2013 ANNUAL REPORT

iShares MSCI India Index ETF

iShares J.P. Morgan USD Asia Credit Bond Index ETF

iShares Barclays Asia Local Currency Bond Index ETF
(formerly known as iShares Barclays Capital Asia Local Currency Bond Index ETF)

iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF
(formerly known as iShares Barclays Capital Asia Local Currency 1-3 Year Bond Index ETF)

iShares Barclays USD Asia High Yield Bond Index ETF
(formerly known as iShares Barclays Capital USD Asia High Yield Bond Index ETF)

(Sub-funds of iShares Southeast Asia Trust)

December 31, 2013

iSHARES SOUTHEAST ASIA TRUST

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MANAGER'S INVESTMENT REPORT

» iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares MSCI India Index ETF ("MSCI India ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 15 June 2006 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS MS INDIA 100US$" and Exchange ticker of "I98". Effective on 15 June 2012, other than the US dollar, the MSCI India ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of MSCI India ETF is under the trading name of "IS MS INDIA 100S$D" and Exchange ticker of "QK9".

The MSCI India ETF was established as an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. MSCI India ETF is benchmarked against the MSCI India Index. The Manager of MSCI India ETF is BlackRock (Singapore) Limited (the "Manager"). The Manager has appointed the Hong Kong domiciled BlackRock Asset Management North Asia Limited (the "Sub-Manager") as the sub-manager of the MSCI India ETF under a sub-management agreement entered into between the Manager and the Sub-Manager (the "Sub-Management Agreement"). Under the Sub-Management Agreement, the Manager has discretion to delegate its investment management functions of MSCI India ETF to the Sub-Manager.

The MSCI India ETF invests in the Indian market via the Mauritius subsidiary. The Mauritius subsidiary is registered as a sub-account of the Manager, which is registered as a Foreign Institutional Investor ("FII") with the Securities Exchange Board of India, allowing the Mauritius subsidiary to invest directly in Indian securities.

India Tax Law Changes

The President of India enacted the Finance Bill for 2012-13 ("Bill") on 28 May 2012 which contained key tax changes and clarifying amendments to the Indian Income Tax Act 1961 (the "**Tax Act**") that essentially seek to bring into taxation in the India capital gains on the transfers of Indian securities both indirectly, via the indirect transfers thereof (retrospectively and prospectively), and directly via the introduction of general anti-avoidance rules ("**GAAR**"). Currently, with the enactment of the 2013 Finance Act, the legislation has deferred the effective date of GAAR until 1 April 2015. As to the indirect transfer rules, unfortunately the 2013 Finance Act did not address the uncertainties pertaining to their application and as such, the legislation continues to not provide any clear guidance on any quantum threshold or clear formula to determine whether a non-resident company derives the value of its shares substantially from assets located in India, or whether it intends to economically tax a portfolio investment made by an FII not just once, but multiple times and with retrospective effect. India's Ministry of Finance's ("MOF") public acceptance of many of the recommendations put forth by the Expert Committee is a favourable indication that India's indirect tax transfers rules are more broad-scoped than the MOF intended, detailed guidelines and clarifications from the MOF are expectedly forthcoming. Nonetheless, India's current Prime Minister, Manmohan Singh, will be stepping down after India's 2014 General Elections, with likely a new government ushered in early May. As such, the returns of the Sub-Funds via its holdings in Indian investments may as a result be adversely impacted with yet again changes in India's political arena.

MANAGER'S INVESTMENT REPORT

» iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

A. Fund Performance[1]

MSCI India ETF seeks to provide investment results that closely correspond to the performance of the MSCI India Index before fees and expenses. MSCI India ETF invests into the Indian market through its wholly owned Mauritius Subsidiary which invests in Indian securities.

At the close of 31 December 2013, the NAV per unit (based on the last traded prices of the investments) of the MSCI India ETF was US$6.01 and 100,500,000 units were outstanding. The total size of the MSCI India ETF was approximately US$604.3 million.

A summary of the performance of MSCI India ETF is given below:

TOTAL RETURN[2] IN US$ AS OF 31 DECEMBER 2013	1-MONTH	3-MONTH	6-MONTH	1-YEAR	3-YEAR (ANNUALISED)	5-YEAR (ANNUALISED)	SINCE INCEPTION[3] (ANNUALISED)
NET DIV MSCI INDIA TOTAL RETURN INDEX IN US$[4]	3.31%	10.34%	4.54%	-3.83%	-8.69%	13.30%	7.76%
FUND NAV RETURN IN US$[5]	3.18%	9.96%	4.42%	-4.92%	-9.71%	11.69%	6.24%
FUND PRICE RETURN (MKT) IN US$[6]	3.13%	9.19%	2.95%	-5.86%	-9.97%	11.16%	6.10%

MSCI India Index consists of 71 large capitalisation India companies traded on India's National Stock Exchange as of 31 December 2013. The difference in performance between the MSCI India Index and MSCI India ETF can be largely explained by the MSCI India ETF's expenses.

Fund Activities

The average daily trading volume for MSCI India ETF during the year was reported by Bloomberg to be approximately 376,508 units.

[1] Past performance figures shown are not indicative of the future performance of the Fund.
[2] Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
[3] This is annualised return since fund inception and fund inception date is 15 June 2006.
[4] An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
[5] Units in the Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the MSCI India Index. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs; and assuming reinvestment of all dividends.
[6] Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded shares at other times.
Source: BlackRock and MSCI

MANAGER'S INVESTMENT REPORT

» iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Index Activities

MSCI India Index underwent four regular reviews during the year from 1 January 2013 to 31 December 2013. As at 31 December 2013, MSCI India ETF had exposure to all index constituents in the MSCI India Index.

Sector Weights

As of 31 December 2013, the index sector weights, as represented by holdings of the Mauritius Subsidiary, are listed below.

SECTOR	INDEX WEIGHTS %	PORTFOLIO WEIGHTS %
CONSUMER DISCRETIONARY	6.53	6.56
CONSUMER STAPLES	10.80	10.77
ENERGY	12.10	12.38
FINANCIAL	23.28	23.17
HEALTH CARE	6.72	6.73
INDUSTRIAL	4.56	4.52
INFORMATION TECHNOLOGY	23.01	23.00
MATERIALS	6.73	6.76
TELECOMMUNICATION	2.53	2.54
UTILITIES	3.74	3.36

MANAGER'S INVESTMENT REPORT

» **iShares MSCI India Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the MSCI India ETF as at 31 December 2013

		FAIR VALUE US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS %
1	*BY ASSET CLASS*		
	LISTED EQUITIES	603,051,410	99.79
	OTHER NET ASSETS[7]	1,261,076	0.21
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT LAST TRADED PRICES)	604,312,486	100.00
2	*BY CREDIT RATING OF FIXED INCOME SECURITIES*		
	NOT APPLICABLE		
3	*BY DERIVATIVE TYPE*		
	NOT APPLICABLE		

[7] *Other net assets include the cash and bank balances of US$ 2,353,556.*

MANAGER'S INVESTMENT REPORT

» iShares MSCI India Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

C. Top 10 Holdings

10 largest holdings as at 31 December 2013
(as represented by holdings of the Mauritius Subsidiary)

	FAIR VALUE AS AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
INFOSYS TECHNOLOGIES	65,009,077	10.76
HOUSING DEVELOPMENT FINANCE	47,631,094	7.88
RELIANCE INDUSTRIES LIMITED	46,949,437	7.77
HDFC BANK LIMITED	41,983,341	6.95
TATA CONSULTANCY SERVICE	41,421,455	6.85
I.T.C LIMITED	28,932,189	4.79
HINDUSTAN UNILEVER LIMITED	15,029,660	2.49
SUN PHARMACEUTICAL INDUSTRY	14,313,804	2.37
WIPRO LIMITED	13,987,440	2.31
LARSEN & TOUBRO LIMITED	13,668,799	2.26

10 largest holdings as at 31 December 2012
(as represented by holdings of the Mauritius Subsidiary)

	FAIR VALUE AS AT 31 DECEMBER 2012 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012 %
HOUSING DEVELOPMENT FINANCE	54,144,094	8.62
RELIANCE INDUSTRIES LIMITED	48,569,447	7.73
HDFC BANK LIMITED	46,451,075	7.39
INFOSYS TECHNOLOGIES	44,548,210	7.09
I.T.C LIMITED	28,044,878	4.46
TATA CONSULTANCY SERVICE	26,316,239	4.19
ICICI BANK LIMITED	21,707,573	3.45
HINDUSTAN UNILEVER LIMITED	20,270,168	3.23
LARSEN & TOUBRO LIMITED	14,945,491	2.38
STATE BANK OF INDIA	14,378,536	2.29

MANAGER'S INVESTMENT REPORT

» **iShares MSCI India Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2013, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of MSCI India ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of MSCI India ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares J.P. Morgan USD Asia Credit Bond Index ETF (the "USD Asia Credit Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 2 June 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS ASIA BND 100US$" and Exchange ticker of "N6M". Effective on 15 June 2012, other than the US dollar, the USD Asia Credit Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the USD Asia Credit Bond ETF is under the trading name of "IS ASIA BND 100S$D" and Exchange ticker of "QL2".

The USD Asia Credit Bond ETF was established as an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The USD Asia Credit Bond ETF is benchmarked against the J.P. Morgan Asia Credit Index - Core (the "JACI Core"). The JACI Core consists of liquid US dollar denominated debt instruments issued out of Asia ex Japan by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The Manager of the USD Asia Credit Bond ETF is BlackRock (Singapore) Limited.

A. Fund Performance[1]

The USD Asia Credit Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the JACI Core in US dollar terms.

At the close of 31 December 2013, the NAV per unit (based on the bid prices of the investments) of the USD Asia Credit Bond ETF was US$10.04 and 4,077,400 units were outstanding. The total size of the USD Asia Credit Bond ETF was approximately US$40.9 million.

A summary of the performance of the USD Asia Credit Bond ETF is given below:

TOTAL RETURN[2] IN US$ AS OF 31 DECEMBER 2013	1-MONTH	3-MONTH	6-MONTH	1-YEAR	SINCE INCEPTION[3] (ANNUALISED)
JACI CORE TOTAL RETURN INDEX IN US$[4]	-0.18%	1.53%	2.47%	-2.46%	5.12%
FUND NAV RETURN IN US$[5]	-0.16%	1.53%	2.57%	-2.79%	4.81%
FUND PRICE RETURN (MKT) IN US$[6]	-0.41%	-1.00%	2.63%	-2.67%	4.46%

[1] Past performance figures shown are not indicative of the future performance of the Fund.
[2] Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
[3] This is annualised return since fund inception and fund inception date is 27 May 2011.
[4] An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
[5] Units in the Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.
[6] Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.
Source: BlackRock and J.P.Morgan

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

As of 31 December 2013, the JACI Core consists of 497 bonds denominated in US dollars which are issued by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The difference in performance between the USD Asia Credit Bond ETF and the JACI Core can be largely explained by the fees and expenses of the USD Asia Credit Bond ETF and security misweights due to the use of representative sampling.

Fund Activities

The average daily trading volume for the USD Asia Credit Bond ETF during the year was reported by Bloomberg to be approximately 12,819 units.

Index Activities

The JACI Core is rebalanced monthly. As at 31 December 2013, the USD Asia Credit Bond ETF held 180 bonds versus the 497 constituents in the JACI Core.

Sector Weights

As of 31 December 2013, the index sector weights are listed below.

