



# PineBridge International Funds

SEMI ANNUAL REPORT

(For the period 1 January 2011 - 30 June 2011)

&

UNAUDITED FINANCIAL STATEMENTS

(For the six-month period ended 30 June 2011)



# PART 1

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- Please note that all figures in this report are as of 30 June 2011 unless otherwise stated.

# PineBridge International Funds – Singapore Bond Fund

## *Fund Manager's Review*

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### *Portfolio Performance*

For the first half of 2011, the PineBridge International Funds - Singapore Bond Fund (the "Fund") returned 3.92% (before upfront sales charge) and 0.89% (net of upfront sales charge), while its benchmark, the JP Morgan Singapore Government Bond Index (All Sector) returned 3.19%.

### *Market Review*

The first quarter of 2011 showed broadening global economic growth, with good momentum out of the US, European core and the emerging markets. However, the recovery momentum faded as the year progressed toward the second quarter, with global consumption and manufacturing output growth downshifting. The promising recovery was dragged down by a series of shocks to the market. Household spending and consumer confidence was dampened by higher food, commodities and energy prices, with the latter largely caused by the political upheaval in the Middle East and North Africa region. Also, industrial production was impacted by supply chain disruptions resulting from the devastating earthquake in Japan. The moderation of China's growth as Chinese policymakers normalize monetary policies and introduced administrative measures to contain inflation and rein in the red-hot property market was also a concern as investors worry of a possible hard-landing in the Chinese economy.

A number of risks hung over the market during the first half of 2011, which kept investors nervous. A number of concerns from the past year remained unresolved and continued to weigh on investors' mind, including the over-leveraged governments of the developed market. This risk manifested itself most significantly in Greece. The market worried that a disorderly default of Greek debt could lead to serious contagion effects similar to that experienced in 2008. The

situation however eased somewhat towards the end of 2H11 with the agreement of the Greek parliament to additional austerity measures and the agreement by EU to another bailout package for Greece to sustain its medium term financing requirement. Another risk is the political deadlock on the US debt ceiling negotiation and possible impact on the current fragile US recovery from any fiscal adjustments that may eventuate. The end of the US Federal Reserves' second round of quantitative easing in June also brought with it some anxiety for the financial market.

Thus, the heightened risk aversion, the weak economic recovery and the expectation for the US Federal Reserve to maintain its current low interest rates for an extended period resulted in a strong rally in US Treasury Bond ("UST") yields, with the 10-year benchmark ending the first half of 2011 at 3.10% from 3.37% at the beginning of the period, and from its high of 3.74% in February. The Singapore government securities moved in similar fashion with UST, ending the period at 2.31% from 2.71% at the beginning of the period.

Singapore's economy experienced strong growth in 1Q11, growing by 8.3% on a year-on-year basis. Growth was broad-based, led by the manufacturing sector. Growth in the second quarter has however moderated, in line with the slower growth in the global economy, as reflected by weaker export and industrial production data released up to May. Despite the weaker data, the strong first quarter and expectations that the global economy should recover in the second half of 2011 has led the government to revise up its full-year forecast for 2011 from the previous 4-6% to 5-7%.

### *Fund Overview*

The period saw the Singapore government securities ("SGS") 10-year benchmark come off its high of 2.79% in February to a low of 2.24% in May on weakening economic growth and on worries of a disorderly Greek debt default. It however gave up some of its gains toward

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

the end of the period to end 1H11 at 2.31%, with the easing of the Greece situation, and on encouraging economic news out of Japan and the USA. This mostly favourable interest rate movement during the first half of 2011 benefitted the Fund.

Also during the period, given the backdrop for a benign interest rate environment coupled with healthy fundamentals of corporations, the Fund continued to invest into high credit quality SGD corporate bonds, given the pick-up over SGS. The Fund also took advantage of the strong equities market in the beginning part of the year to dispose of its entire REITs and Business Trusts holdings.

## Outlook

The recent pause in the global economic recovery should prove temporary, with the global economy expected to resume its modest recovery in the second half of the year. Some of the factors that have contributed to the slowdown are starting to dissipate, such as the spike in energy prices and the supply chain disruption as a result of the Japanese earthquake and tsunami. In addition, pent-up demand of consumers and corporations will also add to growth. Hence, we should expect to see a resumption of economic growth in the second half of the year, but with employment still expected to be weak in most developed economies, growth will proceed at a moderate pace. In addition, the numerous risks present in the market will continue to keep investors cautious. Given this backdrop, interest rates in Singapore will continue to remain subdued, albeit we expect rates to gradually head higher in the latter half of the year as economic conditions improve.

## Asset Allocation

### By Country

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

### By Industry

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

### By Asset Class

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

## By Credit Rating

Credit Rating*	Fair Value (S\$'000)	% of Fixed Income Instruments
Aaa	23,824	4.81
Aa2	41,514	8.38
Aa3	18,216	3.68
A1	49,387	9.97
A2	80,422	16.24
A3	77,957	15.74
Baa1	25,369	5.12
Baa2	18,044	3.64
NR	153,375	30.97

Source: PineBridge Investments Singapore Limited.

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

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

<b>Top 10 Holdings (as at 30 June 2011)</b>		
	Fair Value (S\$'000)	%
DBS Cap Funding 5.75% 29 May 2049	41,460	8.37
Standard Chartered 5.25% 10 Apr 2023	40,581	8.19
OCBC Capital Corp 5.1% 29 Aug 2049	22,457	4.53
OCBC 3.78% 28 Nov 2017	20,558	4.15
Morgan Stanley 4% 23 Oct 2017	19,394	3.92
Singapore Airlines 3.22% 09 Jul 2020	18,435	3.72
DBS Bank 4.47% 15 Jul 2021	17,173	3.47
Capitamalls Asia 3.95% Aug 2017	16,706	3.37
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,768	3.18
Fraser & Neave Ltd 6% 30 Apr 2019	14,097	2.85

Source: PineBridge Investments Singapore Limited.

<b>Top 10 Holdings (as at 30 June 2010)</b>		
	Fair Value (S\$'000)	%
DBS Cap Funding 5.75% 29 May 2049	40,085	6.81
Standard Chartered 5.25% 10 Apr 2023	39,786	6.76
OCBC Capital Corp 5.1% 29 Aug 2049	21,689	3.68
OCBC 3.78% 28 Nov 2017	20,492	3.48
Morgan Stanley 4% 23 Oct 2017	18,462	3.14
Singapore Airlines 3.22% 09 Jul 2020	18,000	3.06
Queensley Hldgs Ltd 4.62% 07 Dec 2012	17,287	2.94
DBS Bank 4.47% 15 Jul 2021	16,277	2.76
Capitaland Treasury Ltd 4.35% 31 Oct 2019	15,391	2.61
Fraser & Neave Ltd 6% 30 Apr 2019	13,846	2.35

Source: PineBridge Investments Singapore Limited.

## *Exposure to derivatives*

	S\$	%
Fair value of derivative contracts	(43,388.52)	-
Net gain/(loss) on derivative contracts realised for the period 01 January to 30 June 2011	1,545,287.04	N/A
Net gain/(loss) on outstanding contracts marked to market	(43,388.52)	N/A

## *Amount and percentage of NAV invested in other schemes*

NIL.

## *Amount and percentage of borrowings to NAV*

NIL.

## *Amount of subscriptions and redemptions for the period 1 January 2011 to 30 June 2011*

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

## *Amount of related-party transactions*

Please refer to the Notes to the Financial Statements.

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

## *Performance of Fund and benchmark*

<b>Period</b>	<b>Fund Performance</b>	<b>JP Morgan Sing Govt Bond Index</b>
3-month	2.44%	1.43%
6-month	3.92%	3.19%
1-year	5.44%	2.36%
3-year <sup>^</sup>	4.84%	5.05%
5-year <sup>^</sup>	4.21%	4.57%
Since Inception (26.03.02) <sup>^</sup>	4.56%	3.98%

Source: PineBridge Investments Singapore Limited & Bloomberg.

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

<sup>^</sup>Annualised returns.

## *Expense Ratios<sup>#</sup>*

Please refer to the Notes to the Financial Statements.

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

## *Turnover Ratios*

Please refer to the Notes to the Financial Statements.

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

## *Soft Dollars*

Not applicable.

# PineBridge International Funds – Acorns of Asia Balanced Fund

## *Fund Manager's Review*

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### *Overview*

It was a fluid and volatile first-half of 2011 for stock markets in the Asia ex Japan (AxJ) region.

