704,853	0.46
China Resources Land Ltd 4.375% 27 Feb 2019	250,000	346,273	0.23
Country Garden Holding Co 11.125% 23 Feb 2018	500,000	727,187	0.48
CRCC Yupeng Ltd 3.95% 28 Feb 2049	250,000	339,324	0.22
Hero Asia Investment Ltd 5.25% 07 Dec 2049	250,000	335,598	0.22
Sinopec Group Oversea 2013 4.375% 17 Oct 2023	250,000	349,022	0.23
Wanda Properties Overseas 4.875% 21 Nov 2018	250,000	342,206	0.22
Total China		7,126,975	4.66
Hong Kong			
CNPC General Capital Ltd 2.7% 25 Nov 2019	550,000	719,513	0.47
HK Land Treasury SG 3.43% 14 May 2020	1,750,000	1,783,685	1.17
Hong Kong Land Finance 4.5% 01 Jun 2022	250,000	352,502	0.23
Hutchison Whampoa Int 14 Ltd 3.625% 31 Oct 2024	800,000	1,069,197	0.70
ICBC Asia Ltd 4.5% 10 Oct 2023	500,000	681,155	0.45
Sun Hung Kai Prop (Cap) 3.25% 20 May 2021	500,000	507,882	0.33
Wharf Finance No 1 Ltd 4.5% 20 Jul 2021	1,250,000	1,323,221	0.86
Total Hong Kong		6,437,155	4.21

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 2014

Acorns of Asia Balanced Fund (continued)		
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
India		
NTPC Ltd 5.625% 14 Jul 2021	400,000	0.39
ONGC Videsh Ltd 3.75% 07 May 2023	250,000	0.21
Reliance Holdings USA 4.5% 19 Oct 2020	250,000	0.23
Total India	1,267,172	0.83
Italy		
Unicredit Spa 5.5% 30 Jul 2023	750,000	0.48
Total Italy	732,662	0.48
Japan		
Dai-ichi Life Insurance 5.1% 29 Oct 2049	200,000	0.18
Mizuho Bank Ltd 2.455% 14 Nov 2019	1,000,000	0.65
Mizuho Fin Group Cayman 3 4.6% 27 Mar 2024	200,000	0.18
Total Japan	1,550,333	1.01
Malaysia		
Danga Capital Bhd 3.725% 11 Aug 2020	1,000,000	0.69
Malayan Banking Bhd 3.8% 28 Apr 2021	1,000,000	0.67
Total Malaysia	2,078,412	1.36
Netherlands		
ABN Amro Bank NV 4.7% 25 Oct 2022	1,500,000	1.02
Total Netherlands	1,562,603	1.02

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 2014

Acorns of Asia Balanced Fund (continued)			
	Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore			
Ascendas Pte Ltd 4.75% 18 Oct 2049	500,000	513,620	0.33
Capitaland Treasury Ltd 4.3% 31 Aug 2020	1,250,000	1,342,320	0.88
Capitaland Treasury Ltd 3.8% 28 Aug 2024	500,000	517,501	0.34
Capitamalls Asia Treasury 3.7% 29 Aug 2022	1,500,000	1,544,452	1.01
CCT MTN Pte Ltd 2.98% 14 Feb 2021	500,000	503,237	0.33
CMT MTN Pte Ltd 3.48% 06 Aug 2024	1,000,000	1,019,345	0.67
FCL Treasury Pte Ltd 3.95% 07 Oct 2021	250,000	249,876	0.15
HDB 2.088% 30 Aug 2022	250,000	237,522	0.16
HDB 2.288% 19 Sep 2019	500,000	500,631	0.33
HDB 2.505% 27 Jun 2024	1,500,000	1,424,564	0.93
HDB 2.815% 26 Jul 2021	1,500,000	1,522,043	0.99
HDB 3.008% 26 Mar 2021	750,000	768,209	0.50
HDB 3.1% 24 Jul 2024	1,000,000	1,010,078	0.66
HDB 3.948% 29 Jan 2029	500,000	529,453	0.35
Jurong Shipyard Pte Ltd 3.85% 10 Sep 2029	250,000	252,822	0.16
Keppel Corp Ltd 3.1% 12 Oct 2020	2,000,000	2,046,393	1.34
Keppel Corp Ltd 3.145% 14 Feb 2022	2,000,000	2,034,384	1.33
Keppel Corp Ltd 3.8% 23 Apr 2027	1,250,000	1,271,896	0.83
Mapletree Industrial Trust 3.75% 08 Mar 2019	1,000,000	1,058,271	0.69
Mapletree Logistics Trust 5.375% 19 Mar 2049	250,000	264,198	0.17
Mapletree Treasury Services 3.88% 04 Oct 2018	500,000	528,014	0.35
NTUC Income Insurance 3.65% 23 Aug 2027	1,250,000	1,296,155	0.85
OCBC 4.25% 19 Jun 2024	1,000,000	1,354,966	0.89
OCBC 4.00% 15 Oct 2024	500,000	682,559	0.45
Sembcorp Financial Services 3.7325% 09 Apr 2020	1,000,000	1,057,657	0.69
Singapore Airlines 3.145% 08 Apr 2021	750,000	749,083	0.49
Singapore Airlines 3.22% 09 Jul 2020	1,000,000	1,035,215	0.68
Singapore Airlines 3.75% 08 Apr 2024	750,000	761,768	0.50

