

# First State Umbrella Funds

Annual Report

July 2017 - June 2018

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND**

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This annual report shall not constitute an offer to sell or a solicitation of an offer to buy units in the Sub-Funds of First State Umbrella Funds. Subscriptions are to be made only on the basis of the information contained in the relevant Explanatory Memorandum, as supplemented by the latest annual and semi-annual reports.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
REPORT OF THE MANAGER  
FOR THE YEAR ENDED 30 JUNE 2018**

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**PERFORMANCE**

	1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
First State Asian Bridge Fund	5.48%	9.86%
Benchmark:		
Customised Benchmark <sup>#</sup>	4.60%	13.79%

<sup>^</sup> Dividend adjusted return

<sup>#</sup> 50% MSCI AC Asia Pacific Ex Japan Free & 50% JP Morgan Asia Credit (USD)

(Performance calculation is based on the official dealing NAV.)

**Market review**

On the equity side, the MSCI AC Asia Pacific ex-Japan Index returned 9.6% in US dollar terms over the 12 months to the end of June 2018. China and Thailand were the best performing countries over the year, while the Philippines and Indonesia were the weakest. At a sector level, Energy and Healthcare outperformed, while Telecom Services and Industrials lagged.

Meanwhile, despite steadily rising US Treasury yields, most major bond markets generated positive returns in the year ended 30 June 2018. 10-year Treasury yields began the year around 2.30%, but closed the year around 55 basis points higher. At times, yields traded above the 3.00% level, but were unable to hold above this level for any significant period of time.

Tightening monetary policy in the US was part of the reason for the uptrend in yields. The Federal Funds rate was increased three times during the year, by a total of 0.75 percentage points, taking the rate to 1.75% - 2.00%. Following years of unusually low interest rates following the GFC, the Federal Reserve appears committed to ‘normalising’ interest rate policy. Further increases are anticipated. Inflation in the US has edged higher, supporting the case for higher interest rates. The pace of GDP growth also accelerated to 4.1% in the June quarter, underlining the strength of the economy and reminding policymakers of the need to carefully manage interest rate policy.

While rising Treasury yields was the main focus for bond investors globally, local issues affected yields in other regions.

In Europe, for example, investor sentiment was shaken by events in Italy. The difficulty in forming a government and the increasing prominence of populist parties promoted some observers to suggest that the country could try and abandon the Euro and exit the European Union. This affected risk appetite during the first half of 2018 and saw a fair degree of volatility in sovereign bond yields in the Eurozone.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
REPORT OF THE MANAGER (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Market review (continued)**

Later, there was a fair degree of scrutiny on the Bank of Japan, after officials indicated they were considering a change in policy settings. If Japanese Government Bond (JGB) yields were to rise, local investors invested in overseas bond markets might liquidate some of those investments and reallocate the proceeds into JGBs. While official rates are unchanged, BoJ Governor Kuroda has detailed that the Bank will allow twice the previous 10 bps of flexibility around its 0.00% 10-year bond yield target. Some viewed this as the first step in the Bank seeking to permit JGB yields to drift higher over time, although a formal reduction in inflation targets out to 2020 suggests policy makers will be in no rush to raise official interest rates from zero.

Corporate bonds globally generated lacklustre returns in the year ended 30 June 2018. There was a fair degree of volatility in credit spreads, which narrowed steadily in the second half of 2017, before widening again for most of the first six months of 2018. The tightening of spreads in early 2018 effectively meant corporate bonds were priced for perfection. Since then, in combination with reduced liquidity provided by central banks, any potentially adverse news flow has resulted in spread widening. Asian credit spreads by June end were 100bps wider than where they started 2018 following the volatility previously mentioned.

**Outlook**

At the mid-year mark, we remain cautious in our outlook for Asian equities. Rising US interest rates and the pressure on emerging market currencies have triggered interest rate hikes in a number of Asian markets, which could pose considerable risk for companies that have over-leveraged. Debt levels cannot continue to rise forever, but this will perhaps not become obvious until interest rates normalise. Asian companies' earnings growth estimates have begun to taper on fears of a deterioration in the global economy; the trade war between the US and China finally began, with import tariffs on US\$50 billion worth of goods on both sides. Despite the gloomy forecasts, we believe there are still pockets of opportunity for the bottom-up investor. Our research is focused on identifying dominant franchises that can deliver sustainable and predictable returns over the long term. Many of our portfolio companies benefit from secular growth drivers which could prove to be less correlated to macro-economic cycles and relatively defensive in the event of a downturn.

Unusually low official interest rates continue to provide support to bond issuers to service their debt repayment obligations. Improved productivity has also supported corporate profitability globally and we have seen examples in many sectors where the focus on deleveraging the balance sheet is evident. Other things being equal, these factors might have supported corporate bonds. Instead, investors appear to have focused on geopolitical uncertainties – the prospect of a global trade war, for example, does not augur well for corporate earnings growth. This theme affected sentiment towards issuers in Asia, in particular.

Only time will tell to what extent trade tensions affect Asian issuers and global economic activities more broadly, particularly given a potential escalation in tensions and the possible introduction of further tariffs. For now, grandstanding by politicians and the mere suggestion of lower trade volumes have been sufficient to unnerve investors, restricting sovereign bond yields and pushing credit spreads wider. It will take time for investors to gauge the economic impact of these moves.

**FIRST STATE UMBRELLA FUNDS  
 FIRST STATE ASIAN BRIDGE FUND  
 PERFORMANCE TABLE (UNAUDITED)  
 FOR THE YEAR ENDED 30 JUNE 2018**

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**NET ASSET VALUES**

<b>Financial year</b>	<b>Net asset value US\$</b>	<b>Net asset value per unit in issue US\$</b>
30.6.2018	155,719,423	14.47
30.6.2017	63,602,218	14.64
30.6.2016	58,569,179	13.99

**PERFORMANCE RECORD**

<b>Financial year ended</b>	<b>Highest price per unit US\$</b>	<b>Lowest price per unit US\$</b>
30.6.2018	15.50	14.37
30.6.2017	14.74	13.28
30.6.2016	14.87	12.85
30.6.2015	15.46	14.43
30.6.2014	14.76	13.46
30.6.2013	15.26	13.64
30.6.2012	15.25	12.72
30.6.2011	15.28	13.51
30.6.2010	13.99	11.77
30.6.2009	14.85	8.94

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
REPORT OF THE TRUSTEE  
FOR THE YEAR ENDED 30 JUNE 2018**

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We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 10 May 2001, as amended, for the year ended 30 June 2018.

For and on behalf of

HSBC Institutional Trust Services (Asia) Limited  
as the Trustee of  
First State Umbrella Funds  
First State Asian Bridge Fund

Hong Kong, 18 October 2018

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND (THE "FUND")**

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**Report on the Audit of the Financial Statements**

**Opinion**

What we have audited

The financial statements of the Fund set out on pages 8 to 47, which comprise:

- the statement of net assets at 30 June 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended;
- the statement of distribution for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund at 30 June 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises report of the manager, performance table (unaudited), report of the trustee, investment portfolio (unaudited), statement of movements in portfolio holdings (unaudited) and general information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND (THE "FUND") (CONTINUED)**

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**Other Information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 10 May 2001, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.



**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND (THE "FUND") (CONTINUED)**

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**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 18 October 2018

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF NET ASSETS  
AT 30 JUNE 2018**

	<b>Note</b>	<b>2018 US\$</b>	<b>2017 US\$</b>
<b>Assets</b>			
Investments	4(b)	152,485,681	59,325,949
Derivative financial instruments	6	102,855	13,063
Interest receivable		829,927	264,566
Dividend receivable		217,882	95,991
Amounts receivable from brokers		20,215	-
Amounts receivable on subscription		282,226	1,290,242
Amounts receivable on management fee rebate	9(b)	39,785	-
Margin deposits		71,528	14,239
Cash at banks		3,309,383	4,449,522
<b>Total assets</b>		<u>157,359,482</u>	<u>65,453,572</u>
<b>Liabilities</b>			
Derivative financial instruments	6	110,443	4,666
Amounts payable to brokers		104,307	1,599,849
Amounts payable on redemption		1,111,816	52,702
Accounts payable and accrued expenses		313,493	194,137
<b>Total liabilities</b>		<u>1,640,059</u>	<u>1,851,354</u>
<b>Equity</b>			
Net assets attributable to unitholders	3	<u>155,719,423</u>	<u>63,602,218</u>
<b>Number of units in issue</b>		<u>10,756,400.53</u>	<u>4,341,534.64</u>
<b>Net assets attributable to unitholders per unit</b>		<u>14.47</u>	<u>14.64</u>

Signed for and on behalf of

HSBC Institutional Trust Services (Asia) Limited  
as the Trustee

First State Investments (Hong Kong) Limited  
as the Manager

The notes on pages 13 to 47 form part of these financial statements.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 US\$	2017 US\$
<b>Income</b>			
Interest on investments		2,059,510	942,760
Interest on bank deposits		9,535	204
Dividend on investments		1,500,730	685,248
Net gains on investments and derivative financial instruments	5	1,823,668	4,913,846
Other income		5,128	25,505
Management fee rebate	9(b)	100,406	-
Exchange losses		(21,971)	(282,729)
		<hr/>	<hr/>
Total net income		5,477,006	6,284,834
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Expenses</b>			
Management fee	9(a)	1,569,259	696,835
Trustee's fee	9(c)	62,771	29,070
Administration fee	9(d)	125,541	58,140
Auditor's remuneration		34,954	31,846
Legal and professional fees		77,058	31,488
Safe custody and bank charges	7	3,018	1,686
Interest expenses	7	962	769
Other operating expenses		63,782	53,658
		<hr/>	<hr/>
Total operating expenses		1,937,345	903,492
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Profit before tax</b>		3,539,661	5,381,342
Taxation		(125,931)	(74,431)
		<hr/>	<hr/>
<b>Total comprehensive income</b>		<u>3,413,730</u>	<u>5,306,911</u>

The notes on pages 13 to 47 form part of these financial statements.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018		2017	
		Units	US\$	Units	US\$
<b>Balance at the beginning of the year</b>		4,341,534.64	63,602,218	4,185,630.63	58,569,179
Allotment of units		10,989,790.72	164,420,465	1,439,452.86	20,796,664
Redemption of units		(4,574,924.83)	(68,180,725)	(1,283,548.85)	(18,157,352)
Total comprehensive income		-	3,413,730	-	5,306,911
Distributions to unitholders	11	-	(7,536,265)	-	(2,913,184)
<b>Balance at the end of the year</b>		<u>10,756,400.53</u>	<u>155,719,423</u>	<u>4,341,534.64</u>	<u>63,602,218</u>

The notes on pages 13 to 47 form part of these financial statements.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from operating activities</b>		
Purchase of investments and derivative financial instruments	(134,183,052)	(33,861,343)
Proceeds from sale of investments and derivative financial instruments	41,237,800	37,874,909
Interest received	1,604,223	1,253,361
Dividend received	1,261,787	647,866
Other income received	5,128	25,505
Management fee paid	(1,467,336)	(682,401)
Management fee rebate received	60,621	-
Trustee's fee paid	(58,694)	(28,962)
Administration fee paid	(117,388)	(57,923)
Auditor's remuneration paid	(32,352)	(31,310)
Interest paid	(962)	(769)
Other operating expenses paid	(141,259)	(53,296)
Capital gains tax paid	-	(1,140)
(Increase)/decrease in margin deposits	(57,289)	29,297
<b>Net cash (used in)/generated from operating activities</b>	<b>(91,888,773)</b>	<b>5,113,794</b>
<b>Cash flows from financing activities</b>		
Allotment of units*	162,987,157	18,346,913
Distributions to unitholders*	(5,094,941)	(1,433,689)
Redemption of units	(67,121,611)	(18,159,172)
<b>Net cash generated from/(used in) financing activities</b>	<b>90,770,605</b>	<b>(1,245,948)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,118,168)</b>	<b>3,867,846</b>
Effect of foreign exchange rate changes	(21,971)	(282,729)
Cash and cash equivalents at the beginning of the year	4,449,522	864,405
<b>Cash and cash equivalents at the end of the year</b>	<b>3,309,383</b>	<b>4,449,522</b>
<b>Analysis of balance of cash and cash equivalents</b>		
Cash at banks	3,309,383	4,449,522

\*During the year ended 30 June 2018, there were non-cash transactions of US\$2,441,324 (2017: US\$1,479,495) on the allotment of units and distributions to unitholders.

The notes on pages 13 to 47 form part of these financial statements.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF DISTRIBUTION  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Note</b>	<b>2018<sup>1</sup> US\$</b>	<b>2017 US\$</b>
Undistributed loss at 1 July		(101,681)	(1,267,541)
Transfer from capital		101,681	1,267,541
Total comprehensive income for the year*		3,596,792	2,811,503
Distributions <sup>1</sup>	11	(7,536,265)	(2,913,184)
Undistributed loss at 30 June		<u>(3,939,473)</u>	<u>(101,681)</u>

\* Total comprehensive income for the year available for distribution is the adjusted total comprehensive income for the year, for which the calculation basis is in accordance with the relevant Trust Deed, Supplemental Deeds and Explanatory Memorandum.

<sup>1</sup> The Manager intends to declare distributions on units in the Fund on a monthly basis with effect from 1 November 2017. Distributions which accrue each month shall normally be declared and paid within the following month.