Following a reasonably positive start to the year, investor caution surfaced in the latter months, prompted by a variety of concerns. One of the main ones was the threat of inflation in most countries in the region, which has resulted in an extended official tightening cycle.

Fears of inflationary pressures were fanned by the elevation of oil prices in February, prompted by political unrest in the energy-producing countries in the Middle East and North Africa. Food supply disruptions due to adverse weather also added to worries. Investors then had to grapple with the potentially negative growth implications for the region resulting from the twin natural disasters that hit eastern Japan on 11 March.

And echoing similar concerns during the corresponding period in 2010, there was heightening anxiety about the sustainability of the economic recovery in the US, as employment growth there remained sluggish, and about a hard landing for the Chinese economy stemming from determined tightening as the authorities attempted to arrest an increasing trend of living costs. Also, the concerns about systemic risks to the global banking industry preyed on investors' minds as the sovereign debt situation in the peripheral countries of the European Union deteriorated.

Under the weight of such hindrances, it is perhaps not surprising that the benchmark MSCI Far East Free ex Japan slipped 1.9% (in Singapore Dollar terms) during the first half of 2011. In the process, it relatively underperformed its world equivalent (MSCI World), which edged up 0.9%.

Similarly, the credit markets faced a volatile period in the first six months of 2011, although interest rates tended to be on a downward trend. Generally mirroring movements in US yields, the equivalent for Singapore government securities eased from 2.71% at the start of the year to 2.31% by the end of June.

For the PineBridge International Funds - Acorns of Asia Balanced Fund (the "Fund"), it advanced 1.62% (net of upfront sales charges) during the period under review, compared to the composite benchmark's rise of 0.18%.

The Fund remained more invested in equities than in fixed income securities in this period. Its performance had noticeable positive contributions from its strong weightings in shares in Korea. On the other hand, there was a partial offset by negative contributions from its stock positions in Indonesia.

In terms of sector allocations, the Fund's overweightings in consumer discretionary, and materials stocks were helpful to performance. However, its significant holdings of shares in the energy segment had a negative performance impact.

### *Market Review*

Individual market performances across AxJ for the first half of 2011 were even more uneven than in the same period last year.

Specifically, Indonesia (+8.0% in Singapore Dollar terms), Korea (+3.8%), and Malaysia (+3.5%) saw advances, while the rest struggled, led by Taiwan (-6.8%), Hong Kong (-5.5%), and the Philippines (-4.4%). China (-3.3%), Singapore (-2.8%), and Thailand (-2.2%) had relatively smaller slippages.

While Indonesia was not immune to the inflation concerns confronting its regional counterparts, investors were more focused on its economic progress that is likely to gain the country an

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

“investment grade” status in its sovereign credit rating within the next couple of years. Currently, Indonesia is one level away from that.

For Korea, the improved international competitiveness of several of its major industrial sectors such as automobiles, shipbuilding, and petrochemicals attracted investor attention. Their comparative business advantages were seen as crucial in enabling them to weather a less than certain global economic outlook.

Meanwhile, Malaysia found favour among those investors who were seeking a more defensive market for their investment monies, with the added allure of a government proposing further economic reforms.

As the information technology sector is a key component of the Taiwanese market, investors maintained a wary attitude toward the latter. They were unsure about the prospects of the island economy’s mainstay electronics export industries in the face of worries about a global growth relapse.

In Hong Kong, an accelerating pace of inflation unsettled sentiment. Consumer prices there have been at their highest levels since mid-2008. A more constrained risk appetite in global financial markets contributed to investors avoiding smaller and relatively less liquid markets such as the Philippines.

As mentioned, subdued sentiment for stocks in China was due to discomfort over the risk of a hard landing for the economy. For Singapore, elevated asset prices in Singapore raised concerns of more tightening measures that could sap growth. In Thailand, nervousness about political stability in the run-up to, and aftermath of, general elections in early July had an adverse impact on equity prices.

## **Outlook**

At the time of writing, following the recent corrective bout, markets in AxJ have enjoyed their longest streak of weekly advance since April of this year.

However, the jury would still be out on whether this trend is something more than transient, as the headwinds that faced investors are still present, although financial markets could have already discounted some of these to an extent.

For instance, the latest US employment data for June showed that job creation was still weak. Indeed, the month’s jobless rate rose to 9.2%, the highest level thus far in 2011. In the meantime, there has been little progress in resolving the US fiscal debt limit issue.

Regarding China, it has just reported an annualized inflation rate for June of 6.4%, the highest level in 3 years, and exceeding its official target rate of 4% for 2011. This could portend more tightening measures.

Additionally, in a sign of the on-going difficulties in the European Union, Moody’s Investor Service has recently cut Portugal’s sovereign credit rating by four levels to “junk” status.

On a more constructive note, the recent moderation in the prices of energy and other commodities is seen as a favourable development. It could provide central banks with leeway for more accommodative interest rate policies to support growth going through the rest of the year.

Given the expected continued challenging environment, the Fund is unlikely to be significantly aggressive in its asset allocation stance. It will also stay selective in its preference for companies and sectors to invest in, with the focus still on those that have a particular operating niche.

# PineBridge International Funds – Acorns of Asia Balanced 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 Fixed Income Instruments
Aaa	32,463	2.36
Aa2	30,260	2.20
Aa3	12,861	0.94
A1	50,137	3.65
A2	73,644	5.35
A3	45,719	3.32
Baa1	34,976	2.54
Baa2	16,326	1.19
NR	125,090	9.10

Source: PineBridge Investments Singapore Limited.

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

## Top 10 Holdings (as at 30 June 2011)

	Fair Value (S\$'000)	%
Hynix Semiconductor Inc	36,694	2.67
Standard Chartered 5.25% 10 Apr 2023	34,338	2.50
DBS Cap Funding 5.75% 29 May 2049	34,041	2.48
AAC Acoustic Technology Holdings	33,214	2.41
Anhui Conch Cement Co Ltd	32,282	2.35
Sands China Ltd	30,786	2.24
Street Square 3.02% 05 May 2014	24,339	1.77
PT Bumi Resources TBK	21,973	1.60
DBS Bank 4.47% 15 Jul 2021	21,467	1.56
UOB Ltd 4.1% 03 Sep 2019	21,317	1.55

Source: PineBridge Investments Singapore Limited.

## Top 10 Holdings (as at 30 June 2010)

	Fair Value (S\$'000)	%
Standard Chartered 5.25% 10 Apr 2023	33,665	2.71
DBS Cap Funding 5.75% 29 May 2049	32,912	2.65
Queensley Hldgs Ltd 4.62% 07 Dec 2012	24,406	1.96
AAC Acoustic Technology Holdings	22,508	1.81
Capitamall Trust	22,210	1.79
Samsung SDI Co Ltd	21,699	1.75
UOB Ltd 4.1% 03 Sep 2019	20,919	1.68
Glovis Co Ltd	20,687	1.66
CNOOC Ltd	19,217	1.55
Morgan Stanley 4% 23 Oct 2017	18,462	1.49

Source: PineBridge Investments Singapore Limited.

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

## *Exposure to derivatives*

	S\$	%
Fair value of derivative contracts	(22,262.77)	-
Net gain/(loss) on derivative contracts realized for the period 01 January to 30 June 2011	819,721.78	N/A
Net gain/(loss) on outstanding contracts marked to market	(22,262.77)	N/A

## *Amount and percentage of NAV invested in other schemes*

NIL.

## *Amount and percentage of borrowings to NAV*

NIL.

## *Amount of subscriptions and redemptions for the period 1 January 2011 – 30 June 2011*

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

## *Amount of related-party transactions*

Please refer to the Notes to the Financial Statements.

## *Performance of Fund and benchmark*

Period	Fund Performance	60% MSCI All Country Far East Free Ex Japan (DTR Net) in SGD / 40% JP Morgan Sing Govt. Bond Index
3-month	1.16%	-0.75%
6-month	1.62%	0.18%
1-year	15.44%	8.54%
3-year <sup>^</sup>	5.42%	5.31%
5-year <sup>^</sup>	5.85%	6.08%
Since Inception (01.10.01) <sup>^</sup>	9.61%	9.46%

Source: PineBridge Investments Singapore Limited.

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

<sup>^</sup>Annualised returns

## *Expense Ratios<sup>#</sup>*

Please refer to the Notes to the Financial Statements.

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

## *Turnover Ratios*

Please refer to the Notes to the Financial Statements.