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
Singapore Government Securities 4% 01 Sep 2018	750,000	834,981	0.54
Singapore Government Securities 1.625% 01 Oct 2019	1,000,000	1,006,736	0.66
Singapore Government Securities 2.25% 01 Jun 2021	750,000	761,629	0.50
Singapore Government Securities 2.75% 01 Apr 2042	2,000,000	1,953,694	1.28
Singapore Government Securities 2.75% 01 Jul 2023	1,000,000	1,051,234	0.69
Singapore Government Securities 2.875% 01 Jul 2029	1,250,000	1,306,504	0.85
Singapore Government Securities 2.875% 01 Sep 2030	1,250,000	1,291,212	0.84
Singapore Government Securities 3% 01 Sep 2024	1,000,000	1,073,061	0.70
Singapore Government Securities 3.125% 01 Sep 2022	1,000,000	1,078,540	0.70
Singapore Government Securities 3.25% 01 Sep 2020	1,000,000	1,084,225	0.71
Singapore Government Securities 3.375% 01 Sep 2033	1,250,000	1,370,895	0.90
Singapore Government Securities 3.5% 01 Mar 2027	1,500,000	1,683,892	1.10
Singapore Post Limited 3.5% 30 Mar 2020	1,500,000	1,580,485	1.03
SMRT Capital Pte Ltd 3.072% 11 Jun 2024	750,000	760,449	0.50
Temasek Financial I Ltd 3.265% 19 Feb 2020	500,000	531,132	0.35
Temasek Financial I Ltd 5.375% 23 Nov 2039	250,000	421,347	0.27

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 2014

Acorns of Asia Balanced Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
United Overseas Bank Ltd 3.45% 01 Apr 2021	1,000,000	1,024,739	0.67
United Overseas Bank Ltd 3.5% 22 May 2026	500,000	506,506	0.33
United Overseas Bank Ltd 3.75% 19 Sep 2024	550,000	747,510	0.49
United Overseas Bank Ltd 4.9% 23 Jul 2049	1,000,000	1,060,535	0.69
Wing Tai Holdings 4.25% 15 Mar 2023	500,000	499,881	0.33
Total Singapore	47,705,419	31.18	
South Korea			
Korea Gas Corp 6.25% 20 Jan 2042	250,000	475,748	0.31
Woori Bank 4.75% 30 Apr 2024	750,000	1,032,394	0.68
Total South Korea	1,508,142	0.99	
Thailand			
Krung Thai Bank/Cayman 5.2% 26 Dec 2024	500,000	673,704	0.44
Total Thailand	673,704	0.44	
United Kingdom			
Standard Chartered PLC 4.4% 23 Jan 2026	500,000	521,154	0.34
Total United Kingdom	521,154	0.34	
United States			
Citigroup Inc 3.5% 08 Apr 2020	750,000	755,429	0.49
Total United States	755,429	0.49	
Total Debt Securities	71,919,160	47.01	
Portfolio of investment	144,717,233	94.59	
Other net assets	8,270,710	5.41	
Net assets attributable to unitholders	152,987,943	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 2014

	Acorns of Asia Balanced Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 December 2014	Percentage of total net assets attributable to unitholders at 31 December 2013
	%	%
<u>By Geography (Summary)</u>		
<u>Quoted Equities</u>		
China	11.68	18.15
Hong Kong	8.48	5.92
Indonesia	1.37	1.07
Malaysia	0.82	0.97
Philippines	0.77	1.27
Singapore	2.99	2.35
South Korea	12.19	14.24
Taiwan	8.68	12.44
Thailand	0.60	0.78
Total Equities	47.58	57.19
<u>Quoted Debt Securities</u>		
China	4.66	0.26
Hong Kong	4.21	0.66
India	0.83	-
Italy	0.48	-
Japan	1.01	-
Malaysia	1.36	0.35
Netherlands	1.02	0.13
Singapore	31.18	35.20
South Korea	0.99	0.29
Thailand	0.44	-
United Kingdom	0.34	-
United States	0.49	-
Total Debt Securities	47.01	36.89
Portfolio of investments	94.59	94.08
Other net assets	5.41	5.92
Net assets attributable to unitholders	100.00	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 2014

Acorns of Asia Balanced Fund (continued)		
Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2014 %	Percentage of total net assets attributable to unitholders at 31 Dec 2013 %
By Industry (Secondary)		
Quoted Equities		
Apparel	-	2.48
Auto	-	0.78
Auto Distribution	-	0.36
Automation	997,971	-
Auto Parts	517,534	-
Beverages	1,062,938	1.22
Building Materials	-	0.63
Chemicals	-	0.93
Civil Engineering	-	0.36
Consumer	4,913,487	-
Cosmetics	913,130	2.16
Electronics	11,397,578	12.55
Energy	1,610,902	-
Engineering & Construction	-	1.89
Finance	5,992,916	4.76
Food	-	1.10
Furniture	826,529	-
Heavy Equipment	573,698	-
Hotel	-	0.79
Insurance	1,836,110	-
Internet	-	0.50
Leisure	5,497,278	6.12
Manufacturing	2,026,650	0.70
Marine Services	329,809	-
Metals	1,553,442	-
Mining	2,175,861	-
Offshore Marine	-	1.80
Oil & Gas Services	872,186	2.36
Personal Care	-	1.39
Power	3,576,939	-