SECTOR	INDEX WEIGHTS %	PORTFOLIO WEIGHTS %
FINANCIAL	28.67	20.85
INDUSTRIAL	15.74	22.41
MEDIA & TELECOM	3.93	5.36
OIL & GAS	7.66	9.09
GOVERNMENT RELATED	42.38	36.92
UTILITIES	1.61	3.80

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the USD Asia Credit Bond ETF as at 31 December 2013

		FAIR VALUE US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS %
1	*BY ASSET CLASS*		
	DEBT SECURITIES	40,893,736	99.93
	OTHER NET ASSETS[7]	27,102	0.07
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	40,920,838	100.00

		FAIR VALUE US$	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
2	*BY S&P'S CREDIT RATING OF DEBT SECURITIES*		
	AAA	549,037	1.34
	AA	201,606	0.49
	AA-	1,739,034	4.25
	A3	486,081	1.19
	A+	5,330,529	13.03
	A	1,955,422	4.78
	A-	3,503,577	8.56
	Baa1	48,837	0.12
	Baa3	347,401	0.85

[7] *Other net liabilities include the cash and bank balances of US$ 75,706.*

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

		FAIR VALUE US$	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
2	*BY S&P'S CREDIT RATING OF DEBT SECURITIES (CONTINUED)*		
	BBB+	4,369,176	10.68
	BBB	1,723,002	4.21
	BBB-	6,022,325	14.72
	BB+	5,177,355	12.65
	BB	2,637,800	6.45
	BB-	1,775,750	4.34
	Ba1	213,739	0.52
	B1	201,000	0.49
	B+	1,170,999	2.86
	B	87,000	0.21
	B-	474,250	1.16
	CC	67,500	0.16
	Unrated	2,199,282	5.37
	Accrued interest receivable on debt securities	613,034	1.50

3 *BY DERIVATIVE TYPE*

NOT APPLICABLE

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

C. Top 10 Holdings

10 largest holdings as at 31 December 2013

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
REPUBLIC OF PHILIPPINES 9.5% DUE 02/02/2030	1,047,375	2.56
REPUBLIC OF INDONESIA 7.75% DUE 17/01/2038	903,000	2.21
REPUBLIC OF PHILIPPINES 6.375% DUE 15/01/2032	821,625	2.01
REPUBLIC OF PHILIPPINES 10.625% DUE 16/03/2025	766,250	1.87
PETRONAS CAPITAL LIMITED 5.25% DUE 12/08/2019	544,675	1.33
HUTCHISON WHAMPOA INTERNATIONAL 11 LIMITED 3.5% DUE 13/01/2017	518,450	1.27
RELIANCE HOLDINGS USA INCORPORATION 5.4% DUE 14/02/2022	505,050	1.23
BANK OF CHINA HONG KONG 5.55% DUE 11/02/2020	480,002	1.17
BANGKOK BANK PUBLIC COMPANY 4.8% DUE 18/10/2020	464,571	1.14
UNITED OVERSEAS BANK LIMITED 2.25% DUE 07/03/2017	456,494	1.12

MANAGER'S INVESTMENT REPORT

» iShares J.P. Morgan USD Asia Credit Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

10 largest holdings as at 31 December 2012

	FAIR VALUE AT 31 DECEMBER 2012 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012 %
REPUBLIC OF PHILIPPINES 9.5% DUE 02/02/2030	1,216,250	3.25
REPUBLIC OF INDONESIA 7.75% DUE 17/01/2038	1,208,000	3.22
REPUBLIC OF PHILIPPINES 6.375% DUE 23/10/2034	984,410	2.63
REPUBLIC OF INDONESIA 4.875% DUE 05/05/2021	918,000	2.45
PETRONAS CAPITAL LIMITED 5.25% DUE 12/08/2019	894,525	2.39
REPUBLIC OF PHILIPPINES 10.625% DUE 16/03/2025	868,150	2.32
REPUBLIC OF INDONESIA 5.875% DUE 13/03/2020	662,035	1.77
EXPORT-IMPORT BANK OF KOREA 3.75% DUE 20/10/2016	643,920	1.72
REPUBLIC OF SRI LANKA 6.25% DUE 04/10/2020	545,600	1.46
SINOCHEM OVERSEAS CAPITAL 4.5% DUE 12/11/2020	539,100	1.44

MANAGER'S INVESTMENT REPORT

» **iShares J.P. Morgan USD Asia Credit Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2013, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the USD Asia Credit Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the USD Asia Credit Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares Barclays Asia Local Currency Bond Index ETF (formerly known as "iShares Barclays Capital Asia Local Currency Bond Index ETF") (the "Asia Local Currency Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 2 June 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS LC BND 100US$" and Exchange ticker of "N6L". Effective on 15 June 2012, other than the US dollar, the Asia Local Currency Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the Asia Local Currency Bond ETF is under the trading name of "IS LC BND 100S$D" and Exchange ticker of "QL1".

The Asia Local Currency Bond ETF was established as an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The Asia Local Currency Bond ETF is benchmarked against the Barclays Asia Local Currency Diversified Bond Index. The BALC Index consists of fixed-rate local currency government, government-related, and corporate debts of the following Asian local currency bond markets: South Korea, Malaysia, Singapore, Indonesia, Thailand, Hong Kong, China (offshore) and Philippines. Currency exposures are capped at 25% of the overall index market value for diversification. The Manager of the Asia Local Currency Bond ETF is BlackRock (Singapore) Limited.

A. Fund Performance[1]

The Asia Local Currency Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the BALC Index in US dollar terms.

At the close of 31 December 2013, the NAV per unit (based on the bid prices of the investments) of the Asia Local Currency Bond ETF was US$9.34 and 1,675,000 units were outstanding. The total size of the Asia Local Currency Bond ETF was approximately US$15.6 million.

A summary of the performance of the Asia Local Currency Bond ETF is given below:

TOTAL RETURN[2] IN US$ AS OF 31 DECEMBER 2013	1-MONTH	3-MONTH	6-MONTH	1-YEAR	SINCE INCEPTION[3] (ANNUALISED)
BALC TOTAL RETURN INDEX IN US$[4]	-0.83%	-1.01%	-2.36%	-7.49%	1.29%
FUND NAV RETURN IN US$[5]	-0.86%	-1.12%	-2.78%	-8.29%	0.82%
FUND PRICE RETURN (MKT) IN US$[6]	-2.54%	-4.73%	-4.11%	-8.77%	0.36%

[1] Past performance figures shown are not indicative of the future performance of the Fund.
[2] Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
[3] This is annualised return since fund inception and fund inception date is 30 May 2011.
[4] An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
[5] Units in the Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.
[6] Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.
Source: BlackRock and Barclays

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

As of 31 December 2013, the BALC Index consists of 305 fixed-rate Asian local currency government, government-related, and corporate debts. The difference in performance between the Asia Local Currency Bond ETF and the BALC Index can be largely explained by the fees and expenses of the Asia Local Currency Bond ETF and security misweights due to the use of representative sampling.

Fund Activities

The average daily trading volume for the Asia Local Currency Bond ETF during the year was reported by Bloomberg to be approximately 3,412 units.

Index Activities

The BALC Index is rebalanced monthly. As at 31 December 2013, the Asia Local Currency Bond ETF held 77 bonds versus the 305 constituents in the BALC Index.

Sector Weights

As of 31 December 2013, the index sector weights are listed below.

SECTOR	INDEX WEIGHTS %	PORTFOLIO WEIGHTS %
FINANCIAL	2.60	1.28
INDUSTRIAL	3.35	–
GOVERNMENT RELATED	93.62	97.00

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the Asia Local Currency Bond ETF as at 31 December 2013

		FAIR VALUE US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS %
1	*BY ASSET CLASS*		
	DEBT SECURITIES	15,548,079	99.37
	OTHER NET ASSETS[7]	98,683	0.63
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	15,646,762	100.00

		FAIR VALUE US$	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
2	*BY S&P'S CREDIT RATING OF DEBT SECURITIES*		
	AAA	2,127,654	13.60
	AA3	2,832,522	18.10
	AA-	1,327,666	8.49
	A3	1,086,588	6.94
	A+	200,533	1.28
	A	1,359,091	8.69
	A-	1,962,456	12.54
	Baa1	768,042	4.91
	Baa3	3,649,986	23.33
	BB+	63,143	0.40
	Accrued Interest Receivable on Debt securities	170,398	1.09
3	*BY DERIVATIVE TYPE*		
	NOT APPLICABLE		

[7] *Other net assets include the cash and bank balances of US$ 140,568.*

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

C. Top 10 Holdings

10 largest holdings as at 31 December 2013

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
GOVERNMENT OF MALAYSIA SERIES 0902 4.378% DUE 29/11/2019	684,824	4.38
KOREA TREASURY BOND SERIES 1809 5.75% DUE 10/09/2018	681,941	4.36
GOVERNMENT OF SINGAPORE 3.75% DUE 01/09/2016	560,268	3.58
GOVERNMENT OF PHILIPPINES SERIES 2017 8% DUE 19/07/2031	524,473	3.35
KOREA TREASURY BOND SERIES 1603 4% DUE 10/03/2016	485,469	3.10
KOREA TREASURY BOND SERIES 3012 4.75% DUE 10/12/2030	478,402	3.06
KOREA TREASURY BOND SERIES 1709 2.75% DUE 10/09/2017	468,584	2.99
THAILAND GOVERNMENT 3.875% DUE 13/06/2019	467,018	2.98
THAILAND GOVERNMENT BOND 3.25% DUE 16/06/2017	460,180	2.94
GOVERNMENT OF SINGAPORE 2.5% DUE 01/06/2019	411,761	2.63

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

10 largest holdings as at 31 December 2012

	FAIR VALUE AT 31 DECEMBER 2012 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012 %
KOREA TREASURY SERIES 1509 4% DUE 10/09/2015	1,682,792	4.62
MALAYSIAN GOVERNMENT SERIES 0210 4.012% DUE 15/09/2017	1,554,478	4.27
GOVERNMENT OF THAILAND 5.4% DUE 27/07/2016	1,330,789	3.66
REPUBLIC OF PHILIPPINES SERIES 25-8 8.125% DUE 16/12/2035	1,283,146	3.53
KOREA TREASURY BOND SERIES 1809 5.75% DUE 10/09/2018	1,225,822	3.37
GOVERNMENT OF MALAYSIA SERIES 0902 4.378% DUE 29/11/2019	1,142,612	3.14
KOREA TREASURY BOND SERIES 2912 5.5% DUE 10/12/2029	1,141,313	3.14
GOVERNMENT OF SINGAPORE 3.25% DUE 01/09/2020	1,137,058	3.12
REPUBLIC OF INDONESIA FR40 11% DUE 15/09/2025	1,115,957	3.07
KOREA TREASURY BOND SERIES 1603 4% DUE 10/03/2016	1,081,056	2.97

MANAGER'S INVESTMENT REPORT

» **iShares Barclays Asia Local Currency Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2013, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the Asia Local Currency Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the Asia Local Currency Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF (formerly known as "iShares Barclays Capital Asia Local Currency 1-3 Year Bond Index ETF") (the "Asia Local Currency 1-3 Year Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 8 December 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS LC 1-3Y 100US$" and Exchange ticker of "O9Q". Effective on 15 June 2012, other than the US dollar, the Asia Local Currency 1-3 Year Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the Asia Local Currency 1-3 Year Bond ETF is under the trading name of "IS LC 1-3Y 100S$D" and Exchange ticker of "QL0".

