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ABF PAN ASIA BOND INDEX FUND

*a Singapore unit trust authorized under
Section 286 of the Securities and Futures Act, Chapter 289 of Singapore and
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong
Stock Code: 2821*

First Supplementary Prospectus

17 August 2020

A copy of this First Supplementary Prospectus has been lodged under Section 298 of the Securities and Futures Act, Chapter 289 of Singapore, with the Monetary Authority of Singapore ("**MAS**"), who takes no responsibility for its contents.

This First Supplementary Prospectus is supplemental to the prospectus of the ABF Pan Asia Bond Index Fund (the "**Trust**") which was registered by the MAS on 12 June 2020 (the "**Prospectus**"). This First Supplementary Prospectus forms an integral part of and should be read in conjunction with the Prospectus. All information contained in the Prospectus is deemed to be incorporated herein. In the case of any conflict between this First Supplementary Prospectus and the Prospectus, this First Supplementary Prospectus shall prevail.

Words and expressions not specifically defined herein will bear the same meanings as those attributed to them in the Prospectus.

The Prospectus is hereby amended as follows:

1. The first paragraph under the heading "**The Trust authorization**" under the section entitled "**Overview**" shall be deemed to be deleted and replaced with the following:

"The Trust is a standalone unit trust authorized in Singapore under section 286 of the Singapore SFA and in Hong Kong under section 104 of the HK SFO and is established under the terms of a trust deed dated 21st June 2005 (the "**Principal Deed**") made between State Street Global Advisors Singapore Limited (as the "**Manager**") and HSBC Institutional Trust Services (Singapore) Limited (as the "**Trustee**") and as amended by an amending and restating deed dated 28th June 2006 (the "**Amending and Restating Deed**"), a second amending and restating deed dated 28th June 2007 (the "**Second Amending and Restating Deed**"), a supplemental deed dated 27th June 2008 (the "**Supplemental Deed**"), a third amending and restating deed dated 24th June 2011 (the "**Third Amending and Restating Deed**"), a fourth amending and restating deed dated 10th July 2018 (the "**Fourth Amending and Restating Deed**"), a fifth amending and restating deed dated 27th December 2019 (the "**Fifth Amending and Restating Deed**") and a sixth amending and restating deed dated 17 August 2020 (the "**Sixth Amending and Restating Deed**"), each made between the Manager and the Trustee. The Principal Deed as amended by the Amending and Restating Deed, the Second Amending and Restating Deed, the Supplemental Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed and the Sixth Amending and Restating Deed shall hereinafter be referred to as the "**Trust Deed**". The Trust Deed is governed by Singapore law."

2. The first, second and third paragraphs of the heading "**Lending securities**" under the sub-section entitled "**Investment Policies and Strategies**" under the section entitled "**Investment Objective and Policies of the Trust**" shall be deemed to be deleted and replaced with the following:

"Lending securities. The Trust may, for the sole purpose of efficient portfolio management, lend securities from its holdings to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions on their own or their clients' behalf, provided it is in the best interests of unitholders to do so and the associated risks of doing are properly mitigated and addressed. The Trust may also lend securities to a potential investor wishing to place an order to create Creation/ Redemption Units if the potential investor is an eligible counterparty (see below). These loans may not, however, exceed 30% of the NAV of the Trust, including assets derived from such lending activities. The limit of any securities of the same issue that may be lent at any one time will be determined by the Manager at its absolute discretion, pursuant to a mechanism as agreed between the Trustee and the Manager. In addition, at the time that any securities are lent or proposed to be lent, the amount of securities of that issue being lent must be not more than 50% of the aggregate market holding of securities of that issue available for lending as determined by a service provider appointed by the securities lending agent and approved by the Trustee (the "**Data Service Provider**"). Currently, the Data Service Provider is Markit Group Limited. The Data Service Provider receives data from numerous lenders to determine the amount of securities of the same issue that are available for lending (the "**Lendable Amount**"). The securities lending agent will monitor the securities of that issue lent by the Trust, and track the lending against this data to ensure that the amount of securities of that issue lent by the Trust is not more than 50% of the Lendable Amount (as determined by the data provided by the Data Service Provider). Should a passive breach of any such 50% threshold occur, the securities lending agent will issue sufficient

loan recalls to borrowers to ensure the limit requirement is met. The collateral shall comply with the requirements under the HK SFC Code and the Code Investment Guidelines (whichever is stricter).