The notes on pages 13 to 47 form part of these financial statements.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**1. The Umbrella Funds and the Fund**

First State Umbrella Funds (the “Umbrella Funds”) is an umbrella fund established in Hong Kong under a Trust Deed dated 10 May 2001, as amended. At 30 June 2018, the Umbrella Funds had only one sub-fund, namely First State Asian Bridge Fund (the “Fund”), which was launched on 25 September 2003.

The Umbrella Funds and the Fund are authorised by the Securities and Futures Commission of Hong Kong under Section 104 of the Hong Kong Securities and Futures Ordinance and are required to comply with the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the Trustee to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Standards and amendments to existing standards effective from 1 July 2017

Amendments to HKAS 7, ‘Statement of cash flows’, became effective for annual periods beginning on or after 1 July 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Adoption of these amendments did not have a material impact on the Fund’s financial statements.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that would be expected to have a material impact on the Fund.

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Summary of significant accounting policies (continued)**

(a) Basis of preparation (continued)

New standards, amendments and interpretations that are relevant to the Fund but are not yet effective and have not been early adopted by the Fund

HKFRS 9, 'Financial instruments', addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund expects that the application of the standard will have no material impact on how the results and financial position of the Fund is prepared.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

(b) Investments

All investments have been classified as "financial assets at fair value through profit or loss".

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.



**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Summary of significant accounting policies (continued)**

(b) Investments (continued)

Investments that are listed or traded on an exchange are fair valued based on quoted bid market prices. Investments which are not listed on an exchange are valued by using quotes from brokers.

Investments in other funds (“Investee Funds”) are subject to the terms and conditions of the offering documents of the respective Investee Funds. The Investee Funds are valued by reference to their net asset value per unit/share as determined by the administrators of the Investee Funds at each reporting date. If the net asset value of the Investee Funds is not available or the Manager considers that such net asset value is not reflective of the fair value, the Manager may exercise discretion and judgment to estimate the fair value of the Investee Funds.

(c) Derivative financial instruments

Derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative financial instrument are recognised immediately in the statement of comprehensive income.

(d) Income

Interest income is recognised on a time-proportionate basis using the effective interest method. Dividend income is recognised when the right to receive payments is established. Other income is accounted for on an accruals basis.

(e) Translation of foreign currencies

(i) Functional and presentation currencies

Items included in the Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). The performance of the Fund is measured and reported to the unitholders in United States dollar. The Manager considers the United States dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in United States dollar, which is the Fund’s functional and presentation currency.

**FIRST STATE UMBRELLA FUNDS  
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**2. Summary of significant accounting policies (continued)**

(e) Translation of foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rates prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “exchange gains/(losses)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gains/(losses) on investments and derivative financial instruments”.

(f) Expenses

Expenses are accounted for on an accruals basis.

(g) Subscription and redemption of units

The Fund issues units, which are redeemable at the holder’s option and are classified as equity. The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit at the close of business on the relevant dealing day.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of net assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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**2. Summary of significant accounting policies (continued)**

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at banks with maturity of three months or less from the date of placing the deposits, net of bank overdrafts, if any.

(j) Amounts receivable from and payable to brokers

Amounts receivable from and payable to brokers represent receivables from investments sold and payables for investments purchased respectively that have been contracted for but not yet settled or delivered by the reporting date.

(k) Taxation

The Fund currently incurs withholding tax imposed by certain countries on investment income and capital gains. Such income is recorded gross of withholding tax in the statement of comprehensive income.

**3. Net assets attributable to unitholders**

The Fund has no restrictions on the subscription of units. However, to protect the interests of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units redeemed on any dealing day (whether by sale to the Manager or by cancellation by the Trustee) to 10% of the total number of units in issue. In this event, the limitation will apply pro rata so that all unitholders wishing to redeem units on that dealing day will redeem the same proportion of such units, and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next dealing day. If requests for redemption are so carried forward, the Manager will inform the unitholders concerned. Subscription and redemption of units during the year are shown in the statement of changes in equity. In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the investment policies as outlined in note 4, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

At 30 June 2018, the Fund had US\$155,719,423 (2017: US\$63,602,218) of puttable financial instruments classified as equity.

The Fund's objectives and policies for managing its obligations to redeem these instruments are included in note 4(i) on capital risk management and note 4(f) on liquidity risk.

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**4. Financial risk management**

Investments and derivative financial instruments are classified as “financial assets and liabilities at fair value through profit or loss”. The remaining financial assets and liabilities as shown on the statement of net assets are classified as “loans and receivables” and “other financial liabilities” respectively.

(a) Strategy in using financial instruments

The investment objective of the Fund is to provide investors with capital growth over the medium to long term by investing in listed equities and quoted debt securities in the Asia Pacific markets. Further with effect from 1 November 2017, the Fund may invest up to 30% of its net assets in certain eligible China A-shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (the “Stock Connects”).

The Fund is expected to provide a return in excess of the relevant customised benchmark index, 50% MSCI AC Asia Pacific Ex Japan Free in United States dollars and 50% JP Morgan Asia Credit in United States dollars.

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk.

The risks and the respective risk management policies employed by the Fund to manage these risks are discussed below:

(b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise risk.

At the reporting date, the overall exposures are as follows:

	2018		2017	
	Fair value US\$	% of net assets	Fair value US\$	% of net assets
Held for trading:				
- Equities	76,958,662	49.42	31,274,427	49.17
- Debt securities	59,253,564	38.05	27,529,736	43.29
- Investment funds	16,273,455	10.45	521,786	0.82
	152,485,681	97.92	59,325,949	93.28

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**4. Financial risk management (continued)**

(b) Market price risk (continued)

The table below shows the exposure the Fund has to various markets:

	<b>2018 US\$ equivalents</b>	<b>2017 US\$ equivalents</b>
Markets exposed to		
<b>Equities</b>		
Australia	3,857,004	2,862,803
China	11,931,570	4,198,384
Hong Kong	10,055,874	3,526,444
India	15,538,930	5,535,043
Indonesia	1,670,994	446,725
Japan	7,623,097	2,187,505
Malaysia	790,645	316,194
Philippines	3,398,426	2,186,783
Singapore	4,052,611	2,179,485
South Korea	6,205,621	2,658,118
Taiwan	7,857,110	3,980,147
Thailand	2,601,275	1,196,796
United States	1,375,505	-
<b>Bonds</b>		
Australia	-	261,296
China	26,406,795	12,139,714
Hong Kong	2,425,788	2,280,304
India	7,226,397	2,490,685
Indonesia	4,801,457	1,705,607
Malaysia	2,056,142	1,048,588
New Zealand	221,405	-
Singapore	-	713,979
South Korea	6,433,514	2,074,270
Thailand	971,280	420,282
United States	-	499,453
<b>Money market instruments</b>		
China	4,672,907	856,694
Hong Kong	700,491	919,382
Malaysia	393,948	407,580
Singapore	2,750,196	1,515,654
South Korea	193,244	196,248
<b>Investment funds (various markets for the underlying securities)</b>	16,273,455	521,786
	<u>152,485,681</u>	<u>59,325,949</u>

The exposure to country is based on the place of domiciles of the security.

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**4. Financial risk management (continued)**

(b) Market price risk (continued)

The exposure to sectors at the reporting date are as follows:

Sectors exposed to	<b>2018</b> <b>% of net assets</b>	<b>2017</b> <b>% of net assets</b>
<b>Equities</b>		
Consumer discretionary	5.80	6.07
Consumer staples	8.78	9.03
Financials	12.10	9.24
Health care	3.87	5.27
Industrials	3.88	4.12
Information technology	10.32	10.56
Materials	1.41	0.78
Real estate	1.37	1.92
Telecommunication services	-	0.47
Utilities	1.89	1.71
	<u>49.42</u>	<u>49.17</u>

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**4. Financial risk management (continued)**

(b) Market price risk (continued)

Sectors exposed to	2018 % of net assets	2017 % of net assets
<b>Debt securities</b>		
Agency	13.92	16.55
Automotive	0.78	0.82
Banking	5.94	9.67
Consumer products	0.41	-
Consumer cyclical services	-	0.35
Electric	-	0.91
Financials	0.51	0.25
Food and beverage	0.14	0.31
Government sponsored	0.32	-
Home construction	5.60	3.38
Independent energy	0.45	-
Industrials	1.38	1.70
Integrated	0.21	0.48
Life insurance	-	0.35
Metals and mining	0.67	0.32
Natural gas	0.50	-
Property and casualty	1.10	1.09
Refining	-	0.43
REIT	0.96	0.73
Retailers	0.12	0.31
Sovereign	1.60	0.32
Technology	1.97	1.92
Transportation services	0.13	0.83
Treasury	0.07	0.95
Wireless	1.27	1.25
Wirelines	-	0.37
	<u>38.05</u>	<u>43.29</u>

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**4. Financial risk management (continued)**

(b) Market price risk (continued)

There were no individual investments with fair value exceeding 10% of the Fund's net asset value at 30 June 2018 and 2017.

The table below summarises the impact on the net assets at the reporting date of a reasonably possible change in the benchmark market index relating to equity instruments as applied to the respective beta reported by Barra. Market price risk for the debt securities is disclosed in note 4(c) under interest rate risk.

The reasonably possible change in the benchmark market index has been determined by using the annualised benchmark returns since inception.

The performance of the Fund does not necessarily follow the benchmark and the holdings in the Fund might be different to the benchmark. The sensitivity analysis below is a relative estimate of risk. Please note that past performance should not be used as a guide to future performance as future market conditions could vary significantly from those experienced in the past.

	<b>2018</b>		<b>2017</b>	
	<b>Change in market index % +/-</b>	<b>Impact US\$ +/-</b>	<b>Change in market index % +/-</b>	<b>Impact US\$ +/-</b>
50% MSCI AC Asia Pacific Ex Japan Free & 50% JP Morgan Asia Credit (USD)	6.35%	3,876,372	6.70%	1,746,651



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**4. Financial risk management (continued)**

(b) Market price risk (continued)

The Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Funds' offering documents and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The right of the Fund to request redemption of its investments in the Investee Funds is on a daily basis.

The exposure to investments in Investee Funds at fair value by strategy employed is disclosed in the following table. These investments are included in "investments" in the statement of net assets.

Investment funds	2018			2017		
	Number of Investee Funds	Fair value US\$	% of net assets	Number of Investee Funds	Fair value US\$	% of net assets
<b>Strategy</b>						
Equity long/short	1	597,422	0.38%	1	521,786	0.82%
Fixed income	1	15,676,033	10.07%	-	-	-
		<u>16,273,455</u>	<u>10.45%</u>		<u>521,786</u>	<u>0.82%</u>

During the year ended 30 June 2018, there was one purchase of Investee Funds and the total net losses incurred on investments in Investee Funds were US\$716,526 (2017: net gains of US\$144,926). At 30 June 2018 and 2017, there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

The Fund's maximum exposure to loss from its interests in Investee Funds is equal to the total fair value of its investments in Investee Funds.

Once the Fund has disposed of its shares/units in an Investee Fund, the Fund ceases to be exposed to any risk from that Investee Fund.

(c) Interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

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**4. Financial risk management (continued)**

(c) Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk. It includes the Fund's assets and liabilities, categorised by the earlier of contractual re-pricing or maturity dates.

**At 30 June 2018**

	<b>Up to 1 year US\$</b>	<b>1-5 years US\$</b>	<b>Over 5 years US\$</b>	<b>Non-interest bearing US\$</b>	<b>Total US\$</b>
<b>Assets</b>					
Investments	3,439,533	20,915,924	34,898,107	93,232,117	152,485,681
Derivative financial instruments	-	-	-	102,855	102,855
Interest receivable	-	-	-	829,927	829,927
Dividend receivable	-	-	-	217,882	217,882
Amounts receivable from brokers	-	-	-	20,215	20,215
Amounts receivable on subscription	-	-	-	282,226	282,226
Amounts receivable on management fee rebate	-	-	-	39,785	39,785
Margin deposits	71,528	-	-	-	71,528
Cash at banks	3,309,383	-	-	-	3,309,383
<b>Total assets</b>	<b>6,820,444</b>	<b>20,915,924</b>	<b>34,898,107</b>	<b>94,725,007</b>	<b>157,359,482</b>
<b>Liabilities</b>					
Derivative financial instruments	-	-	-	(110,443)	(110,443)
Amounts payable to brokers	-	-	-	(104,307)	(104,307)
Amounts payable on redemption	-	-	-	(1,111,816)	(1,111,816)
Accounts payable and accrued expenses	-	-	-	(313,493)	(313,493)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,640,059)</b>	<b>(1,640,059)</b>
<b>Total interest sensitivity gap</b>	<b>6,820,444</b>	<b>20,915,924</b>	<b>34,898,107</b>		

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**4. Financial risk management (continued)**

(c) Interest rate risk (continued)

**At 30 June 2017**

	<b>Up to 1 year US\$</b>	<b>1-5 years US\$</b>	<b>Over 5 years US\$</b>	<b>Non-interest bearing US\$</b>	<b>Total US\$</b>
<b>Assets</b>					
Investments	2,306,349	8,535,394	16,687,993	31,796,213	59,325,949
Derivative financial instruments	-	-	-	13,063	13,063
Interest receivable	-	-	-	264,566	264,566
Dividend receivable	-	-	-	95,991	95,991
Amounts receivable on subscription	-	-	-	1,290,242	1,290,242
Margin deposits	14,239	-	-	-	14,239
Cash at banks	4,449,522	-	-	-	4,449,522
<b>Total assets</b>	<b>6,770,110</b>	<b>8,535,394</b>	<b>16,687,993</b>	<b>33,460,075</b>	<b>65,453,572</b>
<b>Liabilities</b>					
Derivative financial instruments	-	-	-	(4,666)	(4,666)
Amounts payable to brokers	-	-	-	(1,599,849)	(1,599,849)
Amounts payable on redemption	-	-	-	(52,702)	(52,702)
Accounts payable and accrued expenses	-	-	-	(194,137)	(194,137)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,851,354)</b>	<b>(1,851,354)</b>
<b>Total interest sensitivity gap</b>	<b>6,770,110</b>	<b>8,535,394</b>	<b>16,687,993</b>		

At 30 June 2018, should interest rates have lowered/risen by 100 basis points with all other variables remaining constant, the increase/decrease in net assets would amount to approximately US\$2.73 million (2017: US\$1.51 million), arising substantially from the increase/decrease in fair values of debt securities.