The Asia Local Currency 1-3 Year Bond ETF was established as an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The Asia Local Currency 1-3 Year Bond ETF is benchmarked against the Barclays Asia Local Currency Short Duration Bond Index (the "BALC SD Index"). The BALC SD Index consists of short duration (1-3 years) fixed-rate local currency government, government-related and corporate debt of the following Asian local currency bond markets: South Korea, Malaysia, Singapore, Indonesia, Thailand, Hong Kong, China (offshore) and Philippines. Currency exposures are capped at 25% of the overall index market value for diversification. The Manager of the Asia Local Currency 1-3 Year Bond ETF is BlackRock (Singapore) Limited.

A. Fund Performance[1]

The Asia Local Currency 1-3 Year Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the BALC SD Index in US dollar terms.

At the close of 31 December 2013, the NAV per unit (based on the bid prices of the investments) of the Asia Local Currency 1-3 Year Bond ETF was US$9.84 and 625,000 units were outstanding. The total size of the Asia Local Currency 1-3 Year Bond ETF was approximately US$6.2 million.

A summary of the performance of the Asia Local Currency 1-3 Year Bond ETF is given below:

TOTAL RETURN[2] IN US$ AS OF 31 DECEMBER 2013	1-MONTH	3-MONTH	6-MONTH	1-YEAR	SINCE INCEPTION[3] (ANNUALISED)
BALC SD TOTAL RETURN INDEX IN US$[4]	-0.80%	-0.45%	0.40%	-2.36%	1.67%
FUND NAV RETURN IN US$[5]	-0.82%	-0.53%	0.08%	-2.67%	1.43%
FUND PRICE RETURN (MKT) IN US$[6]	-2.40%	-2.88%	-4.37%	-2.63%	–

[1] Past performance figures shown are not indicative of the future performance of the Fund.
[2] Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
[3] This is annualised return since fund inception and fund inception date is 2 December 2011.
[4] An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
[5] Units in the Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and theFund's returns have been calculated from NAVs.
[6] Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.
Source: BlackRock and Barclays

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

As of 31 December 2013, the BALC SD Index consists of 131 short duration (1-3 years) fixed-rate Asian local currency government, government-related, and corporate debts. The difference in performance between the Asia Local Currency 1-3 Year Bond ETF and the BALC SD Index can be largely explained by the fees and expenses of the Asia Local Currency 1-3 Year Bond ETF and security misweights due to the use of representative sampling.

Fund Activities

The average daily trading volume for the Asia Local Currency 1-3 Year Bond ETF during the year was reported by Bloomberg to be approximately 910 units.

Index Activities

The BALC SD Index is rebalanced monthly. As at 31 December 2013, the Asia Local Currency 1-3 Year Bond ETF held 40 bonds versus the 131 constituents in the BALC SD Index.

Sector Weights

As of 31 December 2013, the index sector weights are listed below.

SECTOR	INDEX WEIGHTS %	PORTFOLIO WEIGHTS %
INDUSTRIAL	4.60	–
GOVERNMENT RELATED	95.18	98.46

MANAGER'S INVESTMENT REPORT

» **iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the Asia Local Currency 1-3 Year Bond ETF as at 31 December 2013

		FAIR VALUE US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS %
1	*BY ASSET CLASS*		
	DEBT SECURITIES	6,113,113	99.35
	OTHER NET ASSETS[7]	39,956	0.65
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	6,153,069	100.00

		FAIR VALUE US$	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013
2	*BY S&P'S CREDIT RATING OF DEBT SECURITIES*		
	AAA	1,002,557	16.29
	AA3	1,179,858	19.18
	AA-	741,245	12.05
	A3	622,109	10.11
	A	365,450	5.94
	A-	567,422	9.22
	Baa1	929,657	15.11
	Baa3	266,647	4.33
	BB+	135,460	2.20
	Unrated	247,718	4.03
	Accrued interest receivable on debt securities	54,990	0.89
3	*BY DERIVATIVE TYPE*		
	NOT APPLICABLE		

[7] *Other net assets include the cash and bank balances of US$ 60,224.*

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

C. Top 10 Holdings

10 largest holdings as at 31 December 2013

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
GOVERNMENT OF SINGAPORE 1.125% DUE 01/04/2016	499,752	8.12
BANK OF THAILAND BOND SERIES 4YR 3.5% DUE 24/02/2015	492,820	8.01
BANK OF THAILAND BOND SERIES 4YR 3.22% DUE 01/03/2016	307,553	5.00
KOREA TREASURY BOND SERIES 1506 3.25% DUE 10/06/2015	286,276	4.65
REPUBLIC OF KOREA TREASURY BOND 1512 2.75% DUE 10/12/2015	284,041	4.62
MALAYSIAN GOVERNMENT SERIES 1/06 4.262% DUE 15/09/2016	281,158	4.57
REPUBLIC OF KOREA 1609 5% DUE 10/09/2016	249,690	4.06
PEOPLE'S REPUBLIC OF CHINA SERIES HK 1.8% DUE 01/12/2015	244,084	3.97
KOREA TREASURY BOND SERIES 1503 4.5% DUE 10/03/2015	241,839	3.93
GOVERNMENT OF THAILAND 3.625% DUE 22/05/2015	185,270	3.01

MANAGER'S INVESTMENT REPORT

» iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

10 largest holdings as at 31 December 2012

	FAIR VALUE AT 31 DECEMBER 2012 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012 %
BANK OF THAILAND BOND SERIES 4YR 3.5% DUE 24/02/2015	853,348	9.98
GOVERNMENT OF SINGAPORE 2.875% DUE 01/07/2015	654,192	7.65
BANK OF THAILAND BOND SERIES 3YR 3.4% DUE 08/09/2014	543,966	6.36
MALAYSIAN GOVERNMENT SERIES 0211 3.434% DUE 15/08/2014	493,558	5.77
GOVERNMENT OF SINGAPORE 3.625% DUE 01/07/2014	430,242	5.03
GOVERNMENT OF MALAYSIA 2/04 5.094% DUE 30/04/2014	419,584	4.91
KOREA TREASURY BOND SERIES 1412 3.25% DUE 10/12/2014	400,191	4.68
KOREA TREASURY BOND SERIES 1409 5% DUE 10/09/2014	386,921	4.52
REPUBLIC OF INDONESIA FR27 9.5% DUE 15/06/2015	380,698	4.45
KOREA TREASURY BOND SERIES 1406 3.5% DUE 10/06/2014	377,237	4.41

MANAGER'S INVESTMENT REPORT

» **iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2013, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the Asia Local Currency 1-3 Year Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the Asia Local Currency 1-3 Year Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

MANAGER'S INVESTMENT REPORT

» iShares Barclays USD Asia High Yield Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares Barclays USD Asia High Yield Bond Index ETF (formerly known as "iShares Barclays Capital USD Asia High Yield Bond Index ETF") (the "USD Asia High Yield Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 8 December 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS ASIA HYG100US$" and Exchange ticker of "O9P". Effective on 15 June 2012, other than the US dollar, the USD Asia High Yield Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the USD Asia High Yield Bond ETF is under the trading name of "IS ASIA HYG100S$D" and Exchange ticker of "QL3".

The USD Asia High Yield Bond ETF was established as an authorized scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The USD Asia High Yield Bond ETF is benchmarked against the Barclays Asia USD High Yield Diversified Credit Index (the "BAHY Index"). The BAHY Index consists of fixed-rate US dollar-denominated government-related and corporate high yield debt of the Asia ex-Japan region. Issuer exposures are capped at 4% of the overall index market value for diversification. The Manager of the USD Asia High Yield Bond ETF is BlackRock (Singapore) Limited.

A. Fund Performance[1]

The USD Asia High Yield Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the BAHY Index in US dollar terms.

At the close of 31 December 2013, the NAV per unit (based on the bid prices of the investments) of the USD Asia High Yield Bond ETF was US$10.60 and 6,600,000 units were outstanding. The total size of the USD Asia High Yield Bond ETF was approximately US$69.9 million.

A summary of the performance of the USD Asia High Yield Bond ETF is given below:

TOTAL RETURN[2] IN US$ AS OF 31 DECEMBER 2013	1-MONTH	3-MONTH	6-MONTH	1-YEAR	SINCE INCEPTION[3] (ANNUALISED)
BAHY TOTAL RETURN INDEX IN US$[4]	0.71%	3.10%	5.60%	1.92%	11.56%
FUND NAV RETURN IN US$[5]	0.77%	3.12%	5.46%	1.62%	11.04%
FUND PRICE RETURN (MKT) IN US$[6]	0.20%	1.62%	5.39%	1.39%	–

[1] Past performance figures shown are not indicative of the future performance of the Fund.
[2] Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
[3] This is annualised return since fund inception and fund inception date is 5 December 2011.
[4] An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
[5] Units in the Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.
[6] Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.
Source: BlackRock and Barclays

MANAGER'S INVESTMENT REPORT

» iShares Barclays USD Asia High Yield Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

As of 31 December 2013, the BAHY Index consists of 149 bonds denominated in US dollar which are issued by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The difference in performance between the USD Asia High Yield Bond ETF and the BAHY Index can be largely explained by the fees and expenses of the USD Asia High Yield Bond ETF and security misweights due to the use of representative sampling.

Fund Activities

The average daily trading volume for the USD Asia High Yield Bond ETF during the year was reported by Bloomberg to be approximately 22,147 units.

Index Activities

The BALC Index is rebalanced monthly. As at 31 December 2013, the USD Asia High Yield Bond ETF held 143 bonds versus the 149 constituents in the BAHY Index.

Sector Weights

As of 31 December 2013, the index sector weights are listed below.

SECTOR	INDEX WEIGHTS %	PORTFOILO WEIGHTS %
FINANCIAL	8.00	6.84
INDUSTRIAL	69.24	70.12
GOVERNMENT RELATED	18.79	16.38
UTILITIES	3.97	4.34

MANAGER'S INVESTMENT REPORT

» **iShares Barclays USD Asia High Yield Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the USD Asia High Yield Bond ETF as at 31 December 2013

		FAIR VALUE US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS %
1	*BY ASSET CLASS*		
	DEBT SECURITIES	69,796,140	99.80
	OTHER NET ASSETS[7]	142,175	0.20
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	69,938,315	100.00

		FAIR VALUE US$	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013
2	*BY S&P'S CREDIT RATING OF DEBT SECURITIES*		
	BB+	6,258,925	8.95
	BB	12,020,100	17.19
	BB-	15,130,075	21.64
	Ba1	1,323,102	1.89
	Ba2	421,875	0.60
	B1	1,182,625	1.69
	B2	492,750	0.71
	B+	8,396,869	12.00
	B	1,335,500	1.91
	B-	2,701,563	3.86
	CCC+	206,250	0.29
	CCC	515,625	0.74
	CC	402,000	0.57
	Unrated	17,930,416	25.64
	Accrued interest receivable on debt securities	1,478,465	2.12

[7] *Other net assets include the cash and bank balances of US$ 250,071.*

3 *BY DERIVATIVE TYPE*

NOT APPLICABLE

C. Top 10 Holdings

10 largest holdings as at 31 December 2013

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013 %
MAJAPAHIT HOLDING 7.75% DUE 20/01/2020	1,481,625	2.12
COUNTRY GARDEN HOLDINGS COMPANY 11.125% DUE 23/02/2018	1,338,000	1.91
EVERGRANDE REAL ESTATE GROUP 13% DUE 27/01/2015	1,337,500	1.91
EVERGRANDE REAL ESTATE GROUP 8.75% DUE 30/10/2018	1,207,800	1.73
STUDIO CITY FINANCE LIMITED 8.5% DUE 01/12/2020	1,190,563	1.70
REPUBLIC OF SRI LANKA 6.25% DUE 04/10/2020	1,082,125	1.55
VEDANTA RESOURCES 9.5% DUE 18/07/2018	1,054,500	1.51
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 8.25% DUE 07/06/2021	1,005,000	1.44
REPUBLIC OF VIETNAM 6.75% DUE 29/01/2020	864,000	1.24
WOORI BANK VAR DUE 02/05/2037	852,000	1.22