The Trust will only lend securities to a borrower approved by the Trustee and the Manager. Borrowers will be restricted to persons who satisfy the criteria for a counterparty to a securities lending agreement as required under all applicable laws and regulations (including the Code Investment Guidelines and the HK SFC Code). At the date of registration of this Prospectus, the Code Investment Guidelines require a counterparty to a securities lending agreement to amongst other things, have a minimum long-term rating of 'A' by Moody's, 'A' by Standard and Poor's, or 'A' by Fitch (including sub-categories or gradations therein) unless an entity with the aforementioned rating indemnifies the scheme against losses suffered as a result of the counterparty's failure, and the HK SFC Code requires a counterparty to be a financial institution which is subject to ongoing prudential regulation and supervision. Given that the securities lending agent has agreed to indemnify the Trust against losses suffered as a result of a counterparty's failure, the Manager and the Trustee have determined that the Trust may lend securities to a borrower that has a minimum long-term rating of 'Baa' by Moody's, 'BBB' by Standard and Poor's, or 'BBB' by Fitch (including sub-categories or gradations therein) provided that where the borrower is rated by more than one credit rating agency, the lowest minimum long-term credit rating will be used, as long as the securities lending agent has and maintains a minimum long-term rating of 'A' by Moody's, 'A' by Standard and Poor's, or 'A' by Fitch (including sub-categories or gradations therein) and continues to indemnify the Trust against losses suffered as a result of the counterparty's failure.

Where any securities lending transaction has been arranged through the Manager, the Trustee or their respective Connected Persons (as defined on page 30), the relevant entity shall be entitled to retain for its own account any fee or commission it receives on a commercial arm's length basis in connection with such lending arrangement. The Trust will receive not less than 50% of the total securities lending income derived from its securities lending activities to help offset the Trust's costs and expenses (currently 70% of the total income received from securities lending transactions will be credited to the account of the Trust). The balance of any securities lending income will be for the account of the securities lending agent."

3. The fifth and sixth paragraphs of the heading "**Lending securities**" under the sub-section entitled "**Investment Policies and Strategies**" under the section entitled "**Investment Objective and Policies of the Trust**" shall be deemed to be deleted and replaced with the following:

"The Trust will be able to recall the securities lent out at any time in accordance with the standard settlement time in the relevant market. As part of its securities lending transactions, the Trust will receive collateral, the value of which, during the duration of the securities lending agreement, will exceed 102% of the global valuation of the securities lent, marked to market on a daily basis. Subject to the Code Investment Guidelines, the collateral that is to be acquired in respect of securities lending shall comprise Index Securities, Non-Index Securities and/or other high quality cash equivalent investments approved by the Trustee and permitted under the Trust Deed. The Trust will only accept cash collateral in exceptional circumstances where no other eligible security collateral type is available, and will be held intraday only. No interest would be paid on such cash

collateral, which would be held by HSBC Bank plc as banker. The Trust will not reinvest collateral received in connection with its securities lending.

For the collateral haircut policy, a margin is added to the value of the loaned security resulting in a minimum required contractual value in excess of 102%. Both collateral and loaned security are also marked to market on a daily basis, to protect the lending client from daily price fluctuations between the loaned security and any collateral taken."

4. The following sentence be added to the end of the eleventh paragraph of the heading "**Lending securities**" under the sub-section entitled "**Investment Policies and Strategies**" under the section entitled "**Investment Objective and Policies of the Trust**":

"Notwithstanding the above, in case of liquidation, bankruptcy or insolvency of the securities lending agent or other circumstances in which the securities default protection is not available pursuant to the terms agreed between the securities lending agent and the Trustee, the Trust may face difficulties in enforcing the aforementioned borrower default protection."

5. The third paragraph of the heading "**Lending of Securities**" under the sub-section entitled "**Risk Factors Specific to the Trust**" under the section entitled "**Principal Risk Factors**" shall be deemed to be deleted and replaced with the following:

"If a borrower cannot settle an obligation for the full value when it is due, the Trust's ability to meet its realization obligations and other payment commitments may be affected. A borrower may default on its obligations by becoming insolvent or otherwise by becoming unable to complete a transaction. In addition, following a borrower's default, the Trust can sell its collateral in the market to raise funds to replace the lent securities. However, the Trust will suffer a loss if the value of the collateral falls relative to the lent securities, or the value of the lent securities rises relative to the collateral due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of values of securities lent, a deterioration in the credit rating of the collateral issuer, and/or illiquidity of the market in which the collateral is traded or otherwise. In addition, delivery risk may occur when (i) securities are lent but collateral is not received at the same time or prior to the loan, or (ii) collateral is returned but the loan is not received. The Trust would also be subject to operational risk such as delay or failure of settlement, where the Custodian or securities lending agent does not administer the transaction as agreed, or where the Manager delays in notifying the securities lending agent of a sale such that the securities lent are not recalled in time. This includes the failure to mark to market collateralization levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.⁴