The Manager has used its view of what would be a “reasonably possible shift” in the market interest rates to estimate the change for use in the interest rate risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in basis points are revised annually depending on the Manager’s current view of market interest rate sensitivity and other relevant factors.

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**4. Financial risk management (continued)**

(d) Credit and custody risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency, negligence or fraudulent action of the custodian or sub-custodian.

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the custodians. The table below summarises the assets placed with the banks and custodians at the reporting date.

**At 30 June 2018**

	US\$	Credit rating	Source of credit rating
<u>Custodians – custody risk</u>			
HSBC Institutional Trust Services (Asia) Limited	152,485,689	AA-*	Fitch
J.P. Morgan Securities LLC	102,847	A+	S&P
<u>Banks – credit risk</u>			
The Hongkong and Shanghai Banking Corporation Limited	3,309,383	AA-*	Fitch
J.P. Morgan Securities LLC	71,528	A+	S&P

**At 30 June 2017**

	US\$	Credit rating	Source of credit rating
<u>Custodians – custody risk</u>			
HSBC Institutional Trust Services (Asia) Limited	59,325,949	AA-*	Fitch
J.P. Morgan Securities LLC	13,063	A+	S&P
<u>Banks – credit risk</u>			
The Hongkong and Shanghai Banking Corporation Limited	4,449,522	AA-*	Fitch
J.P. Morgan Securities LLC	14,239	A+	S&P

All derivative financial instruments represent outstanding forward foreign exchange contracts and bond futures as disclosed in note 6. The counterparties of these forward foreign exchange contracts and bond futures are The Hongkong and Shanghai Banking Corporation Limited, Hong Kong Branch and J.P. Morgan Securities LLC.

\* The credit ratings of HSBC Institutional Trust Services (Asia) Limited and The Hongkong and Shanghai Banking Corporation Limited are obtained from HSBC Holdings plc, which is their ultimate holding company.

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**4. Financial risk management (continued)**

(d) Credit and custody risk (continued)

As the Fund holds debt securities, it is also exposed to risk that the issuers may not be able to repay the principal amount at maturity and interest. The credit risk is mitigated as the debt securities held are subject to the requirements of (i) minimum credit rating, and (ii) maximum holding of 10% of net asset value for any single issuer.

The table below summarises the credit rating of the debt securities portfolio by S&P/Moody's:

**Portfolio by rating category**

<b>Rating</b>	<b>2018 % of net assets</b>	<b>2017 % of net assets</b>
AAA/Aaa/Aa1/Aa2/Aa3/AA+/AA/AA-/A+/A-/A1/A2/A3	6.44%	13.82%
BBB+/BBB/BBB-/Baa1/Baa2/Baa3	20.16%	20.26%
BB+/BB/BB-/B2/Ba1/Ba2/Ba3	3.40%	3.01%
B+/B/B1/B2	3.92%	1.85%
NR	4.13%	4.35%
	<u>38.05%</u>	<u>43.29%</u>

All transactions in listed/quoted investments are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Fund considers to be well established.

The Fund has arranged uncommitted overdraft facility with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). To secure the facility, the Fund has granted HSBC a lien on the collateral and the securities and/or cash held in other accounts from time to time whether for safe custody or otherwise in respect of the Fund's actual or contingent liabilities under the facility. The Fund is therefore also exposed to credit risk to HSBC. Please refer to note 7 for the uncommitted bank overdraft facility.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as shown on the statement of net assets.

None of the assets is impaired nor past due but not impaired.

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**4. Financial risk management (continued)**

(e) Offsetting and amounts subject to broker arrangements and similar agreements

At 30 June 2018 and 2017, the Fund was subject to broker arrangement with its derivative counterparties. All of the derivative assets and liabilities of the Fund are held with these counterparties and the margin balance maintained by the Fund is for the purpose of providing collateral on derivative positions.

The tables below present the Fund's financial assets and liabilities subject to offsetting, enforceable broker arrangements and similar agreements. The tables are presented by type of financial instruments.

Financial assets subject to offsetting, enforceable broker arrangements and similar agreements:

	<b>A</b>	<b>B</b>	<b>C = A-B</b>
	<b>Gross amounts of recognised financial assets</b>	<b>Gross amounts of recognised financial liabilities offset in the statement of net assets</b>	<b>Net amounts of financial assets presented in the statement of net assets</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>At 30 June 2018</b>			
<u>Financial assets</u>			
Margin deposits	71,528	-	71,528
Derivative assets	102,855	-	102,855
	<u>174,383</u>	<u>-</u>	<u>174,383</u>
<b>At 30 June 2017</b>			
<u>Financial assets</u>			
Margin deposits	14,239	-	14,239
Derivative assets	13,063	-	13,063
	<u>27,302</u>	<u>-</u>	<u>27,302</u>

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**4. Financial risk management (continued)**

(e) Offsetting and amounts subject to broker arrangements and similar agreements (continued)

Financial liabilities subject to offsetting, enforceable broker arrangements and similar agreements:

	A	B	C = A-B
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of net assets	Net amounts of financial liabilities presented in the statement of net assets
	US\$	US\$	US\$
<b>At 30 June 2018</b>			
<u>Financial liabilities</u>			
Derivative liabilities	110,443	-	110,443
	110,443	-	110,443
	110,443	-	110,443
<b>At 30 June 2017</b>			
<u>Financial liabilities</u>			
Derivative liabilities	4,666	-	4,666
	4,666	-	4,666
	4,666	-	4,666

The table below presents the Fund's financial assets subject to offsetting, enforceable broker arrangements and similar agreements, by counterparty:

	C = A-B	D		E = C-D
	Net amounts of financial assets presented in the statement of net assets	Related amounts not offset in the statement of net assets		Net amount
	US\$	D(i) Financial instruments US\$	D(ii) Cash collateral US\$	US\$
<b>At 30 June 2018</b>				
<u>Counterparty</u>				
HSBC plc	8	(1)	-	7
J.P. Morgan Securities LLC	174,375	(110,442)	-	63,933
	174,383	(110,443)	-	63,940
	174,383	(110,443)	-	63,940
<b>At 30 June 2017</b>				
<u>Counterparty</u>				
J.P. Morgan Securities LLC	27,302	(4,469)	-	22,833
	27,302	(4,469)	-	22,833
	27,302	(4,469)	-	22,833

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**4. Financial risk management (continued)**

(e) Offsetting and amounts subject to broker arrangements and similar agreements (continued)

The table below presents the Fund's financial liabilities subject to offsetting, enforceable broker arrangements and similar agreements, by counterparty:

	<b>C = A-B</b>	<b>D</b>		<b>E = C-D</b>
	<b>Net amounts of financial liabilities presented in the statement of net assets</b>	<b>Related amounts not offset in the statement of net assets</b>		<b>Net amount</b>
		<b>D(i)</b>	<b>D(ii)</b>	
	<b>US\$</b>	<b>Financial instruments</b>	<b>Cash collateral</b>	<b>US\$</b>
<b>At 30 June 2018</b>				
<u>Counterparty</u>				
HSBC plc	1	(1)	-	-
J.P. Morgan Securities LLC	110,442	(110,442)	-	-
	110,443	(110,443)	-	-
	110,443	(110,443)	-	-
<b>At 30 June 2017</b>				
<u>Counterparty</u>				
HSBC plc	197	-	-	197
J.P. Morgan Securities LLC	4,469	(4,469)	-	-
	4,666	(4,469)	-	197
	4,666	(4,469)	-	197

The Fund and its counterparties have elected to settle all transactions on a gross basis; however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the broker agreement, an event of default includes the following:

- failure by a party to make payment when due;
- failure by a party to perform any obligation required by the agreement;
- bankruptcy.



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**4. Financial risk management (continued)**

(f) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. Please refer to note 3 for restrictions on unit redemptions and note 7 for the uncommitted bank overdraft facility.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

<b>At 30 June 2018</b>	<b>Less than 1 month US\$</b>	<b>1-3 months US\$</b>	<b>More than 3 months US\$</b>
Derivative financial instruments	1	110,442	-
Amounts payable to brokers	104,307	-	-
Amounts payable on redemption	1,111,816	-	-
Accounts payable and accrued expenses	261,521	42,405	9,567
	<u>1,477,645</u>	<u>152,847</u>	<u>9,567</u>
	<u><u>1,477,645</u></u>	<u><u>152,847</u></u>	<u><u>9,567</u></u>
<b>At 30 June 2017</b>	<b>Less than 1 month US\$</b>	<b>1-3 months US\$</b>	<b>More than 3 months US\$</b>
Derivative financial instruments	197	4,469	-
Amounts payable to brokers	1,599,849	-	-
Amounts payable on redemption	52,702	-	-
Accounts payable and accrued expenses	153,753	38,808	1,576
	<u>1,806,501</u>	<u>43,277</u>	<u>1,576</u>
	<u><u>1,806,501</u></u>	<u><u>43,277</u></u>	<u><u>1,576</u></u>

Units are redeemable on demand at the holder's option. At 30 June 2018, there were 2 (2017: 1) unitholders holding over 10% of the Fund's net assets individually.

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**4. Financial risk management (continued)**

(f) Liquidity risk (continued)

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 1 month or less. The table below illustrates the expected liquidity of assets held:

<b>At 30 June 2018</b>	<b>Less than 1 month US\$</b>	<b>1-3 months US\$</b>	<b>More than 3 months US\$</b>
Investments	152,485,681	-	-
Derivative financial instruments	8	102,847	-
Interest receivable	341,989	325,145	162,793
Dividend receivable	210,928	6,954	-
Amounts receivable from brokers	20,215	-	-
Amounts receivable on subscription	282,226	-	-
Amounts receivable on management fee rebate	39,785	-	-
Margin deposits	71,528	-	-
Cash at banks	3,309,383	-	-
	<u>156,761,743</u>	<u>434,946</u>	<u>162,793</u>
<b>At 30 June 2017</b>	<b>Less than 1 month US\$</b>	<b>1-3 months US\$</b>	<b>More than 3 months US\$</b>
Investments	59,325,949	-	-
Derivative financial instruments	-	13,063	-
Interest receivable	65,891	97,028	101,647
Dividend receivable	79,125	16,866	-
Amounts receivable on subscription	1,290,242	-	-
Margin deposits	14,239	-	-
Cash at banks	4,449,522	-	-
	<u>65,224,968</u>	<u>126,957</u>	<u>101,647</u>

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**4. Financial risk management (continued)**

(g) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than United States dollar, the Fund's functional and presentation currency. The Fund is therefore exposed to currency risk, as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Manager will enter into forward foreign exchange contracts from time to time to hedge against the fluctuation in exchange rates. Details of forward foreign exchange contracts outstanding at the reporting date are disclosed in note 6.

The table below summarises the Fund's net exposure to different major foreign currencies:

	2018		2017	
	Monetary US\$	Non- monetary US\$	Monetary US\$	Non- monetary US\$
Australian dollar	5,881	5,453,914	-	2,862,803
Chinese renminbi	11,412	5,228,860	8,428	1,897,778
Hong Kong dollar	(35,614)	14,066,112	19,309	5,527,626
Indian rupee	55,865	15,538,930	(139,695)	5,692,294
Indonesian rupiah	-	1,670,994	(58,470)	446,725
Japanese yen	6,954	7,623,096	934	2,187,505
Malaysian ringgit	678	901,038	783	420,362
Philippines peso	1,215	3,398,426	(59,762)	2,186,783
Singapore dollar	-	4,052,611	-	1,460,120
South Korean won	-	6,205,621	2,523	2,658,118
Taiwan dollar	117,491	7,857,110	78,320	3,980,147
Thai baht	-	2,601,275	-	1,196,796

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**4. Financial risk management (continued)**

(g) Currency risk (continued)

The table below summarises the impact on net assets as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the Fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the stated percentage with all other variables held constant.

As Hong Kong dollar is currently pegged to United States dollar within a narrow range, the impact on net assets is considered minimal, hence no sensitivity analysis of Hong Kong dollar is presented.