MANAGER'S INVESTMENT REPORT

» iShares Barclays USD Asia High Yield Bond Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

10 largest holdings as at 31 December 2012

	FAIR VALUE AT 31 DECEMBER 2012 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012 %
MAJAPAHIT HOLDING 7.75% DUE 20/01/2020	819,325	2.69
COUNTRY GARDEN HOLDINGS COMPANY 11.125% DUE 23/02/2018	751,563	2.47
EVERGRANDE REAL ESTATE GROUP 13% DUE 27/01/2015	649,500	2.14
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 6.75% DUE 07/06/2016	632,100	2.08
REPUBLIC OF SRI LANKA 6.25% DUE 27/07/2021	598,950	1.97
FITA INTERNATIONAL LIMITED 7% DUE 10/02/2020	571,490	1.88
SHIMAO PROPERTY HOLDINGS LIMITED 9.65% DUE 03/08/2017	546,750	1.80
WOORI BANK VAR DUE 02/05/2037	525,000	1.73
REPUBLIC OF VIETNAM 6.75% DUE 29/01/2020	513,675	1.69
PHBS LIMITED 6.625% PERPETUAL	508,750	1.67

MANAGER'S INVESTMENT REPORT

» **iShares Barclays USD Asia High Yield Bond Index ETF**
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2013, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the USD Asia High Yield Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the USD Asia High Yield Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

iSHARES SOUTHEAST ASIA TRUST

» Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of the Sub-Funds of iShares Southeast Asia Trust (the "Sub-Funds") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the year covered by these financial statements, set out on pages 35 to 133, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

19 March 2014

iSHARES SOUTHEAST ASIA TRUST

» Statements by the Manager

In the opinion of the directors of BlackRock (Singapore) Limited, the accompanying financial statements set out on pages 35 to 133, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of iShares MSCI India Index ETF, iShares J.P. Morgan USD Asia Credit Bond Index ETF, iShares Barclays Asia Local Currency Bond Index ETF, iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF and iShares Barclays USD Asia High Yield Bond Index ETF (the "Sub-Funds") as at 31 December 2013 and the total deficits/returns and changes in unitholders' funds for the year ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore). At the date of this statement, there are reasonable grounds to believe that the Sub-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of
BlackRock (Singapore) Limited

19 March 2014

iSHARES SOUTHEAST ASIA TRUST

» Independent Auditor's Report to the Unitholders of iShares Southeast Asia Trust

We have audited the accompanying financial statements of the Sub-Funds of iShares Southeast Asia Trust (the "Sub-Funds") which comprise the Statements of Financial Position and Statements of Portfolio as at 31 December 2013, the Statements of Total Return and Statements of Movements of Unitholders' Funds for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 35 to 133.

Manager's Responsibility for the Financial Statements

The Sub-Funds' Manager (the "Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore), and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sub-Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial positions of the Sub-Funds as at 31 December 2013 and the total deficits/returns for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 19 March 2014

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Total Return

For the year ended 31 December 2013

	NOTES	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF	
		2013	2012	**2013**	2012
		US$	US$	**US$**	US$
INCOME					
DIVIDEND		**9,437,851**	9,082,475	**–**	–
OTHER INCOME		**–**	–	**8,232**	5,313
		9,437,851	9,082,475	**8,232**	5,313
LESS: EXPENSES					
MANAGEMENT FEES		**(7,439,532)**	(6,390,385)	**(114,058)**	(168,450)
MANAGEMENT FEES REBATE		**853,183**	904,198	**–**	–
TRANSACTION COST*		**(451,565)**	–	**–**	–
		(7,037,914)	(5,486,187)	**(114,058)**	(168,450)
NET INCOME/(LOSS)		**2,399,937**	3,596,288	**(105,826)**	(163,137)
NET GAINS OR LOSSES ON INVESTMENTS					
NET (LOSSES)/GAINS ON INVESTMENTS		**(35,840,514)**	111,213,475	**(674,578)**	6,960,578
NET FOREIGN EXCHANGE (LOSSES)/GAINS		**(2,452,965)**	(1,094,340)	**–**	–
TOTAL (DEFICIT)/RETURN FOR THE FINANCIAL YEAR BEFORE TAXATION		**(35,893,542)**	113,715,423	**(780,404)**	6,797,441
TAXATION	3	**(253,340)**	(217,896)	**(222)**	–
TOTAL (DEFICIT)/RETURN FOR THE FINANCIAL YEAR		**(36,146,882)**	113,497,527	**(780,626)**	6,797,441

** The Sub-Funds have adopted the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP7") issued by the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) in June 2012 for the financial year beginning 1 January 2013. In accordance with the revised RAP7, all expenses relating to the purchase and sale of financial instruments are charged against income. As a transitional provision in the first year of application, reclassification of comparative figures is not required.*

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Total Return

		iShares Barclays Asia Local Currency Bond Index ETF		iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF	
					For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December
	NOTES	**2013** **US$**	2012 US$	**2013** **US$**	2012 US$
INCOME					
INTEREST		**182**	239	**44**	41
		182	239	**44**	41
LESS: EXPENSES					
MANAGEMENT FEES		**(77,255)**	(159,766)	**(27,057)**	(47,972)
TRANSACTION COST*		**(193,468)**	–	**(27,136)**	–
		(270,723)	(159,766)	**(54,193)**	(47,972)
NET INCOME/(LOSS)		**(270,541)**	(159,527)	**(54,149)**	(47,931)

** The Sub-Funds have adopted the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP7") issued by the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) in June 2012 for the financial year beginning 1 January 2013. In accordance with the revised RAP7, all expenses relating to the purchase and sale of financial instruments are charged against income. As a transitional provision in the first year of application, reclassification of comparative figures is not required.*

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Total Return

		iShares Barclays Asia Local Currency Bond Index ETF		iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF	
					For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December
	NOTES	**2013 US$**	2012 US$	**2013 US$**	2012 US$
NET GAINS OR LOSSES ON INVESTMENTS					
NET (LOSSES)/GAINS ON INVESTMENTS		**(1,208,290)**	3,743,720	**(61,352)**	598,736
NET FOREIGN EXCHANGE GAINS/(LOSSES)		**53,725**	79,150	**(14,789)**	7,592
TOTAL (DEFICIT)/RETURN FOR THE FINANCIAL YEAR/PERIOD BEFORE TAXATION		**(1,425,106)**	3,663,343	**(130,290)**	558,397
TAXATION	**3**	**(181,626)**	(196,585)	**(19,733)**	(23,457)
TOTAL (DEFICIT)/RETURN FOR THE FINANCIAL YEAR/PERIOD		**(1,606,732)**	3,466,758	**(150,023)**	534,940

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Total Return

		iShares Barclays USD Asia High Yield Bond Index ETF	
			For the period from 5 December 2011 (Date of Commencement of Operations) to 31 December
		2013	2012
	NOTES	**US$**	US$
INCOME			
OTHER INCOME		**45,746**	10,713
		45,746	10,713
LESS: EXPENSES			
MANAGEMENT FEES		**(291,633)**	(146,689)
		(291,633)	(146,689)
NET LOSS		**(245,887)**	(135,976)
NET GAINS OR LOSSES ON INVESTMENTS			
NET GAINS ON INVESTMENTS		**2,042,797**	4,591,307
TOTAL RETURN FOR THE FINANCIAL YEAR/PERIOD BEFORE TAXATION		**1,796,910**	4,455,331
TAXATION	**3**	**(1,811)**	–
TOTAL RETURN FOR THE FINANCIAL YEAR/PERIOD		**1,795,099**	4,455,331

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Financial Position

As at 31 December 2013

	NOTES	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF	
		2013	2012	**2013**	2012
		US$	US$	**US$**	US$
ASSETS					
PORTFOLIO OF INVESTMENTS		**603,051,410**	626,595,214	**40,893,736**	37,465,322
DUE FROM BROKER		**–**	–	**1,093,494**	371,470
NET DIVIDEND RECEIVABLES		**–**	172,907	**–**	–
CASH AND BANK BALANCES	5	**2,353,556**	3,064,053	**75,706**	54,737
RECEIVABLES		**142,879**	244,790	**–**	–
PREPAID EXPENSES		**8,384**	7,984	**–**	–
TOTAL ASSETS		**605,556,229**	630,084,948	**42,062,936**	37,891,529
LIABILITIES					
PAYABLES	6	**1,243,743**	1,675,930	**20,684**	31,607
DUE TO BROKER		**–**	–	**1,121,414**	401,866
TOTAL LIABILITIES		**1,243,743**	1,675,930	**1,142,098**	433,473
EQUITY					
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**604,312,486**	628,409,018	**40,920,838**	37,458,056

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Financial Position

	NOTES	iShares Barclays Asia Local Currency Bond Index ETF		iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF	
		2013	2012	**2013**	2012
		US$	US$	**US$**	US$
ASSETS					
PORTFOLIO OF INVESTMENTS		**15,548,079**	36,260,310	**6,113,113**	8,509,172
DUE FROM BROKER		**218,372**	–	**147,307**	77,930
CASH AND BANK BALANCES	5	**140,568**	210,993	**60,224**	73,021
RECEIVABLES		**10,626**	–	**98**	–
TOTAL ASSETS		**15,917,645**	36,471,303	**6,320,742**	8,660,123
LIABILITIES					
PAYABLES	6	**22,493**	84,596	**4,998**	12,768
DUE TO BROKER		**248,390**	–	**162,675**	93,293
TOTAL LIABILITIES		**270,883**	84,596	**167,673**	106,061
EQUITY					
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**15,646,762**	36,386,707	**6,153,069**	8,554,062

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Financial Position

	NOTES	iShares Barclays USD Asia High Yield Bond Index ETF	
		2013	2012
		US$	US$
ASSETS			
PORTFOLIO OF INVESTMENTS		**69,796,140**	30,308,986
DUE FROM BROKER		**1,929,252**	414,500
DUE FROM UNITHOLDER		**-**	1,403,602
CASH AND BANK BALANCES	**5**	**250,071**	85,368
TOTAL ASSETS		**71,975,463**	32,212,456
LIABILITIES			
PAYABLES	**6**	**81,767**	34,880
DUE TO BROKER		**1,955,381**	1,761,475
TOTAL LIABILITIES		**2,037,148**	1,796,355
EQUITY			
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**69,938,315**	30,416,101

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Movements of Unitholders' Funds

For the year ended 31 December 2013

	NOTES	iShares MSCI India Index ETF 2013 US$	iShares MSCI India Index ETF 2012 US$	iShares J.P. Morgan USD Asia Credit Bond Index ETF 2013 US$	iShares J.P. Morgan USD Asia Credit Bond Index ETF 2012 US$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF FINANCIAL YEAR		**628,409,018**	378,911,691	**37,458,056**	44,896,675
OPERATIONS					
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS		**(36,146,882)**	113,497,527	**(780,626)**	6,797,441
UNITHOLDERS' CONTRIBUTIONS/ (WITHDRAWALS)					
CREATION OF UNITS		**88,198,250**	382,148,800	**15,024,556**	12,782,875
CANCELLATION OF UNITS		**(76,147,900)**	(246,149,000)	**(8,992,545)**	(24,811,485)
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM NET CREATION AND CANCELLATION OF UNITS		**12,050,350**	135,999,800	**6,032,011**	(12,028,610)
DISTRIBUTIONS	4	**–**	–	**(1,788,603)**	(2,207,450)
TOTAL (DECREASE)/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**(24,096,532)**	249,497,327	**3,462,782**	(7,438,619)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF FINANCIAL YEAR		**604,312,486**	628,409,018	**40,920,838**	37,458,056