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

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

## ***Soft Dollars***

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

# **PINEBRIDGE INTERNATIONAL FUNDS**

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

## **UNAUDITED FINANCIAL STATEMENTS**

*For the six-month period ended 30 June 2011*

**PINEBRIDGE INTERNATIONAL FUNDS**

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

**UNAUDITED FINANCIAL STATEMENTS**

*For the six-month period ended 30 June 2011*

# **PART II**

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## PINEBRIDGE INTERNATIONAL FUNDS

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

# Statements of Total Return

For the six-month period ended 30 June 2011

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		30 Jun 2011 S\$	30 Jun 2010 S\$	30 Jun 2011 S\$	30 Jun 2010 S\$
<b>Investment income</b>					
Dividends		<b>10,800,702</b>	10,809,493	<b>1,170,105</b>	2,452,965
Interest on deposits with banks		<b>23,036</b>	13,350	<b>7,896</b>	37,251
Other		-	29	-	-
		<b>10,823,738</b>	10,822,872	<b>1,178,001</b>	2,490,216
<b>Less: Expenses</b>					
Audit fee		<b>14,877</b>	14,877	<b>9,917</b>	9,917
Custody and related fees		<b>315,359</b>	315,788	<b>35,039</b>	38,085
Management fees		<b>10,221,941</b>	9,547,872	<b>2,665,253</b>	2,808,734
Registrar and related fees		<b>(24,034)</b>	18,397	<b>(4,613)</b>	13,777
Trustee fees		<b>272,585</b>	254,610	<b>106,610</b>	116,607
Other		<b>943,116</b>	871,823	<b>293,319</b>	324,347
		<b>11,743,844</b>	11,023,367	<b>3,105,525</b>	3,311,467
<b>Net (loss)/income</b>		<b>(920,106)</b>	(200,495)	<b>(1,927,524)</b>	(821,251)
<b>Net gains or losses on value of investments</b>					
Net realised gains/(losses) on investments		<b>58,349,765</b>	37,761,188	<b>(230,684)</b>	12,193,516
Net change in fair value on investments		<b>(25,227,776)</b>	(69,140,473)	<b>23,437,242</b>	9,351,875
Net realised gains/(losses) on forward foreign exchange contracts		<b>819,722</b>	(7,661)	<b>1,545,287</b>	(54,797)
Net change in fair value on forward foreign exchange contracts		<b>(357,455)</b>	(1,254)	<b>(713,434)</b>	(6,159)
Net foreign exchange gains/(losses)		<b>(8,835,205)</b>	(11,560,907)	<b>(885,943)</b>	41,468
		<b>24,749,051</b>	(42,949,107)	<b>23,152,468</b>	21,525,903
<b>Total return for the period before income tax</b>		<b>23,828,945</b>	(43,149,602)	<b>21,224,944</b>	20,704,652
<b>Less: Income tax</b>	3	<b>(1,089,649)</b>	(1,103,771)	<b>(22,744)</b>	(195,528)
<b>Total return for the period</b>		<b>22,739,296</b>	(44,253,373)	<b>21,202,200</b>	20,509,124

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

### Balance Sheets

As at 30 Jun 2011

	Note	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
<b>ASSETS</b>					
Investments		<b>1,341,933,295</b>	1,364,221,707	<b>488,107,219</b>	529,709,300
Cash and bank balances	9	<b>18,984,731</b>	13,749,928	<b>5,626,031</b>	2,039,090
Fixed deposits with financial institutions		<b>35,708,506</b>	-	<b>4,490,797</b>	11,162,222
Receivables	4	<b>1,900,345</b>	670,206	<b>1,213,362</b>	250,121
Financial derivatives, at fair value	6	-	335,193	-	670,045
<b>Total assets</b>		<b>1,398,526,877</b>	1,378,977,034	<b>499,437,409</b>	543,830,778
<b>LIABILITIES</b>					
Payables	5	<b>23,137,113</b>	3,555,654	<b>4,141,892</b>	1,512,356
Financial derivatives, at fair value	6	<b>22,263</b>	-	<b>43,389</b>	-
Net assets attributable to unitholders	7	<b>1,375,367,501</b>	1,375,421,380	<b>495,252,128</b>	542,318,422
<b>Total liabilities</b>		<b>1,398,526,877</b>	1,378,977,034	<b>499,437,409</b>	543,830,778

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 30 June 2011

Acorns of Asia Balanced Fund			
Holdings as at 30 Jun 2011	Fair value at 30 Jun 2011 S\$	Percentage of total net assets attributable to unitholders at 30 Jun 2011 %	
<b>By Geography (Primary)</b>			
<b>Quoted Equities</b>			
<b>China</b>			
Agile Property Holdings Ltd	6,000,000	11,408,180	0.83
Anhui Conch Cement Co Ltd	5,600,500	32,281,842	2.35
China Bluechemical Ltd	10,000,000	10,154,291	0.74
China Lilang Ltd	11,650,000	20,053,541	1.46
China Molybdenum Co Ltd	5,000,000	5,156,106	0.37
China Oilfield Services Ltd	2,500,000	5,598,283	0.41
China Overseas Land & Invest	2,250,000	5,898,332	0.43
China Shenhua Energy Co Ltd	2,300,000	13,475,360	0.98
CNOOC Ltd	3,500,000	10,037,430	0.73
Digital China Holdings Ltd	6,500,000	12,831,044	0.93
Dongfeng Motor Group Co	3,500,000	8,102,903	0.59
Hengan International Group Co Ltd	350,000	3,838,654	0.28
Intime Department Store	7,520,000	15,675,825	1.14
Lenovo Group Ltd	23,000,000	16,054,203	1.17
Lifestyle International Holdings Ltd	2,000,000	7,153,801	0.52
L'occitane International Sa	6,350,000	20,757,866	1.51
Petrochina Co Ltd	3,460,000	6,196,234	0.45
Sands China Ltd	9,350,000	30,786,216	2.24
Shun Tak Holdings Ltd	13,350,000	9,929,807	0.72
Total China		245,389,918	17.85

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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>			
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>	
<b>By Geography (Primary)</b> (continued)			
<b>Quoted Equities</b> (continued)			
<b>Hong Kong</b>			
AAC Acoustic Technology Holdings Ltd	<b>11,620,000</b>	<b>33,214,165</b>	<b>2.41</b>
Hysan Development Co Ltd	<b>2,000,000</b>	<b>12,080,922</b>	<b>0.88</b>
Shangri-La Asia Ltd	<b>2,166,666</b>	<b>6,487,374</b>	<b>0.47</b>
Total Hong Kong	<b>51,782,461</b>	<b>3.76</b>	
<b>Indonesia</b>			
PT Bank Negara	<b>34,300,920</b>	<b>18,773,019</b>	<b>1.36</b>
PT Bumi Resources	<b>93,373,000</b>	<b>9,753,064</b>	<b>0.71</b>
PT Bumi Resources Mineral-C	<b>62,248,666</b>	<b>1,460,733</b>	<b>0.11</b>
PT Bumi Resources TBK	<b>52,500,000</b>	<b>21,972,632</b>	<b>1.60</b>
PT BW Plantation	<b>77,000,000</b>	<b>13,000,787</b>	<b>0.95</b>
PT Delta Dunia Makmur IDR50 (Sub Rights) 07	<b>6,000,000</b>	<b>94,437</b>	<b>0.01</b>
PT Delta Dunia Makmur TBK	<b>30,000,000</b>	<b>4,335,503</b>	<b>0.32</b>
PT Indomobil Sukses Internasion	<b>7,963,000</b>	<b>9,286,055</b>	<b>0.68</b>
PT Sampoerna Agro	<b>17,000,000</b>	<b>8,331,178</b>	<b>0.61</b>
PT United Tractors	<b>5,606,060</b>	<b>19,973,492</b>	<b>1.45</b>
Total Indonesia	<b>106,980,900</b>	<b>7.80</b>	

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 30 June 2011

#### **By Geography (Primary)** *(continued)*

##### **Quoted Equities** *(continued)*

##### **Malaysia**

SP Setia Bhd

Ta Ann Holdings Bhd

Total Malaysia

##### **Philippines**

Alliance Global Group Inc

International Container Term Svcs Inc

Total Philippines

##### **Singapore**

Ezra Holdings Ltd

Hutchison Port Holdings

Keppel Corporation Ltd

Sembcorp Marine Ltd

Total Singapore

<b>Acorns of Asia Balanced Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>3,500,000</b>	<b>5,939,730</b>	<b>0.43</b>
<b>900,000</b>	<b>2,021,828</b>	<b>0.15</b>
	<b>7,961,558</b>	<b>0.58</b>
<b>23,000,000</b>	<b>7,123,285</b>	<b>0.52</b>
<b>3,250,000</b>	<b>4,622,577</b>	<b>0.34</b>
	<b>11,745,862</b>	<b>0.86</b>
<b>1,350,000</b>	<b>2,011,500</b>	<b>0.15</b>
<b>5,000,000</b>	<b>5,192,733</b>	<b>0.38</b>
<b>1,415,700</b>	<b>15,657,642</b>	<b>1.14</b>
<b>3,900,000</b>	<b>20,670,000</b>	<b>1.50</b>
	<b>43,531,875</b>	<b>3.17</b>