	2018			2017		
	Change	Impact	Impact	Change	Impact	Impact
		Monetary	Non-		Monetary	Non-
		US\$	monetary		US\$	monetary
		equivalent	equivalent		equivalent	equivalent
	+/-	+/-	+/-	+/-	+/-	+/-
Australian dollar	5.0%	294	272,696	5.0%	-	143,140
Chinese renminbi	5.0%	571	261,443	5.0%	421	94,889
Indian rupee	5.0%	2,793	776,947	5.0%	(6,985)	284,615
Indonesian rupiah	5.0%	-	83,550	5.0%	(2,924)	22,336
Japanese yen	5.0%	348	381,155	5.0%	47	109,375
Malaysian ringgit	5.0%	34	45,052	5.0%	39	21,018
Philippines peso	5.0%	61	169,921	5.0%	(2,988)	109,339
Singapore dollar	5.0%	-	202,631	5.0%	-	73,006
South Korean won	5.0%	-	310,281	5.0%	126	132,906
Taiwan dollar	5.0%	5,875	392,856	5.0%	3,916	199,007
Thai baht	5.0%	-	130,064	5.0%	-	59,840

The Manager has used its view of what would be a “reasonably possible shift” in the exchange rates to estimate the change for use in the currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in exchange rate % are revised annually depending on the Manager’s current view of exchange rate volatility and other relevant factors.

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**4. Financial risk management (continued)**

(h) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price used for financial liabilities is the current asking price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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**4. Financial risk management (continued)**

(h) Fair value estimation (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Fund. The Fund considers observable data to be such market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses within the fair value hierarchy the Fund’s investments and derivative financial instruments (by class) measured at fair value:

<b>At 30 June 2018</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Assets</b>				
Held for trading				
- Equities	76,958,662	-	-	76,958,662
- Debt securities	-	59,253,564	-	59,253,564
- Investment funds	-	16,273,455	-	16,273,455
- Derivatives	102,847	8	-	102,855
	<u>77,061,509</u>	<u>75,527,027</u>	<u>-</u>	<u>152,588,536</u>
<b>Liabilities</b>				
Held for trading				
- Derivatives	110,442	1	-	110,443
	<u>110,442</u>	<u>1</u>	<u>-</u>	<u>110,443</u>

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**4. Financial risk management (continued)**

(h) Fair value estimation (continued)

At 30 June 2017	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Assets</b>				
Held for trading				
- Equities	31,274,427	-	-	31,274,427
- Debt securities	-	27,529,736	-	27,529,736
- Investment funds	-	521,786	-	521,786
- Derivatives	13,063	-	-	13,063
	<u>31,287,490</u>	<u>28,051,522</u>	<u>-</u>	<u>59,339,012</u>
<b>Liabilities</b>				
Held for trading				
- Derivatives	4,469	197	-	4,666
	<u>4,469</u>	<u>197</u>	<u>-</u>	<u>4,666</u>

Financial instruments whose values are based on quoted market prices in active markets are classified within level 1. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Investee Funds classified within level 2 are fair valued based on the net asset value or redemption price as reported by the respective administrators or investment managers. These values are observable as these are the prices in which subscriptions or redemptions of the Investee Funds can be transacted upon at the reporting date.

Financial instruments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the year ended 30 June 2018 and 2017.

The assets and liabilities as stated in the statement of net assets, excluding investments and derivative financial instruments, are carried at amortised cost; their carrying amounts are a reasonable approximation of fair value.

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**4. Financial risk management (continued)**

(i) Capital risk management

The capital of the Fund is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly as the Fund is subject to subscriptions and redemptions every day at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- monitor the level of subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the Trust Deed of the Fund.

The Manager monitors capital on the basis of the value of net assets attributable to unitholders.

**5. Net gains on investments and derivative financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
Change in unrealised (losses)/gains on investments	(167,077)	2,461,462
Change in unrealised (losses)/gains on derivative financial instruments	(15,984)	33,945
Realised gains on investments	1,743,512	2,417,064
Realised gains on derivative financial instruments	263,217	1,375
	<u>1,823,668</u>	<u>4,913,846</u>



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**6. Derivative financial instruments**

Derivative financial instruments represent outstanding forward foreign exchange contracts and bond futures.

	2018		2017	
	US\$	% of net assets	US\$	% of net assets
<b><u>Derivative financial instruments</u></b>				
- Bond futures	102,847	0.07	13,063	0.02
- Forward foreign exchange contracts	8	0.00	-	-
<b>Total derivative financial instruments - assets</b>	<b>102,855</b>	<b>0.07</b>	<b>13,063</b>	<b>0.02</b>
- Bond futures	(110,442)	(0.07)	(4,469)	(0.01)
- Forward foreign exchange contracts	(1)	(0.00)	(197)	(0.00)
<b>Total derivative financial instruments - liabilities</b>	<b>(110,443)</b>	<b>(0.07)</b>	<b>(4,666)</b>	<b>(0.01)</b>

The details of outstanding forward foreign exchange contracts at the reporting date are as follows:  
**At 30 June 2018**

<b>Contract to deliver</b>	<b>In exchange for</b>	<b>Settlement date</b>	<b>Fair value US\$</b>
<b>Assets</b>			
HKD248,952	USD31,729	3 July 2018	3
HKD313,355	USD39,937	3 July 2018	3
HKD62,602	USD7,979	3 July 2018	1
HKD62,385	USD7,951	3 July 2018	1
			<u>8</u>
<b>Liabilities</b>			
HKD131,039	USD16,704	3 July 2018	(1)
			<u>(1)</u>

**At 30 June 2017**

<b>Contract to deliver</b>	<b>In exchange for</b>	<b>Settlement date</b>	<b>Fair value US\$</b>
<b>Liabilities</b>			
IDR875,731,075	USD65,889	3 July 2017	(180)
PHP302,154	USD5,999	3 July 2017	(17)
			<u>(197)</u>

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**6. Derivative financial instruments (continued)**

The details of bond futures at the reporting date are as follows:

**At 30 June 2018**

<b>Contract size</b>	<b>Notional amount</b>	<b>Description</b>	<b>Position</b>	<b>Counterparty</b>	<b>Fair value US\$</b>
27	1,000	US LONG BD 0918 USU8	Long	J.P. Morgan Securities LLC	97,031
(86)	(1,000)	US 10YR 0918 TYU8	Short	J.P. Morgan Securities LLC	(99,313)
31	2,000	US 2YR CBT 0918 TUU8	Long	J.P. Morgan Securities LLC	5,816
(26)	(1,000)	US 5YR 0918 FVU8	Short	J.P. Morgan Securities LLC	(11,129)

**At 30 June 2017**

<b>Contract size</b>	<b>Notional amount</b>	<b>Description</b>	<b>Position</b>	<b>Counterparty</b>	<b>Fair value US\$</b>
4	1,000	US LN B FT 0917 USU7	Long	J.P. Morgan Securities LLC	4,469
(25)	(1,000)	US 10YR 0917 TYU7	Short	J.P. Morgan Securities LLC	8,594
13	2,000	US 2YR CBT 0917 TUU7	Long	J.P. Morgan Securities LLC	(4,469)

**7. Uncommitted bank overdraft facility**

The Fund has arranged uncommitted overdraft facility with HSBC Bank Bermuda Limited, Hong Kong Branch (the “Branch”), an affiliate party of the Trustee. According to the Transfer of Facility and Security Agreement dated 15 October 2004 between the Branch, HSBC, the Trustee and the Manager, the arranged facility had been transferred to HSBC.

The overdraft facility limit is the lesser of US\$8,000,000 and 25% of the net asset value of the Fund. The overdraft balance shall bear interest at 0.5% above HSBC’s best lending rate for United States dollars and 2.6% below HSBC’s best lending rate for Hong Kong dollars.

To secure the facility, the Fund has granted HSBC a charge over all present and future investments of the Fund upon utilising the facility. The Fund will not during the subsistence of the investment without the written consent of HSBC create or attempt to create or permit to subsist any encumbrance in or affecting the investment which may prejudice, diminish or affect the investment provided by the Security Deeds and the Transfer of Facility and Security Agreement. During the year, the Fund utilised the facility. At 30 June 2018 and 2017, there was no outstanding payable under the overdraft facility.

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**7. Uncommitted bank overdraft facility (continued)**

For the year ended 30 June 2018, interest expenses of US\$962 (2017: US\$769) and bank charges of US\$2,418 (2017: US\$1,521) were incurred by the Fund.

**8. Taxation**

- (a) No provision for Hong Kong profits tax has been made as the Fund is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.
- (b) The Fund invests in shares of companies in the People's Republic of China (the "PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, the Fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Trustee and the Manager believe that the Fund can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of China tax on capital gains is not probable.
- (c) The Fund invests in B-shares of companies listed in the PRC. Under current PRC tax laws, gains derived from the transfer of shares of Chinese companies by non-residents should be subject to a withholding tax of 10%, unless exempt under relevant tax treaties. The State Administration of Taxation (the "SAT") has remained silent on the application of withholding tax for capital gains and until further clarification is issued by the SAT, the Manager considers that there is significant uncertainty in respect of whether the Fund has any liability and the extent of such liability. In making the assessment, the Manager has considered (i) the current position of the SAT, (ii) absence of a withholding mechanism of the relevant tax, and (iii) current market practice. Based on assumptions that the withholding tax, if levied, is at 10% of the gross gains, the maximum liability the Fund may be exposed to is US\$13,920 (2017: US\$13,920), calculated based on the realised gains and unrealised gains from all investments in B-shares up to 30 June 2018. The Manager has assessed the risk for the Fund to be liable for such tax and considers such risk to be low at 30 June 2018, and therefore no provision was made.
- (d) The Fund invests in A-shares of companies listed in the PRC. Under current PRC tax laws, individual income tax and business tax will be temporarily exempt on gains derived by Hong Kong and overseas investors (including the Fund) on the trading of China A-shares through the Stock Connects with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

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**8. Taxation (continued)**

- (e) The Fund invests in securities listed on the stock exchange in Australia. Gains generated from disposals of Australian investments may be exposed to Australian tax at the rate of 30%. In September 2012, the Australian Government introduced legislation exempting gains realised by a foreign managed fund on or before 30 June 2011, provided that certain ownership conditions and other criteria are met and the Manager believes that the Fund has met these conditions and criteria. In June 2015, the Australian Government further introduced legislation (“Legislation”) which exempts gains realised by a foreign managed fund on or after 1 July 2011 provided that certain ownership conditions and other criteria can be met.

At the date of approval of the financial statements, the Trustee and the Manager consider that a charge for tax on gains on Australian investments at 30 June 2018 is unlikely. The Trustee and the Manager are of the view that the Fund should meet the criteria under the Legislation and should be eligible for the exemption of tax. No provision for such tax was made at 30 June 2018 accordingly. This assessment represents the best estimate of the Trustee and the Manager and the amount ultimately payable could differ significantly.

- (f) Withholding tax was charged on certain dividend income received during the year.
- (g) Effective from 1 April 2018, India introduced a new tax regime for long-term capital gains (gains on securities held for more than 12 months). Previously, long-term capital gains were exempt from tax in India and accordingly the Fund did not accrue for Indian capital gains tax. The introduction of the new regime requires the Fund to assess an appropriate tax accrual methodology in order to arrive at a reliable estimate of tax liability.

**9. Transactions with connected persons/related parties**

The following is a summary of the transactions entered into during the year between the Fund and its related parties including the Trustee, the Manager and its connected persons. Connected persons of the Manager are those defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong. All such transactions were entered into in the ordinary course of business and on normal commercial terms. To the best of the Trustee’s and the Manager’s knowledge, the Fund does not have any other transactions with connected persons except those disclosed below.

- (a) Management fee

The Manager is entitled to receive in arrears a monthly management fee from the Fund, accrued on and calculated at each dealing day at the rate of 1.25% per annum of the net asset value of the Fund. The Manager may increase the rate of management fee payable in respect of the Fund up to 2.25% per annum by giving not less than three months’ written notice of such increase to the Trustee and the unitholders.

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**9. Transactions with connected persons/related parties (continued)**

(a) Management fee (continued)

Prior to 1 April 2016, a fixed total expense ratio (“TER”) is applied to calculate the management fee of the Fund. The TER represents total actual expenses and any fees payable to the Trustee but exclusive of any establishment costs, costs of acquiring and disposing of investments, interest expenses, taxes, any non-recurring or extraordinary losses and expenses or any litigation costs, calculated on an accruals basis. The TER is expressed as a percentage per annum of the latest net asset value of the Fund. In the event that the TER exceeds/is less than 3% per annum in the first financial year of the Fund or 2.5% per annum thereafter, the management fee payable to the Manager shall be reduced/increased to the extent that the TER still exceeds/is less than 3% per annum for the first financial year and 2.5% per annum thereafter, respectively.

Such TER adjustment should be accrued at each dealing day, with the relevant adjustment or payment, being effected on a monthly basis at the time of payment of the management fee.

Effective from 1 April 2016, the Manager has approved the termination of the TER arrangement.

For the year ended 30 June 2018, a management fee of US\$1,569,259 (2017: US\$696,835) was incurred by the Fund, of which US\$163,267 (2017: US\$61,344) remained payable at 30 June 2018.

(b) Management fee rebate

During the year ended 30 June 2018, the Fund invests in First State Asian Bond Fund (“CMAB”). To avoid double charging of management fee, the Manager fully rebates the management fee charged to the Fund in relation to the investment in CMAB.

For the year ended 30 June 2018, a management fee rebate of US\$100,406 (2017: Nil) was recognised by the Fund, of which US\$39,785 (2017: Nil) remained receivable at 30 June 2018.

(c) Trustee’s fee

The Trustee is entitled to receive in arrears a monthly trustee fee from the Fund, accrued on and calculated at each dealing day at the rate of 0.05% per annum of the net asset value of the Fund. The Trustee may increase the rate of the trustee fee up to 1% per annum by giving not less than three months’ written notice of such increase to the Manager and the unitholders. For the year ended 30 June 2018, a trustee fee of US\$62,771 (2017: US\$29,070) was incurred by the Fund, of which US\$6,531 (2017: US\$2,454) remained payable at 30 June 2018.