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 2014

Acorns of Asia Balanced Fund (continued)		
Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2014 %	Percentage of total net assets attributable to unitholders at 31 Dec 2013 %
By Industry (Secondary) (continued)		
Quoted Equities (continued)		
Real Estate	-	2.39
Resources	1,178,100	-
Retail	1,904,197	5.25
Retail Properties	-	0.72
Sanitation	1,013,010	-
Telcom Services	5,539,292	-
Telecommunications	-	2.21
Transportation	11,845,963	0.80
Transportation Others	748,154	0.55
Utilities	1,810,399	2.39
Water	2,084,000	-
Total Equities	72,798,073	57.19

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 2014

Acorns of Asia Balanced Fund (continued)		
Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 Dec 2014 %	Percentage of total net assets attributable to unitholders at 31 Dec 2013 %
By Industry (Secondary) (continued)		
Quoted Debt Securities		
Banks	13,634,487	8.91
Conglomerates	7,479,527	4.89
Government Agencies	5,992,500	3.92
Industrial	252,822	0.17
Insurance	1,573,878	1.03
Investment Companies	-	-
Oil & Gas	2,919,537	1.91
Quasi-Sovereign	4,479,073	2.93
Real Estate	14,932,040	9.76
Sovereign	14,496,603	9.47
Transportation	4,887,000	3.19
Utilities	1,271,693	0.83
Total Debt Securities	71,919,160	47.01
Portfolio of investments	144,717,233	94.59
Other net assets	8,270,710	5.41
Net assets attributable to unitholders	152,987,943	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 2014

	Singapore Bond Fund		
	Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary)			
Quoted Debt Securities			
China			
Amber Circle Funding Ltd 3.25% 04 Dec 2022	3,500,000	4,540,968	1.12
Bank Of China Hong Kong 5.55% 11 Feb 2020	500,000	736,653	0.18
Bestgain Real Estate 2.625% 13 Mar 2018	3,900,000	5,071,684	1.25
China Overseas Finance C 3.95% 15 Nov 2022	2,250,000	2,897,250	0.72
China Resources Land Ltd 4.375% 27 Feb 2019	2,000,000	2,770,187	0.68
China Resources Gas Group 4.5% 05 Apr 2022	2,500,000	3,524,264	0.87
Country Garden Holding Co 10.5% 11 Aug 2015	500,000	709,522	0.17
Country Garden Holding Co 11.125% 23 Feb 2018	500,000	727,187	0.18
CRCC Yupeng Ltd 3.95% 28 Feb 2049	3,500,000	4,750,533	1.17
Hero Asia Investment Ltd 5.25% 07 Dec 2049	2,750,000	3,691,581	0.91
Sinopec Group Oversea 2013 4.375% 17 Oct 2023	2,000,000	2,792,178	0.69
Skysea International Cap 4.875% 07 Dec 2021	1,500,000	2,152,067	0.53
Wanda Properties Overseas 4.875% 21 Nov 2018	2,750,000	3,764,266	0.93
Total China		38,128,340	9.40

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 2014

Singapore Bond Fund (continued)		
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Hong Kong		
Amipeace Ltd 3.125% 26 Nov 2019	2,000,000	0.65
CNPC General Capital Ltd 2.7% 25 Nov 2019	3,550,000	1.15
CNPC General Capital Ltd 3.4% 16 Apr 2023	3,000,000	0.96
Hong Kong Land Finance 4.5% 01 Jun 2022	2,250,000	0.78
Hong Kong Land Finance 4.625% 16 Jan 2024	3,000,000	1.07
HK Land Treasury SG 3.43% 14 May 2020	4,000,000	1.01
Hutchison Whampoa Int 14 Ltd 3.625% 31 Oct 2024	2,900,000	0.96
ICBC Asia Ltd 4.5% 10 Oct 2023	1,950,000	0.66
Joynote Limited 3.408% 20 Jul 2018	2,000,000	0.51
Sun Hung Kai Prop (Cap) 3.25% 20 May 2021	3,000,000	0.75
Wharf Finance Ltd 3.5% 23 Jan 2019	2,000,000	0.67
Wharf Finance No 1 Ltd 4.5% 20 Jul 2021	1,250,000	0.33
Total Hong Kong	38,457,640	9.50
India		
NTPC Ltd 5.625% 14 Jul 2021	2,500,000	0.92
ONGC Videsh Ltd 3.75% 07 May 2023	1,750,000	0.56
Reliance Holdings USA 4.5% 19 Oct 2020	2,000,000	0.69
Total India	8,771,035	2.17
Italy		
Unicredit Spa 5.5% 30 Jul 2023	2,750,000	0.66
Total Italy	2,686,427	0.66