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Movements of Unitholders' Funds

	NOTES	iShares Barclays Asia Local Currency Bond Index ETF		iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF	
		2013	2012	**2013**	For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December 2012
		US$	US$	**US$**	US$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF FINANCIAL YEAR		**36,386,707**	36,667,444	**8,554,062**	–
OPERATIONS					
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS		**(1,606,732)**	3,466,758	**(150,023)**	534,940
UNITHOLDERS' CONTRIBUTIONS/ (WITHDRAWALS)					
CREATION OF UNITS		**–**	–	**–**	9,500,000
CANCELLATION OF UNITS		**(18,166,713)**	(2,619,745)	**(2,082,720)**	(1,292,128)
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM NET CREATION AND CANCELLATION OF UNITS		**(18,166,713)**	(2,619,745)	**(2,082,720)**	8,207,872
DISTRIBUTIONS	**4**	**(966,500)**	(1,127,750)	**(168,250)**	(188,750)
TOTAL (DECREASE)/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**(20,739,945)**	(280,737)	**(2,400,993)**	8,554,062
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF FINANCIAL YEAR		**15,646,762**	36,386,707	**6,153,069**	8,554,062

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Movements of Unitholders' Funds

	NOTES	iShares Barclays USD Asia High Yield Bond Index ETF 2013 US$	 For the period from 5 December 2011 (Date of Commencement of Operations) to 31 December 2012 US$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF FINANCIAL YEAR		**30,416,101**	-
OPERATIONS			
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS		**1,795,099**	4,455,331
UNITHOLDERS' CONTRIBUTIONS/(WITHDRAWALS)			
CREATION OF UNITS		**51,970,483**	27,890,770
CANCELLATION OF UNITS		**(10,334,368)**	-
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM NET CREATION AND CANCELLATION OF UNITS		**41,636,115**	27,890,770
DISTRIBUTIONS	**4**	**(3,909,000)**	(1,930,000)
TOTAL INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**39,522,214**	30,416,101
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF FINANCIAL YEAR		**69,938,315**	30,416,101

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares MSCI India Index ETF

PRIMARY – BY INDUSTRY

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
BAJAJ AUTO LIMITED	210,739	6,510,236	1.08
HERO MOTORCORP LIMITED	203,391	6,823,981	1.13
MAHINDRA & MAHINDRA	773,321	11,804,538	1.95
TATA MOTORS LIMITED	1,930,221	11,745,779	1.95
ZEE TELEFILMS LIMITED	610,574	2,730,333	0.45
		39,614,867	6.56
CONSUMER STAPLES			
DABUR INDIA LIMITED	525,435	1,447,059	0.24
GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED	24,519	1,760,211	0.29
GODREJ CONSUMER PRODUCTS LIMITED	299,150	4,148,587	0.68
HINDUSTAN UNILEVER LIMITED	1,629,124	15,029,660	2.49
I.T.C LIMITED	5,560,356	28,932,189	4.79
NESTLE INDIA LIMITED	29,194	2,496,393	0.41
UNITED BREWERIES LIMITED	163,597	2,046,186	0.34
UNITED SPIRITS LIMITED	218,976	9,234,659	1.53
		65,094,944	10.77
ENERGY			
BHARAT PETROLEUM	420,046	2,362,525	0.39
CAIRN INDIA	1,215,741	6,363,207	1.05
COAL INDIA LIMITED	1,286,485	6,031,536	1.00
OIL & NATURAL GAS CORPORATION LIMITED	1,933,610	9,031,120	1.50
OIL INDIA LIMITED	306,091	2,416,612	0.40
RELIANCE INDUSTRY LIMITED	3,244,032	46,949,437	7.77
RELIANCE POWER LIMITED	1,400,471	1,657,336	0.27
		74,811,773	12.38

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

iSHARES SOUTHEAST ASIA TRUST

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

» Portfolio Statements

As at 31 December 2013

iShares MSCI India Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
LISTED EQUITIES			
FINANCIAL			
BANK OF BARODA	99,485	1,038,275	0.17
DLF LIMITED	995,851	2,683,831	0.44
HDFC BANK LIMITED	3,900,097	41,983,341	6.95
HOUSING DEVELOPMENT FINANCE	3,707,571	47,631,094	7.88
ICICI BANK LIMITED	550,691	9,782,099	1.62
KOTAK MAHINDRA FINANCE	790,198	9,303,398	1.54
LIC HOUSING FINANCE	672,074	2,382,220	0.39
MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED	651,574	3,377,693	0.56
POWER FINANCE CORPORATION	639,917	1,727,171	0.29
RELIANCE CAPITAL LIMITED	240,773	1,406,958	0.23
RURAL ELECTRIFICATION	722,922	2,578,233	0.43
SHRIRAM TRANSPORT FINANCE	338,449	3,680,233	0.61
STATE BANK OF INDIA	343,553	9,811,436	1.62
YES BANK LIMITED	444,704	2,661,538	0.44
		140,047,520	23.17
HEALTHCARE			
APOLLO HOSPITALS ENTERPRISE LIMITED	194,749	2,979,718	0.50
CIPLA LIMITED	878,882	5,694,866	0.94
DIVI'S LABORATORIES LIMITED	98,480	1,944,524	0.32
DR REDDY'S LABORATORY	256,143	10,495,838	1.74
LUPIN LIMITED	91,044	1,336,700	0.22
PIRAMAL ENTERPRISES LIMITED	171,234	1,527,278	0.25
RANBAXY LABORATORIES LIMITED	323,174	2,368,097	0.39
SUN PHARMACEUTICAL INDUSTRY	1,560,279	14,313,804	2.37
		40,660,825	6.73

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares MSCI India Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
LISTED EQUITIES			
INDUSTRIAL			
ADANI ENTERPRISES LIMITED	279,964	1,188,110	0.20
ADITYA BIRLA NUVO LIMITED	88,833	1,784,703	0.29
BHARAT HEAVY ELECTRICALS	1,459,930	4,175,275	0.69
JAIPRAKASH ASSOCIATES	2,542,202	2,237,861	0.37
LARSEN & TOUBRO LIMITED	789,987	13,668,799	2.26
MUNDRA PORT & SPECIAL ECONOMIC ZONE LIMITED	971,332	2,440,304	0.40
SIEMENS INDIA LIMITED	172,641	1,850,891	0.31
		27,345,943	4.52
INFORMATION TECHNOLOGY			
HCL TECHNOLOGIES	524,993	10,715,867	1.78
INFOSYS TECHNOLOGIES	1,153,626	65,009,077	10.76
TATA CONSULTANCY SERVICE	1,179,588	41,421,455	6.85
TECH MAHINDRA LIMITED	263,829	7,838,948	1.30
WIPRO LIMITED	1,547,198	13,987,440	2.31
		138,972,787	23.00

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares MSCI India Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
LISTED EQUITIES			
MATERIALS			
ACC LTD	56,585	1,014,285	0.17
AMBUJA CEMENTS LIMITED	1,728,036	5,102,672	0.84
ASIAN PAINTS LIMITED	732,770	5,804,823	0.96
HINDALCO INDUSTRIES	2,632,040	5,216,848	0.86
JINDAL STEEL & POWER LIMITED	951,837	4,016,320	0.67
JSW STEEL LIMITED	206,406	3,394,328	0.56
SESA STERLITE LIMITED	2,605,710	8,507,366	1.41
TATA IRON & STEEL	766,534	5,256,870	0.87
ULTRATECH CEMENT LIMITED	88,230	2,516,313	0.42
		40,829,825	6.76
TELECOMMUNICATION			
BHARTI AIRTEL LIMITED	1,505,746	8,039,328	1.33
IDEA CELLULAR LIMITED	1,687,840	4,554,207	0.75
RELIANCE COMMUNICATIONS LIMITED	1,313,617	2,760,815	0.46
		15,354,350	2.54
UTILITIES			
GAIL INDIA LIMITED	788,240	4,362,049	0.72
NTPC LIMITED	2,728,711	6,043,705	1.00
POWER GRID CORPORATION OF INDIA LTD	2,828,598	4,568,377	0.76
RELIANCE INFRASTRUCTURE LTD	257,655	1,773,448	0.29
TATA POWER COMPANY LIMITED	2,417,997	3,570,997	0.59
		20,318,576	3.36
PORTFOLIO OF INVESTMENTS		**603,051,410**	**99.79**
OTHER NET ASSETS		**1,261,076**	**0.21**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT LAST TRADED PRICES)		**604,312,486**	**100.00**

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares MSCI India Index ETF

PRIMARY – BY INDUSTRY (SUMMARY)

	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
CONSUMER DISCRETIONARY	6.56	7.08
CONSUMER STAPLES	10.77	10.28
ENERGY	12.38	12.37
FINANCIAL	23.17	31.22
HEALTHCARE	6.73	5.63
INDUSTRIAL	4.52	5.38
INFORMATION TECHNOLOGY	23.00	14.08
MATERIALS	6.76	7.95
TELECOMMUNICATION	2.54	2.04
UTILITIES	3.36	3.68
PORTFOLIO OF INVESTMENTS	**99.79**	**99.71**
OTHER NET ASSETS	**0.21**	**0.29**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT LAST TRADED PRICES)	**100.00**	**100.00**

SECONDARY – BY GEOGRAPHY

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
BY COUNTRY OF RISK			
INDIA	603,051,410	99.79	99.71
PORTFOLIO OF INVESTMENTS	**603,051,410**	**99.79**	**99.71**
OTHER NET ASSETS	**1,261,076**	**0.21**	**0.29**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT LAST TRADED PRICES)	**604,312,486**	**100.00**	**100.00**

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares J.P. Morgan USD Asia Credit Bond Index ETF

PRIMARY – BY INDUSTRY

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
FINANCIAL			
AIA GROUP LIMITED 1.75% DUE 13/03/2018	200,000	195,244	0.48
AXIS BANK LIMITED 4.75% DUE 02/05/2016	250,000	257,532	0.63
BANGKOK BANK PUBLIC COMPANY 4.8% DUE 18/10/2020	450,000	464,571	1.14
BANGKOK BANK PUBLIC COMPANY LIMITED 5% DUE 03/10/2023	250,000	247,615	0.60
BANK NEGARA INDONESIA 4.125% DUE 27/04/2017	50,000	49,750	0.12
BANK OF BARODA 5% DUE 24/08/2016	150,000	155,845	0.38
BANK OF CHINA HONG KONG 5.55% DUE 11/02/2020	450,000	480,002	1.17
BANK OF EAST ASIA LIMITED VAR PERPETUAL	150,000	169,500	0.41
BANK OF INDIA / LONDON EMTN 4.75% DUE 30/09/2015	150,000	154,887	0.38
CHINATRUST COMM BANK VAR PERPETUAL	150,000	149,625	0.37
CITIC BK INTERNATIONAL LIMITED SERIES EMTN 6.875% DUE 24/06/2020	100,000	107,989	0.26
DBS BANK LIMITED FRN DUE 15/07/2021	100,000	96,050	0.23
DBS BANK LIMITED SINGAPORE 2.35% DUE 28/02/2017	200,000	203,472	0.50
DBS BANK LIMITED VAR DUE 21/09/2022	300,000	307,590	0.75
HANA BANK 4% DUE 03/11/2016	250,000	264,455	0.65
HYUNDAI CAPITAL SERVICES INCORPORATION 3.5% DUE 13/09/2017	300,000	309,642	0.76
ICICI BANK LIMITED / DUBAI 4.8% DUE 22/05/2019	200,000	200,840	0.49
ICICI BANK LIMITED / DUBAI 4.7% DUE 21/02/2018	300,000	306,417	0.75
ICICI BANK LIMITED VAR DUE 30/04/2022	300,000	288,750	0.71
IDBI BANK LIMITED SERIES EMTN 3.75% DUE 25/01/2019	200,000	183,662	0.45
INDIAN OVERSEAS BANK EMTN 5% DUE 19/10/2016	50,000	51,585	0.13