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**9. Transactions with connected persons/related parties (continued)**

(d) Administration fee

The Trustee is also entitled to receive in arrears a monthly administration fee from the Fund, accrued on and calculated at each dealing day at the rate of 0.1% per annum of the net asset value of the Fund, subject to a minimum fee of US\$1,250 per month. For the year ended 30 June 2018, an administration fee of US\$125,541 (2017: US\$58,140) was incurred by the Fund, of which US\$13,061 (2017: US\$4,908) remained payable at 30 June 2018.

(e) Subscription and redemption charge

The Manager is entitled to a charge of 5% of the issue price and the redemption price per unit relating to subscriptions and redemptions respectively in the Fund. For the year ended 30 June 2018, the income accruing to the Manager relating to subscriptions of the Fund amounted to US\$2,466,320 (2017: US\$281,184), of which US\$16,644 (2017: US\$53,893) remained payable at 30 June 2018.

The Manager has not levied any realisation charges on redemption of units in the Fund during the year ended 30 June 2018 (2017: Nil).

(f) Brokerage

The table below summarises the value of transactions effected through Commonwealth Bank of Australia (“CBA”), which is the ultimate holding company of the Manager, in the ordinary course of the Fund’s investment sales and purchase activities (whether as agent or principal).

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
Total brokerage commission paid in respect of the Fund	-	-
<i>Commonwealth Bank of Australia</i>		
Total aggregate value of transactions	300,714	1,119,871
Percentage of such transactions in value to total transactions during the year	0.17%	1.57%
Total commission paid to CBA	-	-
Percentage of such commission in value to total commission during the year	-	-
Average commission rate	-	-

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**9. Transactions with connected persons/related parties (continued)**

(g) At 30 June 2018, the Fund had investments in other funds which are managed by a manager where the Manager is also part of that group amounting to US\$16,273,455 (2017: US\$521,786).

(h) Cross trades with another fund managed by the Manager

During the year ended 30 June 2018, the Fund has transacted with another fund which is also managed by the Manager. The Fund sold an investment amounting to US\$3,572,562 (2017: US\$34,302) to that another fund. The percentage of such transaction in value to total transactions during the year is 2.06% (2017: 0.05%). The transaction was carried out at fair value of the investment on the date of the transaction. The decision was in the best interest of the Fund and fell within the investment objectives and policies of the Fund.

(i) Other transactions and balances with the Trustee and its related parties

In addition to the trustee's fee of US\$62,771 (2017: US\$29,070) as disclosed in note 9(c) and the administration fee of US\$125,541 (2017: US\$58,140) as disclosed in note 9(d), the Fund had the following transactions with the Trustee and its related parties. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
Interest on bank deposits	9,535	204
Interest expenses	(962)	(769)
Safe custody and bank charges	(3,018)	(1,686)
Transaction costs	(17,040)	(14,280)

In addition to the trustee fee payable of US\$6,531 (2017: US\$2,454) as disclosed in note 9(c) and the administration fee payable of US\$13,061 (2017: US\$4,908) as disclosed in note 9(d), the Fund had the following balances with the Trustee and its related parties.

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
Cash at banks	3,309,383	4,449,522
Interest receivable	829,927	264,566
Transaction costs payable	(10,792)	(9,352)

During the year ended 30 June 2018 and 2017, the Fund had an uncommitted bank overdraft facility with the Trustee and its related parties as disclosed in note 7.

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**10. Soft commission arrangements**

During the year ended 30 June 2018, there was no use of soft commission arrangement with brokerage firms. However, during the year ended 30 June 2017, the Manager made use of commission sharing arrangements with brokerage firms that execute orders or that provide research and advisory services to the Manager. This may include situations where the dealing commission on a particular trade or a series of trades is shared between one or more providers of execution and/or research services. In this case a portion of the commission paid by the Manager to the executing broker is used to purchase third party research or execution services.

**11. Distributions**

Prior to 1 November 2017

The Manager intended to declare distributions on units in the Fund on a semi-annual basis for the six-month periods to the end of June and December in each year. Distributions will normally be paid by the end of February and August in each year. The unitholders may elect to have distributions paid in cash or reinvested in the Fund.

Effective from 1 November 2017

The Manager intends to declare distributions on units in the Fund on a monthly basis. Distributions which accrue each month shall normally be declared and paid within the following month. The unitholders may elect to have distributions paid in cash or reinvested in the Fund.

**For the year ended 30 June 2018**

<b>Record date</b>	<b>Payment date</b>	<b>No. of units entitled to distribution</b>	<b>Distribution per unit US\$</b>	<b>Total distribution amount US\$</b>
9 August 2017	21 August 2017	6,028,831.15	0.3660	2,206,552
31 October 2017	13 November 2017	7,498,881.80	0.2513	1,884,469
30 November 2017	8 December 2017	8,126,739.20	0.0494	401,461
29 December 2017	10 January 2018	8,371,074.47	0.0500	418,554
31 January 2018	9 February 2018	9,658,626.58	0.0513	495,488
28 February 2018	9 March 2018	10,609,246.00	0.0500	530,462
29 March 2018	10 April 2018	10,746,447.56	0.0495	531,949
30 April 2018	10 May 2018	10,828,436.13	0.0491	531,676
31 May 2018	8 June 2018	10,865,189.67	0.0493	535,654
				7,536,265



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**11. Distributions (continued)**

**For the year ended 30 June 2017**

<b>Record date</b>	<b>Payment date</b>	<b>No. of unit entitled to distribution</b>	<b>Distribution per unit US\$</b>	<b>Total distribution amount US\$</b>
10 August 2016	22 August 2016	4,250,876.38	0.3497	1,486,531
15 February 2017	27 February 2017	4,249,785.61	0.3357	1,426,653
				<u>2,913,184</u>

**12. Subsequent events**

Dividend of US\$0.0482 per unit of the Fund totaling US\$518,458 related to the period from 1 June 2018 to 29 June 2018 was declared on 6 July 2018. The proposed distribution has not been reflected as a liability in the financial statements at 30 June 2018.

**13. Approval of the financial statements**

The financial statements were approved by the Trustee and the Manager on 18 October 2018.

**FIRST STATE UMBRELLA FUNDS  
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INVESTMENT PORTFOLIO (UNAUDITED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%)</b>			
<b>(I) Equities (49.42%)</b>			
<i>Australia</i>			
CSL LTD	19,781	2,814,886	1.81
RAMSAY HEALTH CARE LTD	26,139	1,042,118	0.67
		3,857,004	2.48
<i>China</i>			
AAC TECHNOLOGIES HOLDINGS INC	71,000	999,101	0.64
BAIDU INC	2,321	564,026	0.36
CHINA MENGNIU DAIRY CO LTD	542,000	1,834,197	1.18
CHINA RESOURCES LAND LTD	229,983	773,895	0.50
CSPC PHARMACEUTICAL GROUP LTD	266,000	801,853	0.51
ENN ENERGY HOLDINGS LTD	192,000	1,885,628	1.21
FUYAO GLASS INDUSTRY GROUP CO LTD	131,544	444,323	0.29
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY	140,000	995,957	0.64
MIDEA GROUP CO LTD	296,443	2,335,208	1.50
SHANGHAI INTERNATIONAL AIR	154,989	1,297,382	0.83
		11,931,570	7.66
<i>Hong Kong</i>			
AIA GROUP LTD	238,200	2,082,802	1.34
CK HUTCHISON HOLDINGS LTD	103,500	1,097,604	0.70
DAIRY FARM INTERNATIONAL HOLDINGS LTD	189,990	1,668,112	1.07
JARDINE MATHESON HOLDINGS LTD	16,809	1,060,648	0.68
LINK REIT	92,078	840,919	0.54
MINTH GROUP LTD	256,000	1,076,803	0.69
TECHTRONIC INDUSTRIES CO LTD	144,000	802,095	0.52
VITASOY INTL HLDGS LTD	446,000	1,426,891	0.92
		10,055,874	6.46

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(I) Equities (49.42%) (continued)</b>			
<i>India</i>			
AXIS BANK LTD	129,480	960,210	0.62
DABUR INDIA LTD	159,017	904,574	0.58
GODREJ CONSUMER PRODUCTS LTD	42,298	753,789	0.48
HDFC BANK LTD	124,008	3,817,524	2.45
HOUSING DEVELOPMENT FINANCE CORP LTD	108,357	3,018,387	1.94
KOTAK MAHINDRA BANK LTD	68,323	1,339,386	0.86
MARICO LTD	54,079	261,062	0.17
MPHASIS LTD	55,963	881,326	0.57
NESTLE INDIA LTD	5,375	769,594	0.49
TATA CONSULTANCY SERVICES LTD	60,012	1,615,896	1.04
TECH MAHINDRA LTD	127,662	1,217,182	0.78
		15,538,930	9.98
<i>Indonesia</i>			
BANK CENTRAL ASIA	679,600	1,010,152	0.65
INDOCEMENT TUNGGAL PRAKARSA TBK PT	301,000	286,717	0.18
SEMEN INDONESIA (PERSERO) TBK	755,100	374,125	0.24
		1,670,994	1.07
<i>Japan</i>			
FAST RETAILING CO LTD	2,200	1,009,380	0.65
KEYENCE CORP	1,600	902,524	0.58
MISUMI GROUP INC	44,400	1,290,733	0.83
NIPPON PAINT HOLDINGS CO LTD	22,700	975,507	0.63
PIGEON CORP	20,800	1,010,283	0.65
RYOHIN KEIKAKU CO LTD	2,300	808,784	0.52
SMC CORP	2,000	733,264	0.47
UNICHARM CORPORATION	29,700	892,622	0.57
		7,623,097	4.90

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(I) Equities (49.42%) (continued)</b>			
<i>Malaysia</i>			
PUBLIC BANK	138,500	790,645	0.51
		<u>790,645</u>	<u>0.51</u>
<i>Philippines</i>			
BDO UNIBANK	308,724	726,001	0.46
DMCI HOLDINGS INC	2,898,900	570,356	0.37
MANILA WATER CO	2,064,900	1,064,032	0.68
UNIVERSAL ROBINA CORP	457,830	1,038,037	0.67
		<u>3,398,426</u>	<u>2.18</u>
<i>Singapore</i>			
DBS GROUP HLDGS LTD	56,709	1,106,730	0.71
JARDINE CYCLE & CARRIAGE LTD	22,400	522,584	0.33
OVERSEA-CHINESE BANKING CORP	283,863	2,423,297	1.56
		<u>4,052,611</u>	<u>2.60</u>
<i>South Korea</i>			
AMOREPACIFIC GROUP	3,797	420,753	0.27
HANON SYSTEMS	67,762	644,484	0.41
HANSSEM CO LTD	4,105	384,901	0.25
LG CHEMICAL LTD	1,885	564,062	0.36
LG HOUSEHOLD & HEALTH CARE LTD	802	1,004,569	0.64
NAVER CORP	1,426	973,698	0.63
SAMSUNG ELECTRONICS PFD	65,600	2,213,154	1.42
		<u>6,205,621</u>	<u>3.98</u>

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(I) Equities (49.42%) (continued)</b>			
<i>Taiwan</i>			
ADVANTECH CO LTD	200,124	1,312,784	0.84
DELTA ELECTRONICS INC	232,294	830,479	0.54
PRESIDENT CHAIN STORE CORP	87,000	985,896	0.63
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	566,791	4,015,509	2.58
UNI-PRESIDENT ENTERPRISES CORP	281,000	712,442	0.46
		7,857,110	5.05
<i>Thailand</i>			
CPN RETAIL GROWTH LEASEHOLD REIT	736,231	517,784	0.33
DELTA ELECTRONICS THAILAND PCL (FR)	301,300	532,027	0.34
KASIKORNBANK PCL	257,000	1,551,464	1.00
		2,601,275	1.67
<i>United States</i>			
RESMED INC	132,128	1,375,505	0.88
		1,375,505	0.88
Total equities		76,958,662	49.42
<b>(II) Investment funds (10.45%)</b>			
FIRST STATE FUNDS FIRST STATE CHINA A SHARES FUND	26,446	597,422	0.38
FIRST STATE GLOBAL UMBRELLA PLC - ASIAN BOND FUND	1,904,743	15,676,033	10.07
Total investment funds		16,273,455	10.45

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%)</b>			
<b>Bonds (32.46%)</b>			
<i>China</i>			
AZURE NOVA INTERNATIONAL FINANCE SER EMTN (REG S) 3.5% 21/03/2022	200,000	196,576	0.13
AZURE ORBIT IV INTERNATIONAL FINANCE SER (EMTN) (REG S) (REG) 3.5% 25/01/2021	800,000	791,312	0.51
BANK OF CHINA SER REGS 5% 13/11/2024	1,200,000	1,226,868	0.79
BANK OF CHINA/PARIS SER EMTN (REG) (REG S) 4.5% 22/11/2020	1,000,000	150,887	0.10
BAO-TRANS ENTERPRISES (SER REGS) 3.75% 12/12/2018	200,000	199,988	0.13
BOC AVIATION LTD SER REGS 3.5% 18/09/2027	1,000,000	917,330	0.59
CENTRAL CHINA REAL ESTATE (REG S) (REG) 6% 16/07/2018	300,000	299,625	0.19
CENTRAL CHINA REAL ESTATE (REG S) (REG) 6.5% 05/03/2021	800,000	759,999	0.49
CENTRAL CHINA REAL ESTATE (REG S) 8.75% 23/01/2021	500,000	505,283	0.32
CENTURY MASTER INVESTMENT (REGS) (REG) 4.75% 19/09/2018	730,000	732,124	0.47
CHARMING LIGHT INVESTMENTS LTD SER EMTN (REG) (REG S) 4.375% 21/12/2027	500,000	467,340	0.30
CHINA CINDA FINANCE 2017 (REG) (REG S) 4.1% 09/03/2024	200,000	195,252	0.13
CHINA MERCHANTS FINANCE EMTN (REGS) (BR) 5% 04/05/2022	200,000	206,546	0.13
CHINA REINSURANCE FINANCE (REG S) (REG) 3.375% 09/03/2022	1,800,000	1,714,302	1.10
CHINA RESOURCES LAND LTD SER EMTN (REG S) (REG) 6% 27/02/2024	300,000	324,882	0.21