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 2014

Singapore Bond Fund (continued)		
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary) (continued)		
Quoted Debt Securities (continued)		
Japan		
Dai-ichi Life Insurance 5.1% 29 Oct 2049	900,000	0.31
Mizuho Bank Ltd 2.455% 14 Nov 2019	2,500,000	0.61
Mizuho Fin Group Cayman 3 4.6% 27 Mar 2024	3,200,000	1.09
Total Japan	8,173,485	2.01
Malaysia		
Danga Capital Bhd 3.725% 11 Aug 2020	3,000,000	0.78
Malayan Banking Bhd 3.8% 28 Apr 2021	5,000,000	1.27
SSG Resources 4.25% 04 Oct 2022	500,000	0.17
Total Malaysia	8,974,731	2.22
Netherlands		
ABN Amro Bank NV 4.7% 25 Oct 2022	4,000,000	1.03
Total Netherlands	4,166,942	1.03
Singapore		
Ascendas Pte Ltd 4.75% 18 Oct 2049	1,500,000	0.38
Capitaland Treasury Ltd 3.8% 28 Aug 2024	4,000,000	1.02
Capitaland Treasury Ltd 4.35% 31 Oct 2019	2,250,000	0.60
Capitamall Trust 3.08% 20 Feb 2021	4,500,000	1.13
Capitamalls Asia Treasury 3.7% 29 Aug 2022	3,500,000	0.89
CCT MTN Pte Ltd 2.98% 14 Feb 2021	2,500,000	0.62
CMT MTN Pte Ltd 3.48% 06 Aug 2024	5,250,000	1.32
DBS Bank Ltd 3.1% 14 Feb 2023	6,000,000	1.51
DBS Bank Ltd 3.3% 21 Feb 2022	2,000,000	0.51
DBS Capital Funding II 5.75% 29 May 2049	10,000,000	2.67
FCL Treasury Pte Ltd 3.95% 07 Oct 2021	1,750,000	0.43
Great Eastern Life Assurance 4.6% 19 Jan 2026	2,500,000	0.66

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 2014

Singapore Bond Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
HDB 2.088% 30 Aug 2022	2,250,000	2,137,696	0.53
HDB 2.223% 28 May 2019	750,000	747,338	0.18
HDB 2.288% 19 Sep 2019	500,000	500,631	0.12
HDB 2.505% 27 Jun 2024	4,500,000	4,273,692	1.05
HDB 2.815% 26 Jul 2021	3,500,000	3,551,433	0.88
HDB 3.008% 26 Mar 2021	10,750,000	11,010,989	2.72
HDB 3.1% 24 Jul 2024	10,000,000	10,100,783	2.49
HDB 3.63% 27 Feb 2023	1,500,000	1,585,066	0.39
HDB 3.948% 29 Jan 2029	2,000,000	2,117,812	0.52
Jurong Shipyard Pte Ltd 3.85% 10 Sep 2029	1,750,000	1,769,755	0.44
Keppel Corp Ltd 3.145% 14 Feb 2022	2,000,000	2,034,384	0.50
Keppel Corp Ltd 3.8% 23 Apr 2027	1,750,000	1,780,654	0.44
Keppel Land 3.259% 11 Dec 2019	2,000,000	2,634,544	0.65
Land Transport Authority 3.275% 29 Oct 2025	2,000,000	2,056,659	0.51
Mapletree Industrial Trust 3.75% 08 Mar 2019	2,000,000	2,116,543	0.52
Mapletree Logistics Trust 5.375% 19 Mar 2049	2,000,000	2,113,584	0.52
Mapletree Treasury Services 3.88% 04 Oct 2018	1,500,000	1,584,043	0.39
Mapletree Treasury Services 4.45% 07 Mar 2018	1,000,000	1,076,320	0.27
NTUC Income Insurance 3.65% 23 Aug 2027	3,000,000	3,110,772	0.77
OCBC 4% 15 Oct 2024	2,300,000	3,139,769	0.77
OCBC 4.25% 19 Jun 2024	5,000,000	6,774,832	1.67
Public Utilities Board 3.012% 12 Jul 2022	4,000,000	4,115,606	1.01
Sembcorp Financial Services 3.7325% 09 Apr 2020	6,500,000	6,874,768	1.70

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 2014

Singapore Bond Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
Singapore Airlines 3.145% 08 Apr 2021	3,500,000	3,495,722	0.86
Singapore Airlines 3.22% 09 Jul 2020	3,250,000	3,364,450	0.83
Singapore Airlines 3.75% 08 Apr 2024	3,750,000	3,808,842	0.94
Singapore Government Securities 1.625% 01 Oct 2019	5,500,000	5,537,045	1.37
Singapore Government Securities 2.25% 01 Jun 2021	3,000,000	3,046,516	0.75
Singapore Government Securities 2.75% 01 Apr 2042	10,000,000	9,768,470	2.41
Singapore Government Securities 2.875% 01 Jul 2029	15,250,000	15,939,344	3.93
Singapore Government Securities 2.875% 01 Sep 2030	4,500,000	4,648,364	1.15
Singapore Government Securities 3% 01 Sep 2024	3,250,000	3,487,447	0.86
Singapore Government Securities 3.125% 01 Sep 2022	1,500,000	1,617,811	0.40
Singapore Government Securities 3.25% 01 Sep 2020	16,500,000	17,889,717	4.41
Singapore Government Securities 3.375% 01 Sep 2033	6,250,000	6,854,475	1.69
Singapore Government Securities 3.5% 01 Mar 2027	4,500,000	5,051,677	1.25
Singapore Post Limited 3.5% 30 Mar 2020	2,000,000	2,107,314	0.52
Singtel Group Treasury 3.4875% 08 Apr 2020	8,000,000	8,531,136	2.10
SMRT Capital Pte Ltd 3.072% 11 Jun 2024	3,750,000	3,802,246	0.94
SP Powerassets Ltd 2.7% 14 Sep 2022	1,000,000	1,311,758	0.32
Starhill Global REIT MTN 3.5% 26 Feb 2021	2,000,000	2,038,426	0.50