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

iSHARES SOUTHEAST ASIA TRUST

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

» Statements of Portfolio
As at 31 December 2013

iShares J.P. Morgan USD Asia Credit Bond Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
FINANCIAL (CONTINUED)			
INDUSTRIAL BANK OF KOREA 3.75% DUE 29/09/2016	250,000	264,040	0.64
KASIKORNBANK PCL 3% DUE 20/03/2018	200,000	198,446	0.48
KOREA EXCHANGE BANK SERIES EMTN 2% DUE 02/04/2018	300,000	289,536	0.71
MALAYAN BANKING EMTN VAR 20/09/2022	200,000	197,042	0.48
NONGHYUP BANK 2.25% DUE 19/09/2017	200,000	198,382	0.48
OVERSEA-CHINESE BANKING CORPORATION LIMITED 3.15% DUE 11/03/2023	350,000	349,318	0.85
RHB BANK EMTN 3.25% DUE 11/05/2017	250,000	252,132	0.62
SHINHAN BANK 4.375% DUE 27/07/2017	200,000	213,536	0.52
SHINHAN BANK VAR DUE 20/09/2036	50,000	53,875	0.13
SIAM COMMERCIAL BANK 3.375% DUE 19/09/2017	200,000	203,098	0.50
SKYSEA INTERNATIONAL CAP SERIES EMTN 4.875% DUE 07/12/2021	100,000	102,642	0.25
STANDARD CHARTERED BANK EMTN 5.875% DUE 24/06/2020	100,000	108,663	0.26
STATE BANK INDIA LONDON 3.25% DUE 18/04/2018	350,000	338,013	0.83
UNION BANK OF INDIA EMTN 4.625% DUE 22/08/2017	200,000	200,290	0.49
UNITED OVERSEAS BANK LIMITED 5.796% PERPETUAL	100,000	102,875	0.25
UNITED OVERSEAS BANK LIMITED 2.25% DUE 07/03/2017	450,000	456,494	1.12
WOORI BANK 2.875% DUE 02/10/2018	200,000	199,956	0.49
WOORI BANK VAR DUE 02/05/2037	150,000	158,250	0.39
		8,531,611	20.85

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL			
ADARO INDONESIA 7.625% DUE 22/10/2019	100,000	105,750	0.26
AGILE PROPERTY HOLDINGS LIMITED 8.875% DUE 28/04/2017	200,000	210,500	0.51
ALLIANCE GLOBAL GROUP INCORPORATION 6.5% DUE 18/08/2017	100,000	105,500	0.26
BERAU COAL ENERGY 7.25% DUE 13/03/2017	200,000	198,000	0.48
BESTGAIN REAL ESTATE LIMITED 2.625% DUE 13/03/2018	200,000	185,978	0.45
BUMI INVESTMENT PRIVATE LIMITED 10.75% DUE 06/10/2017	100,000	67,500	0.17
BW GROUP LIMITED 6.625% DUE 28/06/2017	100,000	103,250	0.25
CHINA OVERSEAS FINANCE 5.5% DUE 10/11/2020	250,000	257,963	0.63
CHINA RESOURCES LAND LIMITED 4.625% DUE 19/05/2016	50,000	51,974	0.13
CHINA SHANSHUI CEMENT GROUP COMPANY LIMITED 8.5% DUE 25/05/2016	100,000	104,250	0.26
CITIC PACIFIC LIMITED SERIES EMTN 6.875% DUE 21/01/2018	200,000	208,500	0.51
CITIC PACIFIC LIMITED VAR PERPETUAL	200,000	192,000	0.47
COUNTRY GARDEN HOLDINGS COMPANY 11.125% DUE 23/02/2018	350,000	390,250	0.95
FITA INTERNATIONAL LIMITED 7% DUE 10/02/2020	150,000	165,629	0.40
FPC FINANCE LIMITED 6% DUE 28/06/2019	100,000	104,000	0.25
FPT FINANCE LIMITED 6.375% DUE 28/09/2020	100,000	103,000	0.25
FRANSHION DEVELOPMENT LIMITED 6.75% DUE 15/04/2021	100,000	103,250	0.25
HENSON FINANCE LIMITED 5.5% DUE 17/09/2019	75,000	78,998	0.19
HONG KONG LAND FINANCE 4.5% DUE 07/10/2025	150,000	142,813	0.35
HUTCHISON WHAMPOA INTERNATIONAL 11 LIMITED 3.5% DUE 13/01/2017	500,000	518,450	1.27

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
HUTCHISON WHAMPOA INTERNATIONAL 12 LIMITED VAR DUE 29/05/2049	100,000	106,125	0.26
HUTCHISON WHAMPOA INTERNATIONAL LIMITED 7.625% DUE 09/04/2019	250,000	302,060	0.74
HUTCHISON WHAMPOA INTERNATIONAL LIMITED 7.45% DUE 24/11/2033	100,000	123,775	0.30
HUTCHISON WHAMPOA INTERNATIONAL 11 LIMITED 4.625% DUE 13/01/2022	200,000	203,084	0.50
HUTCHISON WHAMPOA INTERNATIONAL LIMITED VAR PERPETUAL	200,000	211,750	0.52
HYUNDAI CAPITAL AMERICA 3.75% DUE 06/04/2016	200,000	208,838	0.51
IOI INVESTMENT SERIES EMTN 4.375% DUE 27/06/2022	100,000	92,483	0.23
KAISA GROUP HOLDINGS LIMITED 8.875% DUE 19/03/2018	200,000	204,000	0.50
KWG PROPERTY HOLDINGS LT 12.75% DUE 30/03/2016	100,000	108,000	0.26
LI & FUNG LIMITED 5.25% DUE 13/05/2020	150,000	155,773	0.38
LONGFOR PROPERTIES SERIES EMTN 6.875% DUE 18/10/2019	200,000	208,500	0.51
MCE FINANCE LIMITED 5% DUE 15/02/2021	200,000	194,000	0.47
NOBLE GROUP LIMITED 8.5% PERP	100,000	100,000	0.24
NOBLE GROUP LIMITED 4.875% DUE 05/08/2015	50,000	52,128	0.13
OLMA INTERNATIONAL LIMITED 6.75% DUE 29/01/2018	150,000	141,750	0.35
OLAM INTERNATIONAL LIMITED 5.75% DUE 20/09/2017	50,000	47,125	0.12
POSCO 5.25% DUE 14/04/2021	50,000	54,023	0.13
ROYAL CAPITAL BV 8.375% DUE PERPETUAL	100,000	104,000	0.25
SHIMAO PROPERTY HOLDINGS LIMITED 9.65% DUE 03/08/2017	200,000	215,000	0.53

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
SINO-OCEAN LAND PERPETUAL FINANCE VAR PERPETUAL	100,000	107,000	0.26
SM INVESTMENTS CORPORATION 5.5% DUE 13/10/2017	100,000	102,500	0.25
SOHO CHINA LIMITED 5.75% DUE 07/11/2017	200,000	201,000	0.49
STUDIO CITY FINANCE LIMITED 8.5% DUE 01/12/2020	250,000	278,750	0.68
SUN HUNG KAI PROPERTY (CAP) SERIES EMTN 4.5% DUE 14/02/2022	200,000	199,392	0.49
SWIRE PACIFIC MTN FINANCING LIMITED EMTN 6.25% DUE 18/04/2018	150,000	170,229	0.42
SWIRE PACIFIC MTN FINANCIAL SERIES EMTN 4.5% DUE 09/10/2023	200,000	197,740	0.48
SWIRE PROPERTIES MTN FINANCING LIMITED EMTN 4.375% DUE 18/06/2022	200,000	197,638	0.48
TALENT YIELD INVESTMENTS 4.5% DUE 25/04/2022	200,000	195,990	0.48
VEDANTA RESOURCES 9.5% DUE 18/07/2018	300,000	332,250	0.81
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 8.25% DUE 07/06/2021	300,000	300,750	0.74
WHEELOCK FINANCE LIMITED 3% DUE 19/03/2018	200,000	195,280	0.48
WISEYEAR HOLDINGS LIMITED 5% DUE 15/02/2017	250,000	264,883	0.65
YANCOAL INTERNATIONAL RESEARCH DEVELOPMENT 4.461% DUE 16/05/2017	200,000	197,424	0.48
		9,170,795	22.41
MEDIA & TELECOM			
BAIDU INC 3.5% DUE 28/11/2022	200,000	182,784	0.45
BHARTI AIRTEL INTERNATIONAL 5.125% DUE 11/03/2023	250,000	230,937	0.56

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
MEDIA & TELECOM (CONTINUED)			
GLOBAL A&T ELECTRONICS 10% DUE 01/02/2019	100,000	87,000	0.21
INDOSAT PALAPA COMPANY 7.375% DUE 29/07/2020	100,000	108,250	0.26
KT CORPORATION 3.875% DUE 20/01/2017	300,000	312,627	0.76
PCCW HKT CAPITAL NO4 LIMITED 4.25% DUE 24/02/2016	200,000	210,260	0.51
SINGTEL GROUP TREASURY 4.5% DUE 08/09/2021	300,000	312,942	0.76
ST ENGINEERING FINANCE 1 LIMITED EMTN 4.8% DUE 16/07/2019	200,000	218,962	0.54
STATS CHIPPAC LIMITED 4.5% DUE 20/03/2018	200,000	199,000	0.49
TSMC GLOBAL LIMITED 1.625% DUE 03/04/2018	350,000	334,611	0.82
		2,197,373	5.36
OIL & GAS			
CNOOC FINANCE 2011 LIMITED 4.25% DUE 26/01/2021	100,000	100,637	0.25
CNOOC FINANCE 2012 LIMITED 3.875% DUE 02/05/2022	100,000	96,068	0.23
CNOOC FINANCE 2013 LIMITED 4.25% DUE 09/05/2043	200,000	165,740	0.41
CNOOC FINANCE 2013 LIMITED 3% DUE 09/05/2023	500,000	443,485	1.08
CNPC GENERAL CAPITAL 3.95% DUE 19/04/2022	200,000	191,854	0.47
CNPC HK OVERSEAS CAPITAL 3.125% DUE 28/04/2016	150,000	155,037	0.38
GS CALTEX CORPORATION 3.25% DUE 01/10/2018	200,000	200,084	0.49