*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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>			
	<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>By Geography (Primary) (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>South Korea</b>			
Daewoo Shipbuilding & Marine	380,000	19,837,170	1.44
Fila Korea Ltd	120,000	12,238,658	0.89
GS Engineering & Construct	60,000	8,978,699	0.65
Hankook Tire Co Ltd	305,000	16,009,712	1.16
Honam Petrochemical Corp	45,500	20,636,044	1.50
Hynix Semiconductor Inc	1,270,000	36,694,102	2.67
Hyundai Glovis Co Ltd	35,000	6,949,859	0.51
Hyundai Heavy Industries	30,510	15,540,834	1.13
Hyundai Home Shopping Network	70,000	10,273,704	0.75
Hyundai Mobis	40,947	18,830,320	1.37
Hyundai Steel Co Ltd	50,000	7,424,694	0.54
Kia Motors Corporation	80,000	6,648,842	0.48
LG Chemical Ltd	31,500	17,658,684	1.28
LG Household & Health Care	30,000	15,919,925	1.16
OCI Company Ltd	40,585	18,780,642	1.37
Samsung Engineering Co Ltd	45,000	13,131,348	0.95
Samsung Techwin Co Ltd	60,000	6,443,943	0.47
SK Innovation Co Ltd	50,000	11,424,819	0.83
Sungwoo Hitech Co Ltd	350,000	10,213,271	0.74
Total South Korea		273,635,270	19.89

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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>
	<b>S\$</b>	<b>%</b>
<b>By Geography (Primary)</b> (continued)		
<b>Quoted Equities</b> (continued)		
<b>Taiwan</b>		
Advantech Co Ltd	1,475,000	0.45
Airtac International Group	1,405,000	1.00
Asustek Computer Inc	920,000	0.81
First Financial	13,250,000	0.98
Formosa Chem & Fiber	2,894,000	0.96
Foxconn Tech Co	2,300,000	0.85
Hiwin Technologies Corp	720,000	0.62
Largan Precision Co Ltd	423,000	1.21
Oriental Union Chemical	6,531,000	0.85
Simplo Technology Co Ltd	1,200,000	0.86
Taiwan Cement	8,755,000	1.16
TPK Holding Co Ltd	450,000	1.22
Unimicron Technology Corp	4,000,000	0.63
Uni-President Enterprise Co	3,000,000	0.39
Total Taiwan	165,140,918	11.99

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 30 June 2011

#### **By Geography (Primary)** *(continued)*

#### **Quoted Debt Securities** *(continued)*

##### **India**

ICICI Bank Ltd 3.3% 03 May 2012

ICICI Bank/HK 3.8% 19 Apr 2016

Total India

##### **Korea**

Korea Natl Oil 3.15% 16 Feb 2016

Shinhan Bank 3.93% 16 Jan 2016

Shinhan Bank 3.94% 15 Jan 2016

Total Korea

##### **Malaysia**

Danga Capital 3.725% 11 Aug 2020

Malayan Banking 3.8% 28 Apr 2021

Total Malaysia

##### **Qatar**

Qtel Intl Fin 4.75% Feb 2021

Total Qatar

##### **Russia**

JSC VTB Bank 3.4% 06 Jun 2014

JSC VTB Bank 4.2% 11 Aug 2012

Total Russia

<b>Acorns of Asia Balanced Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>2,000,000</b>	<b>2,033,888</b>	<b>0.15</b>
<b>6,000,000</b>	<b>6,101,975</b>	<b>0.44</b>
	<b>8,135,863</b>	<b>0.59</b>
<b>3,500,000</b>	<b>3,593,395</b>	<b>0.26</b>
<b>1,000,000</b>	<b>1,054,666</b>	<b>0.08</b>
<b>2,000,000</b>	<b>2,123,038</b>	<b>0.15</b>
	<b>6,771,099</b>	<b>0.49</b>
<b>2,000,000</b>	<b>2,028,371</b>	<b>0.15</b>
<b>21,000,000</b>	<b>21,219,637</b>	<b>1.54</b>
	<b>23,248,008</b>	<b>1.69</b>
<b>1,000,000</b>	<b>1,216,981</b>	<b>0.09</b>
	<b>1,216,981</b>	<b>0.09</b>
<b>10,000,000</b>	<b>9,685,356</b>	<b>0.70</b>
<b>4,000,000</b>	<b>4,071,178</b>	<b>0.30</b>
	<b>13,756,534</b>	<b>1.00</b>

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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>			
	<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>
		<b>S\$</b>	<b>%</b>
<b>By Geography (Primary) (continued)</b>			
<b>Quoted Debt Securities (continued)</b>			
<b>Singapore</b>			
Ascott Capital 4.38% 14 Aug 2012	<b>8,000,000</b>	<b>8,368,960</b>	<b>0.61</b>
Capitaland Ltd 3.125% 05 Mar 2018	<b>1,000,000</b>	<b>1,061,783</b>	<b>0.08</b>
Capitaland Treasury Ltd 4.3% 31 Aug 2020	<b>2,000,000</b>	<b>2,092,745</b>	<b>0.15</b>
Capitaland Treasury Ltd 4.35% 31 Oct 2019	<b>15,000,000</b>	<b>15,767,548</b>	<b>1.15</b>
Capitallands Asia 3.95% Aug 2017	<b>2,000,000</b>	<b>2,088,271</b>	<b>0.15</b>
Capitallands Asia Treasury 2.15% 21 Jan 2014	<b>3,000,000</b>	<b>3,039,974</b>	<b>0.22</b>
CCT MTN Pte Ltd 3.64% 18 Feb 2015	<b>3,000,000</b>	<b>3,137,892</b>	<b>0.23</b>
City Development 3.45% 10 Sep 2012	<b>4,000,000</b>	<b>4,130,345</b>	<b>0.30</b>
DBS Bank 4.47% 15 Jul 2021	<b>20,000,000</b>	<b>21,466,586</b>	<b>1.56</b>
Fraser & Neave Ltd 6% 30 Apr 2019	<b>3,000,000</b>	<b>3,524,182</b>	<b>0.26</b>
Housing & Dev 3.14% 18 Mar 2021	<b>3,000,000</b>	<b>3,112,722</b>	<b>0.23</b>
Keppel Land Ltd 3.51% 03 Feb 2015	<b>3,500,000</b>	<b>3,671,977</b>	<b>0.27</b>
Mapletree Treasury 3.88% 04 Oct 2018	<b>3,500,000</b>	<b>3,591,869</b>	<b>0.26</b>
Mapletree Treasury 4.45% 07 Mar 2018	<b>7,000,000</b>	<b>7,561,544</b>	<b>0.55</b>
Mapletree Treasury 4.6% 20 Aug 2013	<b>4,000,000</b>	<b>4,298,334</b>	<b>0.31</b>
Neptune Orient Lines Ltd 4.4% 22 Jun 2021	<b>3,000,000</b>	<b>3,032,893</b>	<b>0.22</b>
OCBC 3.78% 28 Nov 2017	<b>10,000,000</b>	<b>10,279,175</b>	<b>0.75</b>
OCBC 3.75% 15 Nov 2022	<b>3,000,000</b>	<b>3,547,580</b>	<b>0.26</b>
Overseas Union Enterprises 3.36% 27 Sep 2013	<b>2,000,000</b>	<b>2,060,672</b>	<b>0.15</b>
Public Utilities 3.095% 08 Oct 2014	<b>5,000,000</b>	<b>5,344,190</b>	<b>0.39</b>