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 2014

Singapore Bond Fund (continued)			
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	
By Geography (Primary) (continued)			
Quoted Debt Securities (continued)			
Singapore (continued)			
Temasek Financial I Ltd 3.265% 19 Feb 2020	4,250,000	4,514,624	1.11
Temasek Financial I Ltd 3.375% 23 Jul 2042	3,190,000	3,967,680	0.98
Temasek Financial I Ltd 5.375% 23 Nov 2039	1,000,000	1,685,388	0.42
United Overseas Bank Ltd 3.15% 11 Jul 2022	5,000,000	5,165,501	1.27
United Overseas Bank Ltd 3.45% 01 Apr 2021	3,000,000	3,074,218	0.76
United Overseas Bank Ltd 3.5 % 22 May 2026	3,500,000	3,545,541	0.87
United Overseas Bank Ltd 3.75% 19 Sep 2024	4,150,000	5,640,306	1.39
United Overseas Bank Ltd 4.9% 23 Jul 2049	8,000,000	8,484,278	2.09
Wing Tai Holdings 4.25% 15 Mar 2023	2,250,000	2,249,464	0.55
Wing Tai Holdings 4.5% 26 Sep 2022	2,250,000	2,304,357	0.57
Total Singapore		267,749,401	66.02
South Korea			
Korea Gas Corp 6.25% 20 Jan 2042	1,750,000	3,330,237	0.82
Woori Bank 4.75% 30 Apr 2024	4,750,000	6,538,494	1.61
Total South Korea		9,868,731	2.43
Thailand			
Krung Thai Bank/Cayman 5.2% 26 Dec 2024	3,000,000	4,042,226	1.00
PPT PCL 3.375% 25 Oct 2022	2,500,000	3,281,726	0.81
Total Thailand		7,323,952	1.81
United Kingdom			
Standard Chartered PLC 4.4% 23 Jan 2026	3,750,000	3,908,652	0.96
Total United Kingdom		3,908,652	0.96

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 2014

Singapore Bond Fund (continued)		
Holdings as at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
By Geography (Primary) <i>(continued)</i>		
Quoted Debt Securities <i>(continued)</i>		
United States		
Citigroup Inc 3.5% 08 Apr 2020	2,750,000	2,769,907
Total United States		0.68
		2,769,907
		0.68
Total Debt Securities		400,979,243
		98.89
Portfolio of investments		400,979,243
		98.89
Other net assets		4,505,497
		1.11
Net assets attributable to unitholders		405,484,740
		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 2014

	Singapore Bond Fund (continued)	
	Percentage of total net assets attributable to unitholders at 31 Dec 2014 %	Percentage of total net assets attributable to unitholders at 31 Dec 2013 %
<u>By Geography (Summary)</u>		
<u>Quoted Equities</u>		
Singapore	-	1.02
Total Equities	-	1.02
<u>Quoted Debt Securities</u>		
China	9.40	2.23
Hong Kong	9.50	3.04
India	2.17	0.91
Italy	0.66	-
Japan	2.01	-
Malaysia	2.22	1.67
Netherlands	1.03	0.98
Russia	-	0.96
Singapore	66.02	80.87
South Korea	2.43	0.60
Thailand	1.81	0.82
United Kingdom	0.96	4.15
United States	0.68	2.00
Total Debt Securities	98.89	98.23
Portfolio of investments	98.89	99.25
Other net assets	1.11	0.75
Net assets attributable to unitholders	100.00	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 2014

Singapore Bond Fund (continued)		
Fair value at 31 Dec 2014	Percentage of total net assets attributable to unitholders at 31 Dec 2014	Percentage of total net assets attributable to unitholders at 31 Dec 2013
S\$	%	%
<u>By Industry (Secondary)</u>		
<u>Quoted Equities</u>		
Banks	-	1.02
Total Equities	-	1.02
<u>Quoted Debt Securities</u>		
Banks	97,051,409	23.93
Conglomerates	14,565,644	3.59
Finance	2,152,067	0.53
Food & Beverage	-	0.30
Government Agency	42,885,279	10.57
Industrial	1,769,755	0.44
Insurance	7,027,833	1.74
Logistics	-	0.35
Oil & Gas	26,492,563	6.55
Quasi-Sovereign	21,838,133	5.39
Real Estate	76,074,049	18.74
Sovereign	73,840,866	18.22
Telecommunications	8,531,136	2.10
Transportation	16,578,574	4.09
Utilities	12,171,935	3.00
Total Debt Securities	400,979,243	98.89
Portfolio of investments	400,979,243	98.89
Other net assets	4,505,497	1.11
Net assets attributable to unitholders	405,484,740	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)

Notes to the Financial Statements

For the financial year ended 31 December 2014

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

The objective of the Sub-Fund is to invest as a direct investment portfolio, to achieve long-term capital appreciation as well as stable income, by investing, in such proportion as the Managers deem fit, in:

- (a) the equities of young and fast-growing Asian (ex Japan) companies, which in the opinion of the Managers, have the potential to establish themselves in their respective fields; and
- (b) fixed income securities of high credit quality issuers, denominated primarily in Singapore Dollars.