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
OIL & GAS (CONTINUED)			
INDIAN OIL CORPORATION LIMITED EMTN DUE 01/08/2023	200,000	191,556	0.47
MIE HOLDINGS CORPORATION 9.75% DUE 12/05/2016	50,000	52,999	0.13
PETRON CORPORATION VAR PERPETUAL	200,000	197,500	0.48
PTT EXPLORATION AND PROD PCL 3.707% DUE 16/09/2018	200,000	202,380	0.49
PTT GLOBAL CHEMICAL PCL 4.25% DUE 19/09/2022	250,000	233,618	0.57
PTT PCL 4.5% DUE 25/10/2042	200,000	154,538	0.38
PTTEP CANADA INTERNATIONAL FINANCE 5.692% DUE 05/04/2021	200,000	212,750	0.52
RELIANCE HOLDINGS USA INCORPORATION 5.4% DUE 14/02/2022	500,000	505,050	1.23
RELIANCE HOLDINGS USA INCORPORATION 4.5% DUE 19/10/2020	150,000	147,884	0.36
SINOPEC CAPITAL 2013 1.875% DUE 24/04/2018	300,000	289,662	0.71
THAI OIL PCL 3.625% DUE 23/01/2023	200,000	178,230	0.44
		3,719,072	9.09
GOVERNMENT RELATED			
BANK OF CEYLON 6.875% DUE 03/05/2017	200,000	201,000	0.49
DEVELOPMENT BANK OF MONGOLIA 5.75% DUE 21/03/2017	250,000	235,000	0.57
EXPORT-IMPORT BANK OF INDIA 4% DUE 14/01/2023	300,000	260,661	0.64
EXPORT-IMPORT BANK OF KOREA 4.375% DUE 15/09/2021	200,000	207,672	0.51
EXPORT-IMPORT BANK OF KOREA 3.75% DUE 20/10/2016	400,000	423,496	1.04

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
GOVERNMENT RELATED (CONTINUED)			
EXPORT-IMPORT BANK OF KOREA 1.75% DUE 27/02/2018	300,000	291,663	0.71
EXPORT-IMPORT BANK OF MALAYSIA BERHAD EMTN 2.875% DUE 14/12/2017	300,000	303,297	0.74
KOREA DEVELOPMENT BANK 4% DUE 09/09/2016	50,000	53,145	0.13
KOREA DEVELOPMENT BANK 3.5% DUE 22/08/2017	250,000	260,118	0.64
KOREA DEVELOPMENT BANK 3% DUE 14/09/2022	200,000	187,898	0.46
KOREA FINANCE CORPORATION 4.625% DUE 16/11/2021	100,000	105,247	0.26
KOREA FINANCE CORPORATION 2.25% DUE 07/08/2017	50,000	49,863	0.12
KOREA NATIONAL OIL CORPORATION 3.125% DUE 03/04/2017	300,000	307,875	0.75
MAJAPAHIT HOLDING 7.875% DUE 29/06/2037	100,000	103,000	0.25
MAJAPAHIT HOLDING 7.75% DUE 20/01/2020	400,000	437,800	1.07
MONGOLIA 5.125% DUE 05/12/2022	200,000	165,500	0.40
NATIONAL SAVINGS BANK 8.875% DUE 18/09/2018	200,000	212,500	0.52
PERTAMINA 6% DUE 03/05/2042	200,000	164,000	0.40
PERTAMINA 4.875% DUE 03/05/2022	200,000	182,500	0.45
PERTAMINA PERSERO 4.3% DUE 20/05/2023	250,000	215,625	0.53
PERUSAHAAN LISTRIK NEGAR 5.5% DUE 22/11/2021	250,000	238,750	0.58
PETRONAS CAPITAL LIMITED 7.875% DUE 22/05/2022	250,000	311,410	0.76
PETRONAS CAPITAL LIMITED 5.25% DUE 12/08/2019	500,000	544,675	1.33
POWER SECTOR ASSET & LI 7.25% DUE 27/05/2019	350,000	415,625	1.02

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
GOVERNMENT RELATED (CONTINUED)			
PSA INTERNATIONAL PRIVATE LIMITED GMTN 3.875% DUE 11/02/2021	200,000	201,606	0.49
PT PERTAMINA PERSERO 5.625% DUE 20/05/2043	200,000	158,000	0.39
REPUBLIC OF INDONESIA 7.75% DUE 17/01/2038	800,000	903,000	2.21
REPUBLIC OF INDONESIA 6.875% DUE 17/01/2018	400,000	448,000	1.09
REPUBLIC OF INDONESIA 5.875% DUE 13/03/2020	350,000	369,688	0.90
REPUBLIC OF INDONESIA 5.25% DUE 17/01/2042	450,000	383,063	0.94
REPUBLIC OF INDONESIA 4.875% DUE 05/05/2021	350,000	346,500	0.85
REPUBLIC OF INDONESIA 3.75% DUE 25/04/2022	400,000	359,000	0.88
REPUBLIC OF ISLAMIC PAKISTAN 7.125% DUE 31/03/2016	200,000	195,500	0.48
REPUBLIC OF KOREA 3.875% DUE 11/09/2023	250,000	253,633	0.62
REPUBLIC OF PHILIPPINES 10.625% DUE 16/03/2025	500,000	766,250	1.87
REPUBLIC OF PHILIPPINES 9.5% DUE 02/02/2030	700,000	1,047,375	2.56
REPUBLIC OF PHILIPPINES 6.5% DUE 20/01/2020	100,000	117,625	0.29
REPUBLIC OF PHILIPPINES 6.375% DUE 15/01/2032	700,000	821,625	2.01
REPUBLIC OF PHILIPPINES 6.375% DUE 23/10/2034	300,000	357,000	0.87
REPUBLIC OF PHILIPPINES 5% DUE 13/01/2037	100,000	104,000	0.25
REPUBLIC OF SRI LANKA 6.25% DUE 04/10/2020	200,000	197,500	0.48

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
GOVERNMENT RELATED (CONTINUED)			
REPUBLIC OF SRI LANKA 6.25% DUE 27/07/2021	300,000	291,750	0.71
REPUBLIC OF VIETNAM 6.75% DUE 29/01/2020	350,000	378,000	0.92
SINOCHEM OVERSEAS CAPITAL 4.5% DUE 12/11/2020	300,000	305,391	0.75
SINOPEC GROUP OVERSEA 2012 4.875% DUE 17/05/2042	250,000	233,703	0.57
SINOPEC GROUP OVERSEAS 2013 2.5% DUE 17/10/2018	200,000	197,510	0.48
SSG RESOURCES LIMITED 4.25% DUE 04/10/2022	200,000	189,540	0.46
STATE GRID OVERSEAS INVESTMENT 3.125% DUE 22/05/2023	300,000	273,138	0.67
TEMASEK FINANCIAL I LIMITED 3.375% DUE 23/07/2042	250,000	195,182	0.48
TEMASEK FINANCIAL I LIMITED 2.375% DUE 23/01/2023	150,000	134,893	0.33
		15,106,792	36.92
UTILITIES			
BHIRA INVESTMENTS LIMITED VAR DUE 27/04/2071	100,000	99,000	0.24
CHINA RESOURCES GAS GROUP LIMITED 4.5% DUE 05/04/2022	50,000	48,837	0.12
CHINA RESOURCES POWER VAR PERPETUAL	150,000	156,000	0.38
HK ELECTRIC FINANCE SERIES EMTN 4.25% DUE 14/12/2020	200,000	202,460	0.50
HKCG FINANCE LIMITED 6.25% DUE 07/08/2018	100,000	113,004	0.28
KOREA GAS CORPORATION 6.25% DUE 20/01/2042	200,000	226,856	0.55

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
UTILITIES (CONTINUED)			
KOREA WESTERN POWER COMPANY 3.125% DUE 10/05/2017	200,000	204,438	0.50
NTPC LTD SERIES EMTN 5.625% DUE 14/07/2021	150,000	148,464	0.36
PHBS LIMITED 6.625% PERPETUAL	200,000	192,000	0.47
SAN MIGUEL CORPORATION 4.875% DUE 26/04/2023	200,000	164,000	0.40
		1,555,059	3.80
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES		613,034	1.50
PORTFOLIO OF INVESTMENTS		**40,893,736**	**99.93**
OTHER NET ASSETS		**27,102**	**0.07**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)		**40,920,838**	**100.00**

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PRIMARY – BY INDUSTRY (SUMMARY)

	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
FINANCIAL	20.85	19.61
INDUSTRIAL	22.41	21.11
MEDIA & TELECOM	5.36	3.02
OIL & GAS	9.09	6.94
GOVERNMENT RELATED	36.92	44.27
UTILITIES	3.80	3.69
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	1.50	1.38
PORTFOLIO OF INVESTMENTS	**99.93**	**100.02**
OTHER NET ASSETS/(LIABILITIES)	**0.07**	**(0.02)**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**100.00**	**100.00**

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SECONDARY – BY GEOGRAPHY

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
BY COUNTRY OF RISK			
BERMUDA	307,901	0.75	1.11
BRITISH VIRGIN ISLANDS	828,506	2.02	1.95
CANADA	212,750	0.52	1.23
CAYMAN ISLANDS	1,056,513	2.58	4.20
CHINA	5,767,705	14.09	10.12
GREAT BRITAIN	741,663	1.81	1.18
HONG KONG	4,404,093	10.76	10.08
INDIA	3,521,904	8.61	6.60
INDONESIA	4,735,176	11.58	13.38
IRELAND	103,250	0.25	0.29
MALAYSIA	1,890,579	4.62	5.48
MONGOLIA	400,500	0.98	1.23
NETHERLANDS	103,000	0.25	–
PAKISTAN	195,500	0.48	0.50
PHILIPPINES	4,197,500	10.26	11.75
SINGAPORE	3,054,259	7.46	8.46
SOUTH KOREA	5,299,148	12.95	13.67
SRI LANKA	902,750	2.21	2.03
TAIWAN	149,625	0.37	0.40
THAILAND	1,882,496	4.60	2.94
USA	147,884	0.36	1.12
VIETNAM	378,000	0.92	0.92
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	613,034	1.50	1.38
PORTFOLIO OF INVESTMENTS	**40,893,736**	**99.93**	**100.02**
OTHER NET ASSETS/(LIABILITIES)	**27,102**	**0.07**	**(0.02)**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**40,920,838**	**100.00**	**100.00**

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As at 31 December 2013

iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
CHINA			
CHINA GOVERNMENT BOND 3.09% DUE 29/06/2020	500,000	80,303	0.51
CHINA GOVERNMENT BOND 2.56% DUE 29/06/2017	1,500,000	245,688	1.57
		325,991	2.08
HONG KONG			
HONG KONG GOVERNMENT 2.46% DUE 04/08/2021	700,000	90,299	0.57
HONG KONG GOVERNMENT BOND PROGRAMME 1.43% DUE 02/12/2015	450,000	59,013	0.38
		149,312	0.95
INDONESIA			
INDONESIA GOVERNMENT SERIES FR52 10.5% DUE 15/08/2030	1,300,000,000	120,108	0.77
INDONESIA GOVERNMENT SERIES FR42 10.25% DUE 15/07/2027	800,000,000	71,947	0.46
INDONESIA GOVERNMENT SERIES FR57 9.5% DUE 15/05/2041	1,500,000,000	125,965	0.81
INDONESIA GOVERNMENT SERIES FR66 5.25% DUE 15/05/2018	1,500,000,000	110,929	0.71
REPUBLIC OF INDONESIA FR34 12.8% DUE 15/06/2021	250,000,000	25,575	0.16
REPUBLIC OF INDONESIA FR36 11.5% DUE 15/09/2019	400,000,000	37,568	0.24
REPUBLIC OF INDONESIA FR40 11% DUE 15/09/2025	4,300,000,000	408,977	2.61
REPUBLIC OF INDONESIA FR50 10.5% DUE 15/07/2038	500,000,000	46,097	0.30

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iSHARES SOUTHEAST ASIA TRUST