*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 30 June 2011

#### **By Geography (Primary)** *(continued)*

##### **Others**

##### **Singapore**

DBS Bank 4.7% 29 Nov 2049

DBS Cap Funding 5.75% 29 May 2049

OCBC 5.1% 31 Dec 2049

OCBC Capital Corp 5.1% 29 Aug 2049

Total Singapore

##### **Total Others**

##### **Portfolio of investment**

##### **Other net assets**

##### **Net assets attributable to unitholders**

<b>Acorns of Asia Balanced Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>20,000</b>	<b>2,074,000</b>	<b>0.15</b>
<b>31,200,000</b>	<b>34,041,166</b>	<b>2.48</b>
<b>20,000</b>	<b>2,117,600</b>	<b>0.15</b>
<b>70,000</b>	<b>7,485,800</b>	<b>0.54</b>
	<b>45,718,566</b>	<b>3.32</b>
	<b>45,718,566</b>	<b>3.32</b>
	<b>1,341,933,295</b>	<b>97.57</b>
	<b>33,434,206</b>	<b>2.43</b>
	<b>1,375,367,501</b>	<b>100.00</b>

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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>		
<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2010</b>	
<b>%</b>	<b>%</b>	
<b><u>By Geography (Summary)</u></b>		
<b><u>Quoted Equities</u></b>		
China	17.85	17.27
Hong Kong	3.76	6.66
Indonesia	7.80	10.34
Malaysia	0.58	1.54
Philippines	0.86	1.41
Singapore	3.17	2.70
South Korea	19.89	17.87
Taiwan	11.99	11.92
Thailand	1.04	1.49
<b>Total Equities</b>	<b>66.94</b>	<b>71.20</b>
<b><u>Quoted Debt Securities</u></b>		
Germany	0.45	0.60
Hong Kong	0.93	0.96
India	0.59	0.15
Korea	0.49	0.22
Malaysia	1.69	0.14
Qatar	0.09	0.09
Russia	1.00	0.30
Singapore	16.96	12.67
United Arab Emirates	-	0.18
United Kingdom	3.23	2.79
United States	1.88	1.81
<b>Total Debt Securities</b>	<b>27.31</b>	<b>19.91</b>

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 30 June 2011

#### **By Geography (Summary)** (continued)

##### **Others**

Singapore

##### **Total Others**

##### **Portfolio of investments**

##### **Other net assets**

##### **Net assets attributable to unitholders**

<b>Acorns of Asia Balanced Fund (continued)</b>	
<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>	Percentage of total net assets attributable to unitholders at 31 Dec 2010
<b>%</b>	<b>%</b>
<b>3.32</b>	8.04
<b>3.32</b>	8.04
<b>97.57</b>	99.15
<b>2.43</b>	0.85
<b>100.00</b>	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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>			
	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2010 %</b>
<b>By Industry (Secondary)</b>			
<b>Quoted Equities</b>			
Agribusiness	31,486,256	2.30	3.89
Airlines	-	-	0.55
Apparel	32,292,199	2.35	1.95
Auto	76,040,962	5.53	5.50
Cement	48,285,501	3.51	0.99
Chemicals	63,217,558	4.59	2.41
Coal	50,091,266	3.65	5.48
Construction Material	2,021,828	0.15	0.52
Consumer Product	3,838,654	0.28	0.36
Cosmetics	20,757,866	1.51	-
Distribution	12,831,044	0.93	-
Electronics	175,563,356	12.75	18.70
Engineering & Construction	22,110,047	1.60	1.44
Finance	32,216,121	2.34	2.25
Hotel	6,487,374	0.47	0.51
Infrastructure	-	-	1.08
Internet	-	-	1.28
Leisure	37,909,501	2.76	1.05
Machinery Heavy	19,973,492	1.45	2.43
Manufacturing	22,297,504	1.62	-
Mining	16,369,903	1.19	1.62
Offshore Marine	36,327,642	2.64	2.15
Oil & Gas Services	39,343,818	2.87	4.12
Real Estate	45,256,971	3.29	5.54
Refining	-	-	0.53
Retail	54,340,135	3.96	3.22
Shipbuilding	35,378,004	2.57	0.78
Solar	18,780,642	1.37	-
Steel	7,424,694	0.54	1.10
Transportation	-	-	1.29
Transportation Others	9,815,310	0.72	0.46
<b>Total Equities</b>	<b>920,457,648</b>	<b>66.94</b>	<b>71.20</b>

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 30 June 2011

<b>Acorns of Asia Balanced Fund (continued)</b>			
	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>	Percentage of total net assets attributable to unitholders at 31 Dec 2010 %
<b>By Industry (Secondary) (continued)</b>			
<b>Quoted Debt Securities</b>			
Airlines	2,552,298	0.19	0.18
Banks	183,167,079	13.31	7.93
Finance	33,115,431	2.41	2.32
Industrial Others	5,080,260	0.37	0.36
Oil & Gas	3,593,395	0.26	-
Real Estate	109,877,325	7.99	7.54
Shipping	3,032,893	0.22	-
Sovereign	27,214,496	1.97	0.99
Telecom	1,216,981	0.09	0.09
Transportation Others	1,562,733	0.11	0.11
Utilities	5,344,190	0.39	0.39
<b>Total Debt Securities</b>	<b>375,757,081</b>	<b>27.31</b>	19.91
<b>Others</b>			
Banks	45,718,566	3.32	3.94
Real Estate	-	-	4.03
Shipping	-	-	0.07
<b>Total Others</b>	<b>45,718,566</b>	<b>3.32</b>	8.04
<b>Portfolio of investments</b>	<b>1,341,933,295</b>	<b>97.57</b>	99.15
<b>Other net assets</b>	<b>33,434,206</b>	<b>2.43</b>	0.85
<b>Net assets attributable to unitholders</b>	<b>1,375,367,501</b>	<b>100.00</b>	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 30 June 2011

<b>Singapore Bond Fund</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b><u>By Geography (Primary)</u></b>		
<b><u>Quoted Debt Securities</u></b>		
<b>Hong Kong</b>		
HK Land Treasury 3.43% 14 May 2020	<b>4,000,000</b>	<b>3,959,667</b>
HK Land Treasury 3.65% 05 Oct 2015	<b>10,000,000</b>	<b>10,518,000</b>
Sun Hung Kai Properties 4% 02 Nov 2020	<b>2,750,000</b>	<b>3,200,902</b>
Total Hong Kong	<b>17,678,569</b>	<b>3.57</b>
<b>India</b>		
ICICI Bank/HK 3.8% 19 Apr 2016	<b>2,000,000</b>	<b>2,033,992</b>
Total India	<b>2,033,992</b>	<b>0.41</b>
<b>Korea</b>		
Korea Natl Oil 3.15% 16 Feb 2016	<b>5,000,000</b>	<b>5,133,422</b>
Shinhan Bank 3.93% 16 Jan 2016	<b>3,000,000</b>	<b>3,163,997</b>
Shinhan Bank 3.94% 15 Jan 2016	<b>6,500,000</b>	<b>6,899,873</b>
Total Korea	<b>15,197,292</b>	<b>3.07</b>
<b>Malaysia</b>		
Danga Capital 3.725% 11 Aug 2020	<b>6,000,000</b>	<b>6,085,114</b>
Malayan Banking 3.8% 28 Apr 2021	<b>5,000,000</b>	<b>5,052,295</b>
Total Malaysia	<b>11,137,409</b>	<b>2.25</b>
<b>Qatar</b>		
Qtel Intl Fin 4.75% Feb 2021	<b>1,000,000</b>	<b>1,216,981</b>
Total Qatar	<b>1,216,981</b>	<b>0.25</b>
<b>Russia</b>		
JSC VTB Bank 3.4% 06 Jun 2014	<b>4,000,000</b>	<b>3,874,142</b>
JSC VTB Bank 4.2% 11 Aug 2012	<b>6,000,000</b>	<b>6,106,767</b>
Total Russia	<b>9,980,909</b>	<b>2.01</b>