⁴ The securities lending agent provides borrower default protection to mitigate the risks of borrowers' default. In the event of a borrower default, the securities lending agent, HSBC Bank plc, shall take certain actions which include (i) the purchase of equivalent securities equal to the number of the unreturned loaned securities, to the extent that such equivalent securities are available on the market, (ii) performance of the relevant defaulting borrower's obligations (including redelivery of equivalent securities) in respect of all loans affected by such borrower's default as if the default had not occurred. If the securities lending agent is unable, despite using its best endeavours, to redeliver the equivalent securities as a result of the unavailability of such equivalent securities on the market, the securities lending agent shall redeliver any equivalent securities that it is able to obtain and shall credit to an account nominated by the Trustee a sum of money representing the

In case of liquidation, bankruptcy or insolvency of the securities lending agent or other circumstances in which the securities default protection is not available pursuant to the terms agreed between the securities lending agent and the Trustee, the Trust may face difficulties in enforcing the borrower default protection provided by the securities lending as described above."

6. The second paragraph under the sub-section entitled "**Creation of Units**" under the section entitled "**Creation and Redemption of Units**" shall be deemed to be deleted and replaced with the following:

"A "**Dealing Day**" is each Business Day during the continuance of the Trust and/or such other day or days as the Manager may from time to time determine with the prior approval of the Trustee. A "**Business Day**" is any day on which commercial banks are open for business in Singapore and Hong Kong and (i) the Stock Exchange is open for normal trading other than a day on which trading on the Stock Exchange is scheduled to close prior to its regular weekday closing time; and (ii) the Underlying Index is compiled and published, but excluding any day on which a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal (or any warning or signal considered by the Trustee to be similar in effect) or an announcement of extreme conditions (as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before typhoon signal number 8 or above is replaced with typhoon signal number 3 or below) is in force in Hong Kong at any time after the Stock Exchange officially opens for trading and before the Stock Exchange officially closes for trading on that day (or such other day or days as may from time to time be determined by the Manager and the Trustee)."

7. The third paragraph under the sub-section entitled "**Dividends and Distributions**" under the section entitled "**Management and Operations**" shall be deemed to be deleted and replaced with the following:

"The "**Record Dates**" shall be 22nd January and 22nd July, save that if any such date is not a Hong Kong Business Day, the Record Date shall be the immediately following Hong Kong Business Day (or such other date as shall be determined by the Manager with the prior approval of the Trustee). A "**Hong Kong Business Day**" is any day on which the Stock Exchange is open for normal trading other than a day on which trading on the Stock Exchange is scheduled to close prior to its regular weekday closing time and excluding any day on which a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal (or any warning or signal considered by the Trustee to be similar in effect) or an announcement of extreme conditions (as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before typhoon signal number 8 or above is replaced with typhoon signal number 3 or below) is in force in Hong Kong at any time after the Stock Exchange officially opens for trading and before the Stock Exchange officially closes for trading on that day (or such other day or days as may from time to time be determined by the Manager and the Trustee)."

value of the remaining equivalent securities that it is not able to obtain, on a pro-rata basis based on the relevant value or (default) market value of the remaining equivalent securities, and the value of all distributions on the loaned securities for the relevant record dates which occur before the date on which the securities lending agent starts to purchase the aforementioned equivalent securities.

The Manager accepts full responsibility for the accuracy of the information contained in this First Supplementary Prospectus as at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this First Supplementary Prospectus misleading.

**ABF PAN ASIA BOND INDEX FUND
PROSPECTUS REQUIRED PURSUANT TO THE SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE**

**BOARD OF DIRECTORS OF
STATE STREET GLOBAL ADVISORS SINGAPORE LIMITED**

Signed:

Signed:

Ong Hwee Yeow
Director

June Wong
Director
(signed by Ong Hwee Yeow
for and on behalf of June Wong)

Signed:

Signed:

Kevin David Anderson
Director
(signed by Ong Hwee Yeow
for and on behalf of Kevin David Anderson)

Louis Anthony Boscia
Director
(signed by Ong Hwee Yeow
for and on behalf of Louis Anthony Boscia)

Signed:

James Keith MacNevin
Director
(signed by Ong Hwee Yeow
for and on behalf of James Keith MacNevin)