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<i>China (continued)</i>			
CHINA SCE PROPERTY HOLDINGS (REG S) (REG) 7.45% 17/04/2021	300,000	297,300	0.19
CHINALCO CAPITAL HOLDINGS (REG) (REG S) 4.25% 21/04/2022	300,000	283,875	0.18
CIFI HOLDINGS GROUP (REG) (REG S) 5.5% 23/01/2023	600,000	533,250	0.34
CITIC LTD (REG) 6.625% 15/04/2021	800,000	855,000	0.55
CITIC SER (EMTN) (REG S) 4% 11/01/2028	300,000	280,992	0.18
CNAC HK FINBRIDGE CO LTD (REG) (REG S) 3.5% 19/07/2022	1,000,000	965,200	0.62
CNAC HK FINBRIDGE CO LTD (REG S) 4.125% 19/07/2027	700,000	645,372	0.41
CNAC HK FINBRIDGE CO LTD (REG S) 5.125% 14/03/2028	500,000	496,830	0.32
CNPC HK OVERSEAS CAPITAL (REG S) 5.95% 28/04/2041	200,000	240,730	0.15
COUNTRY GARDEN HOLDINGS CO LTD (REGS) 7.25% 04/04/2021	300,000	300,000	0.19
ENN ENERGY HOLDINGS LTD (REG S) 3.25% 24/07/2022	800,000	772,216	0.50
FRANSHION BRILLIANT LTD (REG S) (REG) 5.75% 19/03/2019	1,000,000	1,013,780	0.65
FRANSHION BRILLIANT LTD (REG S) (REG) 5.2% 08/03/2021	2,000,000	301,554	0.19
FRANSHION BRILLIANT LTD (REG S) (REG) 3.6% 03/03/2022	250,000	241,320	0.16
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 4.85% 17/08/2020	400,000	381,000	0.25
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 7.125% 20/03/2021	1,000,000	147,873	0.10
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 5.9% 12/02/2023	900,000	820,839	0.53

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<i>China (continued)</i>			
HUARONG FINANCE 2017 CO (REG) (REG S) 5.5% 27/04/2047	600,000	596,424	0.38
HUARONG FINANCE 2017 CO SER EMTN (REG S) (REG) 4.95% 07/11/2047	700,000	633,738	0.41
KWG PROPERTY HOLDING LTD (REG) (REG S) 5.875% 10/11/2024	600,000	513,750	0.33
LENOVO GROUP LTD (REG S) (REG) SER EMTN 3.875% 16/03/2022	500,000	466,895	0.30
LONGFOR PROPERTIES (REG S) (REG) 4.5% 16/01/2028	500,000	455,000	0.29
NUOXI CAPITAL LTD (REG) (REG S) 4.7% 24/01/2021	650,000	607,607	0.39
NUOXI CAPITAL LTD (REG) (REG S) 5.35% 24/01/2023	1,400,000	1,252,678	0.80
PROVEN HONOUR CAPITAL (REG S) (REG) 4.125% 06/05/2026	800,000	751,000	0.48
SHIMAO PROPERTY HOLDINGS (REG) (REG S)	400,000	366,502	0.24
SHIMAO PROPERTY HOLDINGS LTD (REG) (REG S) 4.75% 03/07/2022	300,000	285,009	0.18
STATE GRID OVERSEAS INVESTMENT (REG S) 4.125% 07/05/2024	300,000	303,814	0.20
STATE GRID OVERSEAS INVESTMENT SER REGS (REG) (REGS) 2.125% 18/05/2021	200,000	192,754	0.12
VANKE REAL ESTATE HK SER (EMTN) (REG) (REG S) 3.975% 09/11/2027	1,000,000	939,130	0.60
WANDA PROPERTIES OVERSEAS (REG) (REG S) 4.875% 21/11/2018	1,200,000	1,194,016	0.77
		26,406,795	16.96



**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<i>Hong Kong</i>			
LI & FUNG LTD (REG) (REG S) 5.25% 29/12/2049	800,000	638,000	0.41
NAN FUNG TREASURY II LTD (REG) (REG S) 5.5% PERP	200,000	175,250	0.11
NAN FUNG TREASURY LTD SER EMTN (REG S) (REG) 3.875% 03/10/2027	600,000	558,558	0.36
NEW WORLD CHINA LAND LTD (REG S) (REG) 4.75% 23/01/2027	300,000	296,916	0.19
WHARF REIC FINANCE BVI SER EMTN (REG) (REG S) 3.5% 17/01/2028	800,000	757,064	0.49
		2,425,788	1.56
<i>India</i>			
ABJA INVESTMENT CO (REG) (REG S) 5.45% 24/01/2028	300,000	254,250	0.16
BHARTI AIRTEL INTERNATIONAL (REG) (REG S) 5.125% 11/03/2023	500,000	493,750	0.32
BHARTI AIRTEL INTERNATIONAL (REGS) (REG) 5.35% 20/05/2024	1,500,000	1,486,875	0.95
BPRL INTERNATIONAL SINGAPORE SER EMTN (REG S) 4.375% 18/01/2027	500,000	474,870	0.31
ICICI BANK LTD / DUBAI (REG S) (REG) SER GMTN 3.25% 09/09/2022	800,000	764,896	0.49
NTPC LTD SER EMTN (REG S) (REG) 4.25% 26/02/2026	250,000	242,392	0.16
OIL INDIA INTERNATIONAL (REG S) (REG) 4% 21/04/2027	1,000,000	905,630	0.58
OIL INDIA LTD (REG S) (REG) 5.375% 17/04/2024	500,000	513,095	0.33
ONGC VIDESH LTD SER REGS 4.625% 15/07/2024	800,000	801,064	0.51

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<i>India (continued)</i>			
RELIANCE INDUSTRIES LTD SER REGS (REG) 3.667% 30/11/2027	350,000	324,061	0.21
RURAL ELECTRIFICATION SER EMTN (REG S) (REG) 3.875% 07/07/2027	800,000	722,456	0.46
RURAL ELECTRIFICATION SER EMTN (REG) (REG S) 4.625% 22/03/2028	250,000	243,058	0.16
		7,226,397	4.64
<i>Indonesia</i>			
INDONESIA (REP OF) (REG) 4.35% 11/01/2048	1,000,000	895,000	0.57
MEDCO PLATINUM ROAD PTE SER REGS (REG) 6.75% 30/01/2025	800,000	701,519	0.45
PERTAMINA (REG S) 4.875% 03/05/2022	250,000	254,375	0.16
PERTAMINA PERSERO 6.45% (REG S) 30/05/2044	200,000	210,500	0.14
PERUSAHAAN PENERBIT SBSN SER (REG S) (REG) 4.15% 29/03/2027	1,000,000	962,500	0.62
PERUSAHAAN PENERBIT SBSN SER (REGS) (REG) (REG S) 4.4% 01/03/2028	650,000	634,563	0.41
THETA CAPITAL PTE LTD (REG S) 7% 11/04/2022	900,000	715,500	0.46
THETA CAPITAL PTE LTD (REG S) 6.75% 31/10/2026	600,000	427,500	0.27
		4,801,457	3.08
<i>Malaysia</i>			
AMBANK M SER EMTN (REG S) 3.125% 03/07/2019	700,000	696,493	0.45
GOHL CAPITAL LTD (REG S) 4.25% 24/01/2027	700,000	662,480	0.42

**FIRST STATE UMBRELLA FUNDS**  
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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<i>Malaysia (continued)</i>			
MALAYSIA (GOVT OF) SER 0414 3.654% 31/10/2019	445,000	110,393	0.07
PRESS METAL LABUAN LTD (REG S) 4.8% 30/10/2022	630,000	586,776	0.38
		2,056,142	1.32
<i>New Zealand</i>			
FONTERRA COOPERATIVE GROUP SER MTN 4% 02/11/2027	300,000	221,405	0.14
		221,405	0.14
<i>South Korea</i>			
EXPORT IMPORT BANK OF KOREA (REG) 2.875% 21/01/2025	300,000	282,099	0.18
HANA BANK SER REGS 4.375% 30/09/2024	550,000	546,586	0.35
HYUNDAI CAPITAL AMERICA (REG S) (REG) 2.75% 27/09/2026	500,000	441,980	0.28
HYUNDAI CAPITAL SERVICES (REG) (REG S) SER REGS 3% 06/03/2022	800,000	774,232	0.50
KOREA DEVELOPMENT BANK (REG) 2.5% 13/01/2021	800,000	779,767	0.50
KOREA GAS CORP (REG) (REG S) 2.75% 20/07/2022	300,000	289,167	0.19
KOREA HOUSING FINANCE CO SER REGS (REG) 3% 31/10/2022	800,000	782,504	0.50
KOREA HYDRO & NUCLEAR POWER (REG) SER REGS 3.125% 25/07/2027	600,000	558,331	0.36
NONGHYUP BANK (REG S) 2.875% 17/07/2022	300,000	289,053	0.19
NONGHYUP BANK SER EMTN (REG S) (REG) 2.875% 22/07/2020	200,000	197,550	0.13

**FIRST STATE UMBRELLA FUNDS  
 FIRST STATE ASIAN BRIDGE FUND  
 INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
 AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Bonds (32.46%) (continued)</b>			
<b><i>South Korea (continued)</i></b>			
SHINHAN BANK SER GMTN (REG) (REG) 4.5% 26/03/2028	500,000	491,250	0.31
WOORI BANK SER REG S 4.75% 30/04/2024	1,000,000	1,000,995	0.64
		<u>6,433,514</u>	<u>4.13</u>
<b><i>Thailand</i></b>			
BANGKOK BANK PUBLIC CO (HK) (REGS) 9.025% 15/03/2029	300,000	402,120	0.26
SIAM COMMERCIAL BANK CAYMAN ISLANDS SER EMTN (REG) (REG S) 2.75% 16/05/2023	600,000	569,160	0.37
		<u>971,280</u>	<u>0.63</u>
Total bonds		<u>50,542,778</u>	<u>32.46</u>

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Money market instruments (5.59%)</b>			
<i>China</i>			
CCCI TREASURE LTD (REG S) (REG) VAR 29/12/2049	1,200,000	1,177,764	0.75
CHARMING LIGHT INVESTMENTS LTD SER EMTN (REG) (REG S) VAR PERP	400,000	386,000	0.25
CHINA CONSTRUCTION BANK (REG S) (REG) VAR 13/05/2025	300,000	297,735	0.19
CHINA CONSTRUCTION BANK (REG S) (REG) VAR PERP	800,000	792,936	0.51
HUARONG FINANCE (REG) (REG S) VAR PERP	600,000	586,512	0.38
POSTAL SAVINGS BK CHINA (REG) (REG S) VAR PERP	800,000	742,000	0.48
YUZHOU PROPERTIES CO LTD (REG) (REG S) VAR PERP	800,000	689,960	0.44
		4,672,907	3.00
<i>Hong Kong</i>			
BANK OF EAST ASIA LTD SER EMTN (REG S) (REG) VAR 20/11/2024	300,000	299,991	0.19
CHINA CONSTRUCTION BANK ASIA SER EMTN (REG S) VAR 20/08/2024	400,000	400,500	0.26
		700,491	0.45
<i>Malaysia</i>			
MALAYAN BANKING BERHAD (REG S) VAR 29/10/2026	400,000	393,948	0.25
		393,948	0.25

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AT 30 JUNE 2018**

	Holdings at 30.6.2018	Market value US\$	% of net asset value
<b>Listed/quoted investments (97.92%) (continued)</b>			
<b>(III) Debt securities (38.05%) (continued)</b>			
<b>Money market instruments (5.59%) (continued)</b>			
<i>Singapore</i>			
DBS GROUP HOLDINGS LTD SER GMTN (REG S) VAR PERP	700,000	670,250	0.43
DBS GROUP HOLDINGS LTD SER REGS (REG) VAR 11/12/2028	200,000	201,346	0.13
UNITED OVERSEAS BANK LTD SER EMTN (REG S) (REG) VAR 16/09/2026	400,000	392,504	0.25
UNITED OVERSEAS BANK LTD SER EMTN (REG S) (REG) VAR PERP	1,600,000	1,486,096	0.96
		2,750,196	1.77
<i>South Korea</i>			
SHINSEGAE CO LTD (REG S) VAR 2.625% 08/05/2045	200,000	193,244	0.12
		193,244	0.12
Total money market instruments		8,710,786	5.59
Total debt securities		59,253,564	38.05
<b>Total listed/quoted investments</b>		152,485,681	97.92