*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 30 June 2011

<b>Singapore Bond Fund (continued)</b>			
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>	
<b>By Geography (Primary)</b> (continued)			
<b>Quoted Debt Securities</b> (continued)			
<b>Singapore</b>			
Capitaland Ltd 3.125% 05 Mar 2018	<b>2,500,000</b>	<b>2,654,457</b>	<b>0.54</b>
Capitaland Treasury Ltd 4.3% 31 Aug 2020	<b>10,000,000</b>	<b>10,463,726</b>	<b>2.11</b>
Capitaland Treasury Ltd 4.35% 31 Oct 2019	<b>15,000,000</b>	<b>15,767,548</b>	<b>3.18</b>
Capitamalls Asia 3.95% Aug 2017	<b>16,000,000</b>	<b>16,706,170</b>	<b>3.37</b>
CCT MTN Pte Ltd 3.64% 18 Feb 2015	<b>6,000,000</b>	<b>6,275,783</b>	<b>1.27</b>
CMT MTN Pte Ltd 3.55% 01 Sep 2017	<b>4,000,000</b>	<b>4,117,474</b>	<b>0.83</b>
DBS Bank 4.47% 15 Jul 2021	<b>16,000,000</b>	<b>17,173,269</b>	<b>3.47</b>
Fraser & Neave Ltd 6% 30 Apr 2019	<b>12,000,000</b>	<b>14,096,729</b>	<b>2.85</b>
Great Eastern Life 4.6% 19 Jan 2026	<b>5,000,000</b>	<b>5,289,082</b>	<b>1.07</b>
Housing & Dev 3.14% 18 Mar 2021	<b>2,000,000</b>	<b>2,075,148</b>	<b>0.42</b>
Keppel Land Ltd 3.51% 03 Feb 2015	<b>5,500,000</b>	<b>5,770,249</b>	<b>1.17</b>
Mapletree Treasury 3.88% 04 Oct 2018	<b>10,000,000</b>	<b>10,262,482</b>	<b>2.07</b>
Mapletree Treasury 4.45% 07 Mar 2018	<b>8,000,000</b>	<b>8,641,764</b>	<b>1.74</b>
Mapletree Treasury 4.6% 20 Aug 2013	<b>5,000,000</b>	<b>5,372,918</b>	<b>1.08</b>
OCBC 3.78% 28 Nov 2017	<b>20,000,000</b>	<b>20,558,351</b>	<b>4.15</b>
OCBC 3.75% 15 Nov 2022	<b>2,000,000</b>	<b>2,365,053</b>	<b>0.48</b>
Overseas Union Enterprises 3.36% 27 Sep 2013	<b>6,000,000</b>	<b>6,182,015</b>	<b>1.25</b>
Public Utilities 3.012% 12 Jul 2022	<b>4,000,000</b>	<b>4,055,784</b>	<b>0.82</b>
Public Utilities 3.095% 08 Oct 2014	<b>6,000,000</b>	<b>6,413,028</b>	<b>1.29</b>
Sembcorp Finance 3.7325% 09 Apr 2020	<b>8,000,000</b>	<b>8,299,083</b>	<b>1.68</b>
Sengkang Mall Ltd 4.88% 20 Nov 2012	<b>2,400,000</b>	<b>2,422,996</b>	<b>0.49</b>

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 30 June 2011

<b>Singapore Bond Fund (continued)</b>			
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>	
<b>By Geography (Primary)</b> (continued)			
<b>Quoted Debt Securities</b> (continued)			
<b>Singapore</b> (continued)			
Singapore Airlines 3.22% 09 Jul 2020	<b>18,000,000</b>	<b>18,435,127</b>	<b>3.72</b>
Singapore Govt Securities 1.125% 01 Apr 2016	<b>2,000,000</b>	<b>2,018,333</b>	<b>0.41</b>
Singapore Govt Securities 3% 01 Sep 2024	<b>5,000,000</b>	<b>5,192,821</b>	<b>1.05</b>
Singapore Govt Securities 3.125% 01 Sep 2022	<b>2,000,000</b>	<b>2,137,750</b>	<b>0.43</b>
Singapore Govt Securities 3.25% 01 Sep 2020	<b>1,500,000</b>	<b>1,641,279</b>	<b>0.33</b>
Singapore Govt Securities 3.625% 01 Jul 2014	<b>4,000,000</b>	<b>4,436,499</b>	<b>0.90</b>
Singapore Post 3.5% 30 Mar 2020	<b>3,000,000</b>	<b>3,125,466</b>	<b>0.63</b>
Singtel Group 3.4875% 08 Apr 2020	<b>8,000,000</b>	<b>8,319,444</b>	<b>1.68</b>
SP Power Assets 4.84% 22 Oct 2018	<b>1,750,000</b>	<b>2,018,712</b>	<b>0.41</b>
SPARC II Ltd 5% 07 Sep 2011	<b>1,000,000</b>	<b>1,021,453</b>	<b>0.21</b>
Street Square 3.02% 05 May 2014	<b>2,000,000</b>	<b>2,028,267</b>	<b>0.41</b>
Temasek Finance 3.265% 19 Feb 2020	<b>8,000,000</b>	<b>8,396,946</b>	<b>1.70</b>
UOB Cayman Ltd 5.796% 29 Dec 2049	<b>1,200,000</b>	<b>1,538,507</b>	<b>0.31</b>
UOB Ltd 3.45% 01 Apr 2021	<b>10,000,000</b>	<b>10,271,068</b>	<b>2.07</b>
UOB Ltd 4.1% 03 Sep 2019	<b>8,000,000</b>	<b>8,526,937</b>	<b>1.72</b>
Wing Tai Holdings 3.3% 26 May 2015	<b>6,500,000</b>	<b>6,620,668</b>	<b>1.34</b>
Total Singapore	<b>260,692,386</b>	<b>52.65</b>	

*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 30 June 2011

<b>Singapore Bond Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>By Geography (Primary)</b> (continued)		
<b>Quoted Debt Securities</b> (continued)		
<b>United Kingdom</b>		
Lloyds TSB Bank 3.5% 17 Sep 2014	<b>3,000,000</b>	<b>3,059,905</b>
Royal BK Scotland 2.85% 31 Mar 2014	<b>10,000,000</b>	<b>10,011,616</b>
Standard Chartered 5.25% 10 Apr 2023	<b>39,000,000</b>	<b>40,581,477</b>
Standard Chartered 6.409% 31 Dec 2049	<b>2,900,000</b>	<b>3,570,317</b>
Standard Chartered 7.014% 30 Dec 2049	<b>5,000,000</b>	<b>6,163,836</b>
Total United Kingdom	<b>63,387,151</b>	<b>12.79</b>
<b>United States</b>		
Citigroup Inc 4.05% 29 Jun 2016	<b>10,000,000</b>	<b>10,336,110</b>
Household Fin Corp 4.07% 24 Feb 2014	<b>4,500,000</b>	<b>4,751,324</b>
Morgan Stanley 4% 23 Oct 2017	<b>18,750,000</b>	<b>19,394,101</b>
Total United States	<b>34,481,535</b>	<b>6.97</b>
<b>Total Debt Securities</b>	<b>415,806,224</b>	<b>83.97</b>

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 30 June 2011

#### **By Geography (Primary)** *(continued)*

##### **Others**

##### **Singapore**

DBS Bank Ltd 4.7% 29 Nov 2049

DBS Cap Funding 5.75% 29 May 2049

OCBC 5.1% 31 Dec 2049

OCBC Capital Corp 5.1% 29 Aug 2049

Total Singapore

##### **Total Others**

##### **Portfolio of investments**

##### **Other net assets**

##### **Net assets attributable to unitholders**

<b>Singapore Bond Fund (continued)</b>		
<b>Holdings as at 30 Jun 2011</b>	<b>Fair value at 30 Jun 2011 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011 %</b>
<b>40,000</b>	<b>4,148,000</b>	<b>0.84</b>
<b>38,000,000</b>	<b>41,460,395</b>	<b>8.37</b>
<b>40,000</b>	<b>4,235,200</b>	<b>0.86</b>
<b>210,000</b>	<b>22,457,400</b>	<b>4.53</b>
	<b>72,300,995</b>	<b>14.60</b>
	<b>72,300,995</b>	<b>14.60</b>
	<b>488,107,219</b>	<b>98.57</b>
	<b>7,144,909</b>	<b>1.43</b>
	<b>495,252,128</b>	<b>100.00</b>

*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 30 June 2011

	<b>Singapore Bond Fund (continued)</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>	Percentage of total net assets attributable to unitholders at 31 Dec 2010
	<b>%</b>	<b>%</b>
<b><u>By Geography (Summary)</u></b>		
<b><u>Quoted Debt Securities</u></b>		
Hong Kong	<b>3.57</b>	3.83
India	<b>0.41</b>	1.30
Korea	<b>3.07</b>	1.78
Malaysia	<b>2.25</b>	1.07
Qatar	<b>0.25</b>	0.23
Russia	<b>2.01</b>	1.90
Singapore	<b>52.65</b>	53.53
United Kingdom	<b>12.79</b>	10.91
United States	<b>6.97</b>	6.10
<b>Total Debt Securities</b>	<b>83.97</b>	80.65
<b><u>Others</u></b>		
Singapore	<b>14.60</b>	17.01
<b>Total Others</b>	<b>14.60</b>	17.01
<b>Portfolio of investments</b>	<b>98.57</b>	97.66
<b>Other net assets</b>	<b>1.43</b>	2.34
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	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 30 June 2011