- Singapore Bond Fund

The objective of the Sub-Fund is to invest as a direct investment portfolio, to provide stable income with capital preservation by investing primarily in high credit quality Singapore Dollars fixed income instruments issued by Singapore and non-Singapore entities.

(collectively the "Sub-funds")

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

With effect from 13 March 2014, the Acorns of Asia Balanced Fund is closed for further subscription using CPF monies. New investments into this CPF sub-fund may only be subscribed for using cash or Supplementary Retirement Scheme monies.

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.

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 2014

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants.

(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.

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in the fair value of investments are included in the Statement of Total Return in the year in which they arise.

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 2014

2. Significant accounting policies *(continued)*

(d) Investments *(continued)*

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Sub-funds are the current bid price for fixed income securities and last traded price for equities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

Accrued interest or discount and premium on debt securities at the balance sheet date are incorporated in the fair value of the debt securities.

(f) Foreign currency translation

(i) Functional and presentation currency

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.

(ii) Translation and balances

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-fund at the rates of exchange prevailing on the transaction dates. Differences on exchange are included in the respective Statements of Total Return.

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

PINEBRIDGE INTERNATIONAL FUNDS

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

Notes to the Financial Statements *(continued)*

For the financial year ended 31 December 2014

2. Significant accounting policies *(continued)*

(g) Derivative financial instruments

Derivatives including foreign exchange forwards are entered into for the purposes of specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed and the code on Collective Investment Scheme.

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);
- 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.

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 2014

3. Tax (continued)

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

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	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Singapore income tax	-	-	-	-
Overseas income tax	505,454	1,184,736	-	-
Total income tax	504,454	1,184,736	-	-

4. Receivables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Dividends receivable	15,074	-	-	-
Amounts receivable for creation of units	-	153,807	1,000	175,010
Accrued interest receivables	-	3,058	-	-
Other receivables	2,734	37,395	1,658	21,070
	17,808	194,260	2,658	196,080

5. Payables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Payable to unitholders for cancellation of units	419,097	723,398	289,274	384,941
Accrued expenses	522,499	2,033,938	829,631	498,052
	941,596	2,757,336	1,118,905	882,993

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 2014

6. Financial derivatives, at fair value

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

	Contractual or underlying principal amount	Fair value gains	Fair value losses
	S\$	S\$	S\$
As at 31 December 2014			
Acorns of Asia Balanced Fund			
Foreign exchange forward contracts	12,747,293	-	481,072
Singapore Bond Fund			
Foreign exchange forward contracts	90,980,757	-	3,469,758

	Contractual or underlying principal amount	Fair value gains	Fair value losses
	S\$	S\$	S\$
As at 31 December 2013			
Acorns of Asia Balanced Fund			
Foreign exchange forward contracts	5,594,985	-	99,265
Singapore Bond Fund			
Foreign exchange forward contracts	18,649,950	-	330,884

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 2014

7. Units in issue

During the year ended 31 December 2014, the number of units issued, redeemed and outstanding were as follows:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014	2013	2014	2013
Units at beginning of financial year	502,964,743	529,755,140	265,648,668	256,297,378
Units created	622,040	10,867,708	38,011,845	88,683,128
Units cancelled	(440,966,761)	(37,658,105)	(58,824,053)	(79,331,838)
Units at end of financial year	62,620,022	502,964,743	244,836,460	265,648,668
	S\$	S\$	S\$	S\$
Net assets attributable to unitholders	152,987,943	1,213,656,595	405,484,740	418,151,855
Net asset value per unit	2.443	2.413	1.656	1.574

There is no difference between the net assets attributable to unitholders per financial statements and the net assets attributable to unitholders for issuing/redeeming of units.

8. Related party disclosures

- (a) As at 31 December 2014, the Manager and Trustee of PineBridge International Funds are PineBridge Investments Singapore Limited and Citicorp Trustee (Singapore) Limited, respectively. Citicorp Trustee (Singapore) Limited is a subsidiary of Citigroup.

Management fees and trustee fees paid or payable by the respective sub-fund 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 2014

8. Related party disclosures *(continued)*

(b) As at 31 December 2014 and during the financial year then ended, the following significant transactions took place between the Sub-funds and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

(i)

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Citigroup				
Income derived/(expenses incurred) for the financial year				
- Bank charges	(123)	(364)	(57)	(193)

(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	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Balance at end of the financial year				
- Current account	9,491,495	33,682,311	9,091,502	4,245,952

9. 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.

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.

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 2014

9. Financial risk management (continued)

(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.

While the benchmark of the equities component of the Acorns of Asia Balanced sub-fund is the MSCI All Country Far East ex-Japan SMID Net Return 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 2014, the historical 1-year beta for Acorns of Asia Balanced sub-fund (for equities excluding Preference Shares) is estimated to be 0.65 (2013: 1.12). The benchmark for equities portion is MSCI All Country Far East ex-Japan SMID Net Return.