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AT 30 JUNE 2018**

	<b>Holdings at 30.6.2018</b>	<b>Market value US\$</b>	<b>% of net asset value</b>
<b>Derivatives (0.00%)</b>			
<b>Futures (0.00%)</b>			
US 10YR NOTE (CBT) SEP 18 FUT 19/09/2018	(86)	(99,313)	(0.06)
US 2YR NOTE (CBT) FUT 28/09/2018	31	5,816	0.01
US 5YR NOTE (CBT) SEP 18 FUT 28/09/2018	(26)	(11,129)	(0.01)
US LONG BOND (CBT) SEP 18 FUT 19/09/2018	27	97,031	0.06
Total futures		(7,595)	(0.00)
Total forward foreign exchange contracts		7	0.00
Other net assets		3,241,330	2.08
Net assets at 30 June 2018		155,719,423	100.00
Total listed/quoted investments, at historical cost		142,605,140	

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>Listed/quoted investments</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>(I) Equities</b>			
<i>Australia</i>			
BRAMBLES LTD	36,051	79,594	-
CSL LTD	10,010	3,188	-
RAMSAY HEALTH CARE LTD	14,402	-	-
<i>China</i>			
AAC TECHNOLOGIES HOLDINGS INC	34,500	2,500	-
BAIDU INC	1,409	322	-
CHINA MENGNIU DAIRY CO LTD	336,000	69,000	-
CHINA RESOURCES LAND LTD	229,983	-	-
CHINA SOUTH PUBLISHING	36,700	166,473	-
CSPC PHARMACEUTICAL GROUP LTD	82,000	20,000	-
ENN ENERGY HOLDINGS LTD	164,000	68,000	-
FUYAO GLASS INDUSTRY GROUP CO LTD	144,744	89,200	-
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY	89,200	12,000	-
MIDEA GROUP CO LTD	207,545	-	-
SHANGHAI INTERNATIONAL AIR	205,189	50,200	-
<i>Hong Kong</i>			
AIA GROUP LTD	154,800	-	-
CK HUTCHISON HOLDINGS LTD	54,000	35,000	-
DAIRY FARM INTERNATIONAL HOLDINGS LTD	98,700	-	-
JARDINE MATHESON HOLDINGS LTD	6,322	-	-
LINK REIT	42,500	10,000	-
MINTH GROUP LTD	142,000	-	-
TECHTRONIC INDUSTRIES CO LTD	86,000	-	-
VITASOY INTL HLDGS LTD	308,000	88,000	-



**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)  
(CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(I) Equities (continued)</b>			
<i>India</i>			
AXIS BANK LTD	110,251	-	-
DABUR INDIA LTD	67,152	-	-
DR REDDY'S LABORATORIES LTD	1,193	9,199	-
GODREJ CONSUMER PRODUCTS LTD	11,882	-	-
HDFC BANK LTD	71,931	-	-
HDFC STANDARD LIFE INSURANCE CO LTD	15,256	15,256	-
HOUSING DEVELOPMENT FINANCE CORP LTD	78,761	-	-
INFOSYS TECHNOLOGIES LTD	7,357	33,463	-
KOTAK MAHINDRA BANK LTD	42,689	-	-
LUPIN LTD	4,482	15,953	-
MARICO LTD	15,192	-	-
MPHASIS LTD	55,963	-	-
NESTLE INDIA LTD	4,360	2,020	-
TATA CONSULTANCY SERVICES LTD	16,310	-	30,006
TECH MAHINDRA LTD	99,774	-	-
<i>Indonesia</i>			
BANK CENTRAL ASIA	517,300	-	-
INDOCEMENT TUNGGAL PRAKARSA TBK PT	137,300	-	-
SEMEN INDONESIA (PERSERO) TBK	755,100	-	-
<i>Japan</i>			
FAST RETAILING CO LTD	2,400	200	-
KEYENCE CORP	800	-	-
MISUMI GROUP INC	25,100	3,900	-
NIPPON PAINT HOLDINGS CO LTD	33,600	10,900	-
PIGEON CORP	11,000	-	-
RYOHIN KEIKAKU CO LTD	1,000	200	-
SHIMANO INC	100	1,600	-
SMC CORP	1,100	200	-
UNICHARM CORPORATION	29,700	-	-
<i>Malaysia</i>			
PUBLIC BANK	71,500	-	-
<i>Philippines</i>			
BDO UNIBANK	161,770	34,300	-
DMCI HOLDINGS INC	1,704,200	103,000	-
MANILA WATER CO	1,231,300	-	-
SM INV CORP	20,220	51,070	-
UNIVERSAL ROBINA CORP	334,110	-	-

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(I) Equities (continued)</b>			
<i>Singapore</i>			
DBS GROUP HLDGS LTD	27,500	-	-
JARDINE CYCLE & CARRIAGE LTD	22,400	-	-
OVERSEA-CHINESE BANKING CORP	191,100	-	-
SINGAPORE TELECOMMUNICATIONS LTD	74,600	178,800	-
<i>South Korea</i>			
AMOREPACIFIC GROUP	1,194	577	-
HANON SYSTEMS	45,112	4,123	-
HANSSEM CO LTD	4,105	-	-
LG CHEMICAL LTD	803	-	-
LG HOUSEHOLD & HEALTH CARE LTD	270	199	-
NAVER CORP	1,027	-	-
SAMSUNG ELECTRONICS CO LTD	785	-	64,288
<i>Taiwan</i>			
ADVANTECH CO LTD	111,000	-	-
DELTA ELECTRONICS INC	128,000	-	-
PRESIDENT CHAIN STORE CORP	34,000	-	-
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	336,000	43,000	-
UNI-PRESIDENT ENTERPRISES CORP	258,000	192,000	-
<i>Thailand</i>			
CPN RETAIL GROWTH LEASEHOLD PROPERTY FUND	206,700	736,231	-
CPN RETAIL GROWTH LEASEHOLD REIT	1,472,462	736,231	-
DELTA ELECTRONICS THAILAND PCL (FR)	176,400	28,900	-
KASIKORNBANK PCL	174,300	6,200	-
<i>United States</i>			
RESMED INC	67,390	-	-
<b>(II) Investment funds</b>			
FIRST STATE GLOBAL UMBRELLA PLC - ASIAN BOND FUND	1,904,743	-	-

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>Listed/quoted investments</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>(III) Debt securities</b>			
<b>Bonds</b>			
<i>Australia</i>			
AUSTRALIA AND NEW ZEALAND			
BANKING GROUP (REG S) 4.5%			
19/03/2024	450,000	700,000	-
COMMONWEALTH BANK OF			
AUSTRALIA (REG S) (BR) SER EMTN			
4.2% 26/10/2020	2,000,000	2,000,000	-
<i>Canada</i>			
HARVEST OPERATIONS CORP SER			
REGS (REG) 4.2% 01/06/2023	400,000	400,000	-
NEXEN ENERGY ULC (REG) 6.4%			
15/05/2037	200,000	200,000	-
<i>China</i>			
ALIBABA GROUP HOLDING (REG) 4.5%			
28/11/2034	-	200,000	-
AZURE NOVA INTERNATIONAL			
FINANCE SER EMTN (REG S) 3%			
21/03/2020	-	200,000	-
AZURE ORBIT INTERNATIONAL			
FINANCE LTD (REGS) 3.75%			
06/03/2023	-	250,000	-
AZURE ORBIT IV INTERNATIONAL			
FINANCE SER (EMTN) (REG S) (REG)			
3.5% 25/01/2021	800,000	-	-
BANK OF CHINA LTD SER REGS (REG)			
5% 13/11/2024	800,000	-	-
BANK OF CHINA/JOHANNESBURG (REG			
S) (REG) SER EMTN 4.88% 20/04/2020	-	2,000,000	-
BANK OF CHINA/PARIS SER EMTN			
(REG) (REG S) 4.5% 22/11/2020	1,000,000	-	-
BESTGAIN REAL ESTATE LTD (REGS)			
(REG) 2.625% 13/03/2018	-	350,000	-
BOC AVIATION LTD (REG) REGS) SER			
OCT 3.5% 18/09/2027	1,000,000	1,000,000	-
BOC AVIATION LTD SER REGS 3.5%			
18/09/2027	1,000,000	-	-

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)  
(CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>China (continued)</i>			
CENTRAL CHINA REAL ESTATE (REG S) (REG) 6% 16/07/2018	300,000	-	-
CENTRAL CHINA REAL ESTATE (REG S) (REG) 6.5% 05/03/2021	800,000	-	-
CENTRAL CHINA REAL ESTATE (REG S) (REG) 8.75% 23/01/2021	200,000	-	-
CENTRAL CHINA REAL ESTATE EMTN 6.5% 04/06/2018	-	200,000	-
CENTURY MASTER INVESTMENT (REGS) (REG) 4.75% 19/09/2018	730,000	-	-
CHARMING LIGHT INVESTMENTS LTD SER EMTN (REG) (REG S) 4.375% 21/12/2027	500,000	-	-
CHINA GOVERNMENT INTERNATIONAL BOND (REG) (REG S) 2.125% 02/11/2022	1,000,000	1,000,000	-
CHINA RAILWAY XUNJIE CO LTD (REG S) (REG) 3.25% 28/07/2026	-	200,000	-
CHINA REINSURANCE FINANCE (REG S) (REG) 3.375% 09/03/2022	1,300,000	-	-
CHINA REINSURANCE FINANCE (REG S) (REG) SER AUG 3.375% 09/03/2022	300,000	500,000	-
CHINA SCE PROPERTY HOLDINGS (REG S) (REG) 7.45% 17/04/2021	300,000	-	-
CIFI HOLDINGS GROUP (REG) (REG S) 5.5% 23/01/2023	600,000	-	-
CITIC LTD (REG) 6.625% 15/04/2021	500,000	-	-
CITIC SER (EMTN) (REG S) 4% 11/01/2028	300,000	-	-
CMHI FINANCE (BVI) CO (BR) 7.125% 18/06/2018	-	300,000	-
CNAC HK FINBRIDGE CO LTD (REG S) 4.125% 14/03/2021	400,000	400,000	-
CNAC HK FINBRIDGE CO LTD (REG S) 4.125% 19/07/2027	700,000	-	-
CNAC HK FINBRIDGE CO LTD (REG S) 5.125% 14/03/2028	500,000	-	-

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>Listed/quoted investments</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>China (continued)</i>			
CNAC HK FINBRIDGE CO LTD (REG) (REG S) 3.5% 19/07/2022	1,000,000	-	-
CNOOC FINANCE 2014 LTD 4.25% 30/04/2024	-	500,000	-
COUNTRY GARDEN HOLDINGS CO (REG S) (REG) 7.5% 10/01/2023	-	250,000	-
ENN ENERGY HOLDINGS LTD (REG S) 3.25% 24/07/2022	800,000	-	-
EXPORT-IMPORT BANK OF CHINA (REG S) (REG) 3.375% 14/03/2027	-	200,000	-
EXPORT-IMPORT BANK OF CHINA (REG) (SER REGS) 2.875% 26/04/2026	-	200,000	-
FRANSHION BRILLIANT LTD (REG S) (REG) 5.75% 19/03/2019	1,000,000	-	-
FRANSHION BRILLIANT LTD (REG S) (REG) 5.2% 08/03/2021	2,000,000	-	-
FRANSHION BRILLIANT LTD 5.375% 17/10/2018	-	200,000	-
GREENLAND GLOBAL INVESTMENT SER EMTN (REG S) (REG) 6.75% 22/05/2019	800,000	800,000	-
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 4.85% 17/08/2020	800,000	400,000	-
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 7.125% 20/03/2021	1,000,000	-	-
GREENLAND GLOBAL INVESTMENT SER EMTN (REG) (REG S) 5.9% 12/02/2023	900,000	-	-
GREENLAND GLOBAL INVESTMENT SER (REG) (REG S) 4% 20/06/2018	1,030,000	1,030,000	-
HUARONG FINANCE (REG S) 3.375% 24/01/2020	-	250,000	-
HUARONG FINANCE 2017 CO (REG) (REG S) 5.5% 27/04/2047	600,000	-	-
HUARONG FINANCE 2017 CO SER EMTN (REG S) (REG) 4.95% 07/11/2047	1,000,000	300,000	-
HUARONG FINANCE 2017 CO SER EMTN (REG) (REG S) 4.25% 07/11/2027	1,000,000	1,000,000	-
KWG PROPERTY HOLDING LTD (REG) (REG S) 5.875% 10/11/2024	600,000	-	-