<b>Singapore Bond Fund (continued)</b>		
<b>Fair value at 30 Jun 2011</b>	<b>Percentage of total net assets attributable to unitholders at 30 Jun 2011</b>	Percentage of total net assets attributable to unitholders at 31 Dec 2010
<b>S\$</b>	<b>%</b>	<b>%</b>
<b>By Industry (Secondary)</b>		
<b><u>Quoted Debt Securities</u></b>		
Airlines	18,435,127	3.72
Banks	162,308,965	32.76
Finance	38,627,485	7.81
Government Agency	12,543,960	2.53
Industrial Others	22,395,812	4.53
Insurance	5,289,082	1.07
Oil & Gas	5,133,422	1.04
Real Estate	120,965,086	24.42
Sovereign	15,426,682	3.12
Telecom	9,536,425	1.93
Transportation Others	3,125,466	0.63
Utilities	2,018,712	0.41
<b>Total Debt Securities</b>	<b>415,806,224</b>	<b>83.97</b>
<b><u>Others</u></b>		
Banks	72,300,995	14.60
Real Estate	-	-
Shipping	-	-
<b>Total Others</b>	<b>72,300,995</b>	<b>14.60</b>
<b>Portfolio of investments</b>	<b>488,107,219</b>	<b>98.57</b>
<b>Other net assets</b>	<b>7,144,909</b>	<b>1.43</b>
<b>Net assets attributable to unitholders</b>	<b>495,252,128</b>	<b>100.00</b>

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 six-month period ended 30 June 2011

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

### **1. General**

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

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

- Acorns of Asia Balanced Fund
- Singapore Bond Fund

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

The registered offices of the Manager and the Trustee are 1 Robinson Road, #21-01, AIA Tower, Singapore 048542; and 3 Temasek Avenue, #12-00 Centennial Tower, Singapore 039190, respectively.

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

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

### **2. Significant accounting policies**

#### **(a) Basis of accounting**

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

## 2. Significant accounting policies (continued)

### (b) Investment income recognition

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

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

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

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

### (d) Investments

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

### (e) Fair value

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

### (f) Foreign currency translation

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

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

# PINEBRIDGE INTERNATIONAL FUNDS

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

## Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 2. Significant accounting policies (continued)

#### (g) Derivative financial instruments

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

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

### 3. Tax

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

#### (a) General

No tax is withheld from distributions made by the Fund.

#### (b) Tax of the Fund

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

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

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 3. Tax (continued)

(b) Tax of the Fund (continued)

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	30 Jun 2010 S\$	30 Jun 2011 S\$	30 Jun 2010 S\$
Singapore income tax	<b>226,668</b>	241,665	<b>22,744</b>	195,528
Overseas income tax	<b>862,981</b>	862,106	-	-
Total income tax	<b>1,089,649</b>	1,103,771	<b>22,744</b>	195,528

### 4. Receivables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
Amounts receivable for creation of units	<b>683,963</b>	582,549	<b>1,200,380</b>	249,973
Accrued interest receivables	<b>1,676</b>	-	<b>66</b>	148
Sales awaiting settlement	<b>578,773</b>	-	-	-
Other receivables	<b>635,933</b>	87,657	<b>12,916</b>	-
	<b>1,900,345</b>	670,206	<b>1,213,362</b>	250,121

## PINEBRIDGE INTERNATIONAL FUNDS

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

### Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

#### 5. Payables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
Payable to unitholders for cancellation of units	<b>1,077,927</b>	1,612,673	<b>3,641,252</b>	971,109
Accrued expenses	<b>1,848,240</b>	1,942,981	<b>500,640</b>	541,247
Purchase awaiting settlement	<b>20,210,946</b>	-	-	-
	<b>23,137,113</b>	3,555,654	<b>4,141,892</b>	1,512,356

#### 6. Financial derivatives, at fair value

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

	Contractual or underlying principal amount	Fair value gains	Fair value losses
	S\$	S\$	S\$
<b>30 June 2011</b>			
Acorns of Asia Balanced Fund [see (b) below]	<b>10,031,336</b>	-	<b>(22,263)</b>
Singapore Bond Fund [see (b) below]	<b>18,072,754</b>	-	<b>(43,389)</b>
31 Dec 2010			
Acorns of Asia Balanced Fund [see (b) below]	12,395,574	335,193	-
Singapore Bond Fund [see (b) below]	24,790,808	670,045	-

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 7. Net assets attributable to unitholders

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
<b>At the beginning of period</b>	<b>1,375,421,380</b>	1,306,388,812	<b>542,318,422</b>	583,205,377
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	<b>22,739,296</b>	122,943,702	<b>21,202,200</b>	29,363,726
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	<b>27,033,635</b>	56,778,122	<b>13,932,175</b>	33,567,497
Cancellation of units	<b>(49,826,810)</b>	(110,689,256)	<b>(82,200,669)</b>	(103,818,178)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(22,793,175)</b>	(53,911,134)	<b>(68,268,494)</b>	(70,250,681)
Total increase/(decrease) in net assets attributable to unitholders	<b>(53,879)</b>	69,032,568	<b>(47,066,294)</b>	(40,886,955)
<b>At the end of period</b>	<b>1,375,367,501</b>	1,375,421,380	<b>495,252,128</b>	542,318,422
<b>Units in issue</b> (see note 8)	<b>563,345,367</b>	572,766,048	<b>327,463,700</b>	372,794,374
<b>Net asset attributable to unitholders per unit</b>	<b>2.441</b>	2.401	<b>1.512</b>	1.455

## PINEBRIDGE INTERNATIONAL FUNDS

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

### Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

#### 7. Net assets attributable to unitholders (continued)

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

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
Net assets attributable to unitholders per unit for issuing/redeeming units	<b>2.445</b>	2.406	<b>1.521</b>	1.455
Effect of adopting bid prices as fair value	<b>(0.004)</b>	(0.005)	<b>(0.009)</b>	-
Net assets attributable to unitholders per unit per the financial statements	<b>2.441</b>	2.401	<b>1.512</b>	1.455

#### 8. Units in issue

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
Units at beginning of period	<b>572,766,048</b>	597,014,367	<b>372,794,374</b>	421,129,098
Units created	<b>11,123,106</b>	25,373,993	<b>9,335,743</b>	23,407,444
Units cancelled	<b>(20,543,787)</b>	(49,622,312)	<b>(54,666,417)</b>	(71,742,168)
Units at end of period	<b>563,345,367</b>	572,766,048	<b>327,463,700</b>	372,794,374

#### 9. Related party disclosures

- (a) As at 30 June 2011, the Manager and Trustee of PineBridge International Funds are PineBridge Investments Singapore Limited and Citicorp Trustee (Singapore) Limited, a subsidiary of Citigroup, respectively. Management fees and trustee fees paid or payable by the respective sub-funds to the Manager and Trustee are shown in the Statement of Total Return and are on terms set out in the Trust Deed. All other related party transactions are disclosed elsewhere in the financial statements.

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 9. Related party disclosures (continued)

(b) As at 30 June 2011 and during the period then ended, the following significant transactions took place between the sub-funds and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
Income derived/ (expenses incurred) for the period				
- Current account	758	709	-	907
- Bank charges	(570)	(690)	(270)	(645)

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

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 Jun 2011 S\$	31 Dec 2010 S\$	30 Jun 2011 S\$	31 Dec 2010 S\$
Balance at end of the period				
- Current account	18,984,731	13,749,928	5,626,031	2,039,090

### 10. Financial risk management

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

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

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

(a) Market risk

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

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

- Price risk
- Interest rate risk
- Currency risk

(i) *Price risk*

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

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) *Price risk* (continued)

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

As of 30 June 2011, the historical 1-year beta for Acorns of Asia Balanced fund (for equities and REITS only) is estimated to be 1.21. The benchmark for equities portion is MSCI AC FE ex Japan DTR Net.

The table below summarises the impact of increases/decreases from the sub-fund's underlying investments in equities and REITS on the sub-fund's net asset attributable to unitholders as at 30 June 2011 and 31 December 2010. The analysis is based on the assumption that the estimated 1-year beta of 1.21 is applied to the closing net asset values for every 5% movement in the underlying benchmark index.

Fund	Benchmark component	Impact of 5% (2010: 5%) increase in benchmark on net assets attributable to unitholders	
		30 Jun 2011 (S\$m)	31 Dec 2010 (S\$m)
Acorns of Asia Balanced Fund	MSCI AC FE ex Japan DTR Net	<b>55.69</b>	55.45

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 fund and the Singapore Bond fund, as this is covered as part of interest risk and credit risk sensitivity analyses.