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 2014

9. Financial risk management (continued)

(a) Market risk (continued)

(i) *Price risk* (continued)

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 2014 and 2013. The analysis is based on the assumption that the estimated 1-year beta of 0.65 (2013: 1.12) is applied to the closing net asset values for every 5% movement in the underlying benchmark index.

Fund	Benchmark component	Impact of 5% (2013: 5%) change in benchmark on net assets attributable to unitholders	
		2014 S\$m	2013 S\$m
Acorns of Asia Balanced Fund	MSCI All Country Far East ex-Japan SMID Net Return	2.37	38.88

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.

(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.

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 2014

9. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

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 2014				
Assets				
Investments	-	71,919,160	72,798,073	144,717,233
Receivables	-	-	17,808	17,808
Sales awaiting settlement	-	-	184,075	184,075
Cash and bank balances	9,491,495	-	-	9,491,495
Total assets	9,491,495	71,919,160	72,999,956	154,410,611
Liabilities				
Payables	-	-	941,596	941,596
Financial derivatives, at fair value	-	-	481,072	481,072
Total liabilities	-	-	1,422,668	1,422,668

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 2014

9. 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 2013				
Assets				
Investments	-	447,516,195	694,244,447	1,141,760,642
Receivables	-	-	194,260	194,260
Sales awaiting settlement	-	-	1,612,086	1,612,086
Fixed deposits with financial institutions	-	40,000,000	-	40,000,000
Cash and bank balances	33,682,311	-	-	33,682,311
Total assets	33,682,311	487,516,195	696,050,793	1,217,249,299
Liabilities				
Payables	-	-	2,757,336	2,757,336
Purchases awaiting settlement	-	-	736,103	736,103
Financial derivatives, at fair value	-	-	99,265	99,265
Total liabilities	-	-	3,592,704	3,592,704

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 2014

9. 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 2014				
Assets				
Investments	-	400,979,243	-	400,979,243
Receivables	-	-	2,658	2,658
Cash and bank balances	9,091,502	-	-	9,091,502
Total assets	9,091,502	400,979,243	2,658	410,073,403
Liabilities				
Payables	-	-	1,118,905	1,118,905
Financial derivatives, at fair value	-	-	3,469,758	3,469,758
Total liabilities	-	-	4,588,663	4,588,663

	Variable rates	Fixed Rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
As at 31 Dec 2013				
Assets				
Investments	-	410,663,700	4,260,000	414,923,700
Receivables	-	-	196,080	196,080
Cash and bank balances	4,245,952	-	-	4,245,952
Total assets	4,245,952	410,663,700	4,456,080	419,365,732
Liabilities				
Payables	-	-	882,993	882,993
Financial derivatives, at fair value	-	-	330,884	330,884
Total liabilities	-	-	1,213,877	1,213,877

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 2014

9. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Fund	Impact of 50 bps (2013: 50bps) change in interest rates on net assets attributable to unitholders	
	2014 S\$m	2013 S\$m
Acorns of Asia Balanced	2.30	12.80
Singapore Bond	12.88	11.68

(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 2014:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	30,863,042	-	30,863,042
IDR	2,097,249	-	2,097,249
KRW	18,821,238	-	18,821,238
MYR	1,253,424	-	1,253,424
PHP	1,181,965	-	1,181,965
THB	920,365	-	920,365
TWD	19,169,079	-	19,169,079
USD	17,573,682	(12,747,293)	4,826,389
	91,880,044	(12,747,293)	79,132,751

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 2014

9. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Currency risk* (continued)

Acorns of Asia Balanced Fund as at 31 December 2013:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
HKD	292,063,132	-	292,063,132
IDR	13,862,389	-	13,862,389
KRW	172,956,245	-	172,956,245
MYR	11,830,224	-	11,830,224
PHP	15,500,004	-	15,500,004
THB	9,421,117	-	9,421,117
TWD	152,493,966	-	152,493,966
USD	6,864,148	(5,594,985)	1,269,163
	674,991,225	(5,594,985)	669,396,240

Singapore Bond Fund as at 31 December 2014:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	126,602,304	(90,980,757)	35,621,547
	126,602,304	(90,980,757)	35,621,547

Singapore Bond Fund as at 31 December 2013:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	29,140,644	(18,649,950)	10,490,694
	29,140,644	(18,649,950)	10,490,694

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 2014

9. 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% (2013: 1%) change in foreign currency exchange rates against Singapore Dollar on net assets attributable to unitholders		
	2014 S\$	2013 S\$	
Acorns of Asia Balanced Fund	HKD	308,630	2,920,631
	IDR	20,972	138,624
	KRW	188,212	1,729,562
	MYR	12,534	118,302
	PHP	11,820	155,000
	THB	9,204	94,211
	TWD	191,691	1,524,940
	USD	48,264	12,691
Singapore Bond Fund	USD	356,215	104,905

(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 9(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 2014

9. 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-fund's assets
- exposure to debt securities issued by any one group of companies cannot exceed 20% of each sub-fund's assets
- debt securities issued by non-Singapore entities which are rated non-investment grade cannot exceed 5% of each sub-fund's 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 2014