**FIRST STATE UMBRELLA FUNDS**  
**FIRST STATE ASIAN BRIDGE FUND**  
**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>China (continued)</i>			
LENOVO GROUP LTD (REG S) (REG) SER EMTN 3.875% 16/03/2022	1,000,000	500,000	-
LENOVO GROUP LTD (REG) (REG S) 4.7% 08/05/2019	-	550,000	-
LONGFOR PROPERTIES (REG S) (REG) 6.75% 29/01/2023	300,000	300,000	-
LONGFOR PROPERTIES (REG S) (REG) 4.5% 16/01/2028	500,000	-	-
MEGA ADVANCE INVESTMENTS (REG S) 6.375% 12/05/2041	-	200,000	-
NUOXI CAPITAL LTD (REG) (REG S) 4.7% 24/01/2021	650,000	-	-
NUOXI CAPITAL LTD (REG) (REG S) 5.35% 24/01/2023	1,400,000	-	-
PROVEN GLORY CAPITAL LTD (REG S) (REG) SER EMTN 3.25% 21/02/2022	400,000	400,000	-
PROVEN HONOUR CAPITAL (REG S) (REG) 4.125% 06/05/2026	400,000	-	-
SHIMAO PROPERTY HOLDINGS (REG) (REG S)	400,000	-	-
SINOPEC CAPITAL 2013 (REG S) 3.125% 24/04/2023	-	300,000	-
STATE GRID OVERSEAS INVESTMENT SER REGS (REG) (REG S) 3.5% 04/05/2027	600,000	1,000,000	-
THREE GORGES FINANCE I CAYMAN ISLANDS (SER REGS) 3.15% 02/06/2026	200,000	700,000	-
VANKE REAL ESTATE HK SER (EMTN) (REG) (REG S) 3.975% 09/11/2027	1,000,000	-	-
WANDA PROPERTIES INTERNATIONAL CO (REG S) (REG) 7.25% 29/01/2024	250,000	500,000	-
WANDA PROPERTIES OVERSEAS (REG) (REG S) 4.875% 21/11/2018	1,000,000	-	-
WANT WANT CHINA FINANCE (REG S) 1.875% 14/05/2018	-	200,000	-
YUZHOU PROPERTIES CO LTD (REGS) (REG) 6% 25/02/2022	300,000	500,000	-

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)  
(CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

<b>Listed/quoted investments</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i><b>Hong Kong</b></i>			
AIA GROUP LTD (REG S) 4.875% 11/03/2044	-	200,000	-
HONGKONG ELECTRIC FIN SER EMTN (REG S) (REG) 2.875% 03/05/2026	-	600,000	-
HUTCHISON WHAMPOA INTERNATIONAL LTD (REG S) 7.45% 24/11/2033	-	200,000	-
LI & FUNG LTD (REG) (REG S) 5.25% 29/12/2049	500,000	-	-
NAN FUNG TREASURY II LTD (REG) (REG S) 5.5% PERP	200,000	300,000	-
NAN FUNG TREASURY LTD SER EMTN (REG S) (REG) 3.875% 03/10/2027	600,000	-	-
NEW WORLD CHINA LAND LTD (REG S) (REG) 4.75% 23/01/2027	600,000	300,000	-
STANDARD CHARTERED BANK EMTN 5.875% 24/06/2020	-	300,000	-
TVB FINANCE LTD (REG) (REG S) 3.625% 11/10/2021	800,000	800,000	-
WHARF REIC FINANCE BVI SER EMTN (REG) (REG S) 3.5% 17/01/2028	800,000	-	-
<i><b>India</b></i>			
ABJA INVESTMENT CO (REG) (REG S) 5.45% 24/01/2028	300,000	-	-
BHARTI AIRTEL INTERNATIONAL (REG) (REG S) 5.125% 11/03/2023	500,000	-	-
BHARTI AIRTEL INTERNATIONAL (REGS) (REG) 5.35% 20/05/2024	750,000	-	-
BPRL INTERNATIONAL SINGAPORE SER EMTN (REG S) 4.375% 18/01/2027	300,000	-	-
HOUSING DEVELOPMENT FINANCE CORP LTD SER GMTN (REG S) (REG) 7.875% 21/08/2019	-	10,000,000	-
ICICI BANK LTD / DUBAI (REG S) (REG) SER GMTN 3.25% 09/09/2022	800,000	-	-
OIL INDIA INTERNATIONAL (REG S) (REG) 4% 21/04/2027	750,000	-	-
OIL INDIA LTD (REG S) (REG) 5.375% 17/04/2024	500,000	-	-
ONGC VIDESH LTD SER REGS 4.625% 15/07/2024	800,000	-	-

**FIRST STATE UMBRELLA FUNDS  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)  
(CONTINUED)  
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Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>India (continued)</i>			
RELIANCE HOLDINGS USA INC (REG S) 5.4% 14/02/2022	-	250,000	-
RELIANCE INDUSTRIES LTD (REG S) (REG) 5.875% PERP	-	300,000	-
RELIANCE INDUSTRIES LTD SER REGS (REG) 3.667% 30/11/2027	350,000	-	-
RURAL ELECTRIFICATION SER EMTN (REG S) (REG) 3.875% 07/07/2027	550,000	-	-
RURAL ELECTRIFICATION SER EMTN (REG) (REG S) 4.625% 22/03/2028	250,000	-	-
<i>Indonesia</i>			
BANK RAKYAT INDONESIA (REG S) 2.95% 28/03/2018	-	200,000	-
INDIKA ENERGY III PTE SER REGS (REG) 5.875% 09/11/2024	200,000	200,000	-
INDONESIA (REP OF) (REG) 4.35% 11/01/2048	1,000,000	-	-
INDONESIA GOVERNMENT SER FR69 (REG) 7.875% 15/04/2019	5,000,000,000	5,000,000,000	-
INDONESIA GOVERNMENT SER FR74 7.5% 15/08/2032	5,000,000,000	5,000,000,000	-
MEDCO PLATINUM ROAD PTE SER REGS (REG) 6.75% 30/01/2025	800,000	-	-
PERTAMINA (REG S) 5.25% 23/05/2021	-	200,000	-
PERUSAHAAN LISTRIK NEGAR (REG S) 5.5% 22/11/2021	-	350,000	-
PERUSAHAAN LISTRIK NEGAR SER (REGS) (REG) 6.15% 21/05/2048	450,000	450,000	-
PERUSAHAAN PENERBIT SBSN SER (REG S) (REG) 4.15% 29/03/2027	800,000	-	-
PERUSAHAAN PENERBIT SBSN SER (REGS) (REG) (REG S) 4.4% 01/03/2028	650,000	-	-
THETA CAPITAL PTE LTD (REG S) 7% 11/04/2022	700,000	-	-
THETA CAPITAL PTE LTD (REG S) 6.75% 31/10/2026	600,000	-	-
<i>Malaysia</i>			
AMBANK M SER EMTN (REG S) 3.125% 03/07/2019	700,000	200,000	-



**FIRST STATE UMBRELLA FUNDS**  
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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
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<b>Listed/quoted investments</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>Malaysia (continued)</i>			
AXIATA SPV1 LABUAN LTD 5.375% 28/04/2020	-	220,000	-
GOHL CAPITAL LTD (REG S) 4.25% 24/01/2027	400,000	-	-
PRESS METAL LABUAN LTD (REG S) 4.8% 30/10/2022	630,000	-	-
RHB BANK EMTN (REG) (REG S) 2.503% 06/10/2021	-	200,000	-
<i>New Zealand</i>			
FONTERRA COOPERATIVE GROUP SER MTN 4% 02/11/2027	300,000	-	-
<i>Singapore</i>			
OVERSEA-CHINESE BANKING CORP SER (REGS) 4.25% 19/06/2024	450,000	700,000	-
SINGTEL GROUP TREASURY P SER EMTN (REG S) 3.25% 30/06/2025	800,000	1,000,000	-
STATS CHIPAC LTD (REG S) 4.5% 20/03/2018	270,000	520,000	-
<i>South Korea</i>			
EXPORT IMPORT BANK OF KOREA (REG) 2.875% 21/01/2025	300,000	-	-
EXPORT-IMPORT BANK OF KOREA 4% 14/01/2024	-	300,000	-
EXPORT-IMPORT BANK OF KOREA SER EMTN (REG S) (REG) 3.6% 10/06/2018	-	1,000,000	-
HANA BANK SER REGS 4.375% 30/09/2024	200,000	-	-
HYUNDAI CAPITAL AMERICA (REG S) (REG) 2.75% 27/09/2026	450,000	300,000	-
HYUNDAI CAPITAL SERVICES (REG) (REG S) SER REGS 3% 06/03/2022	600,000	-	-
KOREA DEVELOPMENT BANK (REG) 2.5% 13/01/2021	800,000	-	-
KOREA GAS CORP (REG) (REG S) 2.75% 20/07/2022	300,000	-	-
KOREA HOUSING FINANCE CO SER REGS (REG) 3% 31/10/2022	800,000	-	-

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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(III) Debt securities (continued)</b>			
<b>Bonds (continued)</b>			
<i>South Korea (continued)</i>			
KOREA HYDRO & NUCLEAR POWER (REG) SER REGS 3.125% 25/07/2027	600,000	-	-
KOREA RESOURCES CORP (REG S) 4% 18/04/2023	200,000	200,000	-
NONGHYUP BANK (REG S) 2.875% 17/07/2022	300,000	-	-
SHINHAN BANK SER GMTN (REG) (REG) 4.5% 26/03/2028	500,000	-	-
WOORI BANK SER REG S 4.75% 30/04/2024	1,000,000	500,000	-
<i>Sri Lanka</i>			
REPUBLIC OF SRI LANKA (REG S) (REG) 6.85% 03/11/2025	500,000	500,000	-
REPUBLIC OF SRI LANKA SER REGS (REG) 6.75% 18/04/2028	200,000	200,000	-
<i>Thailand</i>			
SIAM COMMERCIAL BANK CAYMAN ISLANDS SER EMTN (REG) (REG S) 2.75% 16/05/2023	600,000	-	-
<i>United States</i>			
US TREASURY N/B 0.625% 30/09/2017	-	500,000	-
US TREASURY N/B 3% 15/02/2047	260,000	260,000	-
US TREASURY N/B 2.75% 15/08/2047	600,000	600,000	-
US TREASURY N/B 2.75% 15/11/2047	1,170,000	1,170,000	-

**FIRST STATE UMBRELLA FUNDS  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)  
(CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

Listed/quoted investments	Portfolio holdings		Bonus/ Split
	Additions	Disposals	
<b>(III) Debt securities (continued)</b>			
<b>Money market instruments</b>			
<i>China</i>			
CCCI TREASURE LTD (REG S) (REG) VAR 29/12/2049	800,000	-	-
CHARMING LIGHT INVESTMENT LTD SER EMTN (REG) (REG S) VAR PERP	400,000	-	-
CHINA CONSTRUCTION BANK (REG S) (REG) VAR PERP	800,000	-	-
HUARONG FINANCE (REG) (REG S) VAR PERP	600,000	-	-
INDUSTRIAL AND COMMERCIAL BANK OF CHINA/DOHA (REG S) SER FXCD 4.6% 20/03/2018	-	1,000,000	-
POSTAL SAVINGS BK CHINA (REG) (REG S) VAR PERP	800,000	-	-
YUZHOU PROPERTIES CO LTD (REG) (REG S) VAR PERP	800,000	-	-
<i>Hong Kong</i>			
DAH SING BANK LTD EMTN (REGS) (REG) 29/01/2024	-	200,000	-
<i>Singapore</i>			
DBS GROUP HOLDINGS LTD SER GMTN (REG S) VAR PERP	300,000	-	-
DBS GROUP HOLDINGS LTD SER REGS (REG) VAR 11/12/2028	200,000	-	-
OVERSEA-CHINESE BANKING CORP LTD SER EMTN (BR) VAR 15/11/2022	-	300,000	-
UNITED OVERSEAS BANK LTD EMTN (REG S) VAR 19/09/2024	-	400,000	-
UNITED OVERSEAS BANK LTD SER EMTN (REG S) (REG) VAR PERP	1,600,000	-	-

**FIRST STATE UMBRELLA FUNDS**  
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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>Derivatives</b>	<b>Portfolio holdings</b>		<b>Bonus/ Split</b>
	<b>Additions</b>	<b>Disposals</b>	
<b>Futures</b>			
US 2YR NOTE (CBT) FUT 29/09/2017	10	23	-
US 2YR NOTE (CBT) Dec17 FUT 29/12/2017	32	32	-
US 2YR NOTE (CBT) FUT 29/03/2018	48	48	-
US 2YR NOTE (CBT) JUN18 FUT 29/06/2018	43	43	-
US 2YR NOTE (CBT) FUT 28/09/2018	38	7	-
US 5YR NOTE (CBT) FUT 29/03/2018	20	20	-
US 5YR NOTE (CBT) JUN18 29/06/2018	39	39	-
US 5YR NOTE (CBT) SEP18 FUT 28/09/2018	-	26	-
US 10YR NOTE (CBT)SEP17 20/09/2017	54	29	-
US 10YR NOTE (CBT) FUT 19/12/2017	121	121	-
US 10YR NOTE (CBT) FUT 20/03/2018	115	115	-
US 10YR NOTE (CBT)JUN18 FUT 20/06/2018	92	92	-
US 10YR NOTE (CBT)SEP18 FUT 19/09/2018	-	86	-
US LONG BOND(CBT) SEP17 FUT 20/09/2017	4	8	-
US LONG BOND(CBT) DEC17 FUT 19/12/2017	12	12	-
US LONG BOND(CBT) MAR18 FUT 20/03/2018	13	13	-
US LONG BOND(CBT) JUN18 20/06/2018	32	32	-
US LONG BOND(CBT) SEP18 FUTURE 19/09/2018	29	2	-

**FIRST STATE UMBRELLA FUNDS  
FIRST STATE ASIAN BRIDGE FUND  
GENERAL INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2018**

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Manager	First State Investments (Hong Kong) Limited 25th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Directors of the Manager	Chris Turpin Joe Fernandes (resigned on 8 May 2018) Michael Stapleton Lucinda Kate Dowling (appointed on 8 May 2018)
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Auditor	PricewaterhouseCoopers 22nd Floor, Prince's Building Central Hong Kong
Legal Advisor to the Manager	Deacons Alexandra House 5th Floor 18 Charter Road Central Hong Kong

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\* The SFC has not reviewed the contents of this website.