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk*

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

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

#### Acorns of Asia Balanced Fund:

	Variable rates	Fixed rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
<b>As at 30 Jun 2011</b>				
<b>Assets</b>				
Investments	-	375,757,081	966,176,214	1,341,933,295
Receivables	-	-	1,900,345	1,900,345
Cash and bank balances	18,984,731	-	-	18,984,731
Fixed deposits with a financial institutions	-	35,708,506	-	35,708,506
<b>Total assets</b>	<b>18,984,731</b>	<b>411,465,587</b>	<b>968,076,559</b>	<b>1,398,526,877</b>
<b>Liabilities</b>				
Payables	-	-	23,137,113	23,137,113
Financial derivatives, at fair value	-	-	22,263	22,263
Net assets attributable to unitholders	-	-	1,375,367,501	1,375,367,501
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,398,526,877</b>	<b>1,398,526,877</b>

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

#### Acorns of Asia Balanced Fund:

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

### Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

#### 10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

##### Singapore Bond Fund:

	Variable rates	Fixed rates	Non-interest bearing	Total
	S\$	S\$	S\$	S\$
<b>As at 30 Jun 2011</b>				
<b>Assets</b>				
Investments	-	415,806,224	72,300,995	488,107,219
Receivables	-	-	1,213,362	1,213,362
Cash and bank balances	5,626,031	-	-	5,626,031
Fixed deposits with financial institutions	-	4,490,797	-	4,490,797
<b>Total assets</b>	<b>5,626,031</b>	<b>420,297,021</b>	<b>73,514,357</b>	<b>499,437,409</b>
<b>Liabilities</b>				
Payables	-	-	4,141,892	4,141,892
Financial derivatives, at fair value	-	-	43,389	43,389
Net assets attributable to unitholders	-	-	495,252,128	495,252,128
<b>Total liabilities</b>	-	-	<b>499,437,409</b>	<b>499,437,409</b>

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

#### Singapore Bond Fund:

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk* (continued)

Fund

<b>Impact of 50 bps (2010: 50bps) decrease in interest rates on net assets attributable to unitholders</b>	
<b>30 Jun 2011 (S\$m)</b>	31 Dec 2010 (S\$m)
<b>8.13</b>	7.52
<b>11.10</b>	12.79

Acorns of Asia Balanced Fund

Singapore Bond Fund

(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 30 June 2011:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
CNY	146,959	-	146,959
HKD	297,598,283	-	297,598,283
IDR	98,029,015	-	98,029,015
KRW	273,635,269	-	273,635,269
MYR	7,961,558	-	7,961,558
PHP	11,745,862	-	11,745,862
THB	14,288,886	-	14,288,886
TWD	170,317,289	-	170,317,289
USD	16,991,839	(10,031,361)	6,960,478
	890,714,960	(10,031,361)	880,683,599

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Currency risk* (continued)

Acorns of Asia Balanced Fund as at 31 December 2010:

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

Singapore Bond Fund as at 30 June 2011:

Currency	Gross	Hedges	Net
	S\$	S\$	S\$
USD	19,308,287	(18,072,798)	1,235,489
	19,308,287	(18,072,798)	1,235,489

Singapore Bond Fund as at 31 December 2010:

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Currency risk* (continued)

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

Sub-Fund	Impact of 1% (2010: 1%) increase in foreign currency exchange rates against Singapore Dollar on net assets attributable to unitholders		
	Currency	30 Jun 2011	31 Dec 2010
<b>Acorns of Asia Balanced Fund</b>	CNY	<b>1,470</b>	-
	HKD	<b>2,975,983</b>	3,292,452
	IDR	<b>980,290</b>	1,422,879
	KRW	<b>2,736,353</b>	2,460,813
	MYR	<b>79,616</b>	212,208
	PHP	<b>117,459</b>	195,064
	THB	<b>142,889</b>	205,001
	TWD	<b>1,703,173</b>	1,747,156
	USD	<b>69,605</b>	(3,560)
<b>Singapore Bond Fund</b>	USD	<b>12,355</b>	(8,221)

(b) Credit risk

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

#### (b) Credit risk (continued)

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

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

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

Counterparty risk is managed by the following:

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

The sub-funds do not engage in securities lending.

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

#### (b) Credit risk (continued)

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

		S&P or Moody's Rating of debt securities credit ratings as at 30 June 2011						
S&P	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Below BBB-	Not rated		
Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Below Baa3	Not rated	Total	
<b>Acorns of Asia Balanced Fund</b>								
- SGD millions	32.47	1.56	165.34	51.30	-	125.09	375.76	
- % of portfolio	2.36	0.11	12.02	3.73	-	9.09	27.31	
<b>Singapore Bond Fund</b>								
- SGD millions	23.82	5.15	190.05	43.41	-	153.38	415.81	
- % of portfolio	4.81	1.04	38.38	8.77	-	30.97	83.97	

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

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(b) Credit risk (continued)

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

	<b>Amounts placed with financial institutions as at 30 June 2011</b>	<b>Credit rating as at 30 June 2011</b>
	<b>(S\$m)</b>	
<b>Acorns of Asia Balanced Fund</b>		
- BNP Paribas	5.9	AA
- Citigroup	19.0	A+
- OCBC	17.8	A+
- Standard Chartered Bank	12.0	A+
<b>Singapore Bond Fund</b>		
- Citigroup	5.6	A+
- OCBC	4.5	A+

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

Citibank N.A., Singapore Branch is the custodian of the 2 sub-funds and was rated "A+" as at 30 June 2011.

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

#### (c) Liquidity risk

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

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

	<b>Cash and short-term fixed deposits</b>	<b>Singapore Government Securities</b>	<b>Corporate bonds maturing within 12 months</b>
	<b>(\$m)</b>	<b>(\$m)</b>	<b>(\$m)</b>
<b>Acorns of Asia Balanced Fund</b>			
- 30 June 2011	54.70	27.21	7.23
- 31 December 2010	13.75	13.52	4.67
<b>Singapore Bond Fund</b>			
- 30 June 2011	10.10	15.43	1.02
- 31 December 2010	13.20	22.02	1.04

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 six-month period ended 30 June 2011

### 10. Financial risk management (continued)

#### (e) Fair value measurement

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

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

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

#### **Acorns of Asia Balanced Fund as at 30 June 2011:**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Assets measured at fair value</b>				
Investments:				
- Equity securities	920,457,648	-	-	920,457,648
- Debt securities	-	375,757,081	-	375,757,081
- Others	45,718,566	-	-	45,718,566
	<b>966,176,214</b>	<b>375,757,081</b>	-	<b>1,341,933,295</b>
<b>Liabilities measured at fair value</b>				
Financial derivatives, at fair value	-	22,263	-	22,263
	-	<b>22,263</b>	-	<b>22,263</b>

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

#### (e) Fair value measurement (continued)

Acorns of Asia Balanced Fund as at 31 December 2010:

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

Singapore Bond Fund as at 30 June 2011:

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
<b>Assets measured at fair value</b>				
Investments:				
- Debt securities	-	415,806,224	-	415,806,224
- Others	72,300,995	-	-	72,300,995
	<b>72,300,995</b>	<b>415,806,224</b>	-	<b>488,107,219</b>
<b>Liabilities measured at fair value</b>				
Financial derivatives, at fair value	-	43,389	-	43,389
	-	<b>43,389</b>	-	<b>43,389</b>

## PINEBRIDGE INTERNATIONAL FUNDS

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

# Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 10. Financial risk management (continued)

(e) Fair value measurement (continued)

Singapore Bond Fund as at 31 December 2010:

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

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

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

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

# PINEBRIDGE INTERNATIONAL FUNDS

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

## Notes to the Financial Statements *(continued)*

For the six-month period ended 30 June 2011

### 11. Financial ratios

	<b>Acorns of Asia Balanced Fund</b>		<b>Singapore Bond Fund</b>	
	<b>30 Jun 2011</b> %	30 Jun 2010 %	<b>30 Jun 2011</b> %	30 Jun 2010 %
Expense ratio <sup>1</sup>	<b>1.73</b>	1.73	<b>1.16</b>	1.13
Portfolio turnover ratio <sup>2</sup>	<b>37.84</b>	20.55	<b>8.26</b>	17.28

<sup>1</sup> Expense ratio as at 30 June 2011 is calculated in accordance with IMAS Guidelines on disclosure of expense ratios issued on 25 May 2005.

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

<sup>2</sup> Portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

**Important Notice:**

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