9. 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 2014							
S&P	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Below BBB-	Not rated	
Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	16.21	4.52	14.09	12.19	2.13	22.77	71.91
- % of portfolio	10.59	2.95	9.22	7.97	1.40	14.88	47.01
Singapore Bond Fund							
- SGD millions	87.81	41.57	100.01	68.25	8.17	95.17	400.98
- % of portfolio	21.67	10.25	24.64	16.84	2.01	23.48	98.89

S&P or Moody's Rating of debt securities credit ratings as at 31 Dec 2013							
S&P	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Below BBB-	Not rated	
Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Below Baa3	Not rated	Total
Acorns of Asia Balanced Fund							
- SGD millions	336.09	2.38	18.15	14.79	0.73	75.38	447.52
- % of portfolio	27.69	0.20	1.50	1.23	0.06	6.21	36.89
Singapore Bond Fund							
- SGD millions	115.05	40.38	83.20	58.19	0.73	117.37	414.92
- % of portfolio	27.52	9.67	19.91	13.92	0.17	28.06	99.25

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 2014

9. 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 2014 S\$m	Credit rating as at 31 Dec 2014
Acorns of Asia Balanced Fund		
- Citibank N.A.	9.49	A
Singapore Bond Fund		
- Citibank N.A.	9.09	A

	Amounts placed with financial institutions as at 31 Dec 2013 S\$m	Credit rating as at 31 Dec 2013
Acorns of Asia Balanced Fund		
- Citibank N.A.	33.69	A
- HSBC	40.00	A+
Singapore Bond Fund		
- Citibank N.A.	4.25	A

As at 31 December 2014, all deposits with banks licensed in Singapore are guaranteed by the Singapore government, which is rated "AAA", until 31 December 2014.

Citibank N.A., Singapore Branch is the custodian of the 2 sub-funds and was rated "A" as at 31 December 2014.

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 2014

9. 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 2014	9.49	14.50	1.82
- 31 December 2013	73.68	326.38	8.54
Singapore Bond Fund			
- 31 December 2014	9.09	73.84	7.90
- 31 December 2013	4.25	115.05	15.26

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 2014

9. Financial risk management (continued)

(e) Fair value measurement

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

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

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

Acorns of Asia Balanced Fund as at 31 December 2014:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets measured at fair value				
Investments:				
- Equity securities	72,798,073	-	-	72,798,073
- Debt securities	-	71,919,160	-	71,919,160
	72,798,073	71,919,160	-	144,717,233
Liabilities measured at fair value				
Investments:				
- Derivatives	-	481,072	-	481,072
	-	481,072	-	481,072

Acorns of Asia Balanced Fund as at 31 December 2013:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets measured at fair value				
Investments:				
- Equity securities	694,244,447	-	-	694,244,447
- Debt securities	-	447,516,195	-	447,516,195
	694,244,447	447,516,195	-	1,141,760,642
Liabilities measured at fair value				
Investments:				
- Derivatives	-	99,265	-	99,265
	-	99,265	-	99,265

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 2014

9. Financial risk management (continued)

(e) Fair value measurement (continued)

Singapore Bond Fund as at 31 December 2014:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Debt securities	-	400,979,243	-	400,979,243
	-	400,979,243	-	400,979,243
Liabilities measured at fair value				
Investments:				
- Derivatives	-	3,469,758	-	3,469,758
	-	3,469,758	-	3,469,758

Singapore Bond Fund as at 31 December 2013:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
Assets measured at fair value				
Investments:				
- Equity securities	4,260,000	-	-	4,260,000
- Debt securities	-	410,663,700	-	410,663,700
	4,260,000	410,663,700	-	414,923,700
Liabilities measured at fair value				
Investments:				
- Derivatives	-	330,884	-	330,884
	-	330,884	-	330,884

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.

Except for cash and cash balances which are classified as Level 1, the Sub-fund's assets and liabilities not measured at fair value at 31 December 2014 and 2013 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the statement of financial position date. The Sub-funds do not engage in Level 3 investments.

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 2014

10. Financial ratios

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	2014 %	2013 %	2014 %	2013 %
Expense ratio ¹	1.53	1.63	1.11	1.09
Portfolio turnover ratio ²	99.57	91.97	123.40	50.28

- ¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). For the Acorns of Asia Balanced Fund, the calculation of the expense ratio at 31 December 2014 was based on total operating expenses of S\$3,687,192 (2013: S\$19,530,871) divided by the daily average net asset value of S\$241,149,335 (2013: S\$1,199,694,231) for the year. For the Singapore Bond Fund, the calculation of the expense ratio at 31 December 2014 was based on total operating expenses of S\$4,552,165 (2013: S\$4,345,137) divided by the daily average net asset value of S\$411,378,779 (2013: S\$397,500,950) for the year.

The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, 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 fee. The average net asset value is based on the daily balances.

- ² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments. For the Acorns of Asia Balanced Fund, the ratio is calculated using the purchases of S\$240,101,906 (2013: S\$1,103,369,877) divided by the weighted average daily net asset value of S\$241,149,335 (2013: S\$1,199,694,231). For the Singapore Bond Fund, the ratio is calculated using the purchases of S\$507,646,762 (Purchases 2013: S\$199,882,026) divided by the weighted average daily net asset value of S\$411,378,335 (2013: S\$397,500,950).

Important Notice:

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