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDONESIA (CONTINUED)			
REPUBLIC OF INDONESIA FR46 9.5% DUE 15/07/2023	1,600,000,000	138,399	0.88
REPUBLIC OF INDONESIA FR54 9.5% DUE 15/07/2031	1,250,000,000	106,820	0.68
REPUBLIC OF INDONESIA FR53 8.25% DUE 15/07/2021	900,000,000	73,049	0.47
REPUBLIC OF INDONESIA SERIES FR58 8.25% DUE 15/06/2032	3,500,000,000	266,742	1.71
REPUBLIC OF INDONESIA FR55 7.375% DUE 15/09/2016	2,500,000,000	202,342	1.29
REPUBLIC OF INDONESIA SERIES FR61 7% DUE 15/05/2022	1,500,000,000	112,161	0.72
REPUBLIC OF INDONESIA FR62 6.375% DUE 15/04/2042	400,000,000	23,336	0.15
REPUBLIC OF INDONESIA SERIES FR64 6.125% DUE 15/05/2028	500,000,000	31,841	0.20
		1,901,856	12.16
MALAYSIA			
GOVERNMENT OF MALAYSIA SERIES 0713 4.935% DUE 30/09/2043	100,000	30,926	0.20
GOVERNMENT OF MALAYSIA SERIES 0902 4.378% DUE 29/11/2019	2,200,000	684,824	4.38
GOVERNMENT OF MALAYSIA SERIES 0412 4.127% DUE 15/04/2032	500,000	143,143	0.91
GOVERNMENT OF MALAYSIA SERIES 0212 3.892% DUE 15/03/2027	350,000	101,842	0.65
GOVERNMENT OF MALAYSIA SERIES 0112 3.418% DUE 15/08/2022	350,000	101,086	0.65
GOVERNMENT OF MALAYSIA SERIES 0512 3.314% DUE 31/10/2017	1,100,000	331,585	2.12

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
MALAYSIA (CONTINUED)			
GOVERNMENT OF MALAYSIA SERIES 0312 3.197% DUE 15/10/2015	850,000	258,981	1.65
MALAYSIAN GOVERNMENT SERIES 0311 4.392% DUE 15/04/2026	1,300,000	391,528	2.50
MALAYSIAN GOVERNMENT SERIES 0210 4.012% DUE 15/09/2017	1,300,000	401,764	2.57
		2,445,679	15.63
PHILIPPINES			
GOVERNMENT OF PHILIPPINES SERIES 2017 8% DUE 19/07/2031	17,000,000	524,473	3.35
REPUBLIC OF PHILIPPINES SERIES 25-8 8.125% DUE 16/12/2035	13,000,000	399,272	2.55
REPUBLIC OF PHILIPPINES SERIES 1048 7.875% DUE 19/02/2019	8,500,000	234,710	1.50
REPUBLIC OF PHILIPPINES SERIES R102 7.375% DUE 03/03/2021	1,000,000	28,254	0.18
REPUBLIC OF PHILIPPINES 7-48 7% DUE 27/01/2016	3,000,000	74,329	0.48
REPUBLIC OF PHILIPPINES SERIES 7-49 7% DUE 31/03/2017	12,000,000	308,354	1.97
REPUBLIC OF PHILIPPINES SERIES 1054 6.375% DUE 19/01/2022	9,000,000	241,881	1.55
		1,811,273	11.58
SINGAPORE			
DBS BANK LIMITED SINGAPORE SERIES MTN VAR DUE 21/02/2022	250,000	200,533	1.28
GOVERNMENT OF SINGAPORE 3.75% DUE 01/09/2016	650,000	560,268	3.58

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
SINGAPORE (CONTINUED)			
GOVERNMENT OF SINGAPORE 3.5% DUE 01/03/2027	150,000	125,546	0.80
GOVERNMENT OF SINGAPORE 3.25% DUE 01/09/2020	100,000	84,493	0.54
GOVERNMENT OF SINGAPORE 3.125% DUE 01/09/2022	200,000	166,126	1.06
GOVERNMENT OF SINGAPORE 3% DUE 01/09/2024	100,000	80,512	0.52
GOVERNMENT OF SINGAPORE 2.875% DUE 01/09/2030	140,000	108,496	0.69
GOVERNMENT OF SINGAPORE 2.75% DUE 01/07/2023	200,000	161,630	1.04
GOVERNMENT OF SINGAPORE 2.75% DUE 01/04/2042	190,000	141,624	0.91
GOVERNMENT OF SINGAPORE 2.5% DUE 01/06/2019	500,000	411,761	2.63
GOVERNMENT OF SINGAPORE 2.25% DUE 01/06/2021	175,000	137,886	0.88
		2,178,875	13.93
SOUTH KOREA			
KOREA TREASURY BOND SERIES 1809 5.75% DUE 10/09/2018	650,000,000	681,941	4.36
KOREA TREASURY BOND SERIES 2912 5.5% DUE 10/12/2029	150,000,000	171,555	1.10
KOREA TREASURY BOND SERIES 2006 5% DUE 10/06/2020	325,000,000	335,828	2.14
KOREA TREASURY BOND SERIES 3012 4.75% DUE 10/12/2030	450,000,000	478,402	3.06
KOREA TREASURY BOND SERIES 1603 4% DUE 10/03/2016	500,000,000	485,469	3.10
KOREA TREASURY BOND SERIES 3112 4% DUE 10/12/2031	50,000,000	48,738	0.31
KOREA TREASURY BOND SERIES 1609 DUE 3.5% 10/09/2016	75,000,000	72,175	0.46

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
SOUTH KOREA (CONTINUED)			
KOREA TREASURY BOND SERIES 2309 3.375% DUE 10/09/2023	30,000,000	27,950	0.18
KOREA TREASURY BOND SERIES 2303 3% DUE 10/03/2023	200,000,000	181,176	1.16
KOREA TREASURY BOND SERIES 4212 3% DUE 10/12/2042	105,000,000	84,389	0.54
KOREA TREASURY BOND SERIES 1709 2.75% DUE 10/09/2017	500,000,000	468,584	2.99
REPUBLIC OF KOREA 2603 5.75% DUE 10/03/2026	220,000,000	250,223	1.60
REPUBLIC OF KOREA 1609 5% DUE 10/09/2016	150,000,000	149,814	0.96
REPUBLIC OF KOREA SERIES 2106 4.25% DUE 10/06/2021	400,000,000	397,953	2.54
		3,834,197	24.50
THAILAND			
BANK OF THAILAND BOND SERIES 3YR 2.95% DUE 14/01/2016	500,000	15,297	0.10
GOVERNMENT OF THAILAND 5.4% DUE 27/07/2016	8,000,000	258,452	1.65
GOVERNMENT OF THAILAND 3.85% DUE 12/12/2025	8,000,000	238,724	1.53
GOVERNMENT OF THAILAND 3.65% DUE 17/12/2021	12,500,000	377,644	2.41
GOVERNMENT OF THAILAND 3.65% DUE 20/06/2031	3,500,000	98,020	0.63
GOVERNMENT OF THAILAND 3.625% DUE 16/06/2023	4,500,000	134,034	0.86
GOVERNMENT OF THAILAND 3.58% DUE 17/12/2027	3,500,000	100,370	0.64
GOVERNMENT OF THAILAND 3.45% DUE 08/03/2019	3,500,000	106,553	0.68
GOVERNMENT OF THAILAND 3.125% DUE 11/12/2015	4,500,000	138,178	0.88

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
THAILAND (CONTINUED)			
THAILAND GOVERNEMENT BOND 5.67% DUE 13/03/2028	1,000,000	35,105	0.22
THAILAND GOVERNMENT BOND 4.85% DUE 17/06/2061	2,500,000	79,473	0.51
THAILAND GOVERNMENT BOND 4.26% DUE 12/12/2037	500,000	14,844	0.10
THAILAND GOVERNMENT 3.875% DUE 13/06/2019	15,000,000	467,018	2.98
THAILAND GOVERNMENT BOND 3.8% DUE 14/06/2041	5,000,000	135,808	0.87
THAILAND GOVERNMENT BOND 3.775% DUE 25/06/2032	2,500,000	70,798	0.45
THAILAND GOVERNMENT BOND 3.25% DUE 16/06/2017	15,000,000	460,180	2.94
		2,730,498	17.45
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES		170,398	1.09
PORTFOLIO OF INVESTMENTS		**15,548,079**	**99.37**
OTHER NET ASSETS		**98,683**	**0.63**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)		**15,646,762**	**100.00**

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

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iShares Barclays Asia Local Currency Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
CHINA	2.08	0.66
HONG KONG	0.95	0.66
INDONESIA	12.16	14.80
MALAYSIA	15.63	15.90
PHILIPPINES	11.58	10.67
SINGAPORE	13.93	12.48
SOUTH KOREA	24.50	24.79
THAILAND	17.45	18.57
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	1.09	1.12
PORTFOLIO OF INVESTMENTS	**99.37**	**99.65**
OTHER NET ASSETS	**0.63**	**0.35**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**100.00**	**100.00**

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iShares Barclays Asia Local Currency Bond Index ETF

SECONDARY – BY INDUSTRY

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
BONDS – QUOTED			
FINANCIAL	200,533	1.28	1.15
GOVERNMENT RELATED	15,177,148	97.00	97.38
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	170,398	1.09	1.12
PORTFOLIO OF INVESTMENTS	**15,548,079**	**99.37**	**99.65**
OTHER NET ASSETS	**98,683**	**0.63**	**0.35**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**15,646,762**	**100.00**	**100.00**

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

iSHARES SOUTHEAST ASIA TRUST

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As at 31 December 2013

iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

PRIMARY – BY GEOGRAPHY

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
CHINA			
CHINA GOVERNMENT BOND 2.6% DUE 22/11/2016	500,000	82,605	1.34
GOVERNMENT OF CHINA 2.87% DUE 27/06/2016	500,000	82,946	1.35
GOVERNMENT OF CHINA 1.4% DUE 18/08/2016	500,000	79,920	1.30
PEOPLE'S REPUBLIC OF CHINA SERIES HK 1.8% DUE 01/12/2015	1,500,000	244,084	3.97
		489,555	7.96
HONG KONG			
GOVERNMENT OF HONG KONG 0.82% DUE 19/12/2016	400,000	51,761	0.84
HONG KONG GOVERNMENT 0.34% DUE 09/05/2016	500,000	63,904	1.04
HONG KONG GOVERNMENT BOND PROGRAMME 1.43% DUE 02/12/2015	800,000	104,913	1.71
		220,578	3.59
INDONESIA			
PERUSAHAAN PENERBIT SBSN SERIES SR05 6% DUE 27/02/2016	750,000,000	58,915	0.96
REPUBLIC OF INDONESIA FR30 10.75% DUE 15/05/2016	300,000,000	26,130	0.42
REPUBLIC OF INDONESIA FR27 9.5% DUE 15/06/2015	1,300,000,000	109,330	1.78
REPUBLIC OF INDONESIA FR55 7.375% DUE 15/09/2016	1,000,000,000	80,937	1.31
		275,312	4.47

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iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
MALAYSIA			
GOVERNMENT OF MALAYSIA SERIES 2/05 4.72% DUE 30/09/2015	500,000	156,371	2.54
GOVERNMENT OF MALAYSIA SERIES 0409 3.741% DUE 27/02/2015	100,000	30,681	0.50
GOVERNMENT OF MALAYSIA SERIES 0312 3.197% DUE 15/10/2015	550,000	167,576	2.72
MALAYSIAN GOVERNMENT SERIES 1/06 4.262% DUE 15/09/2016	900,000	281,158	4.57
MALAYSIA GOVERNMENT SERIES 0110 3.835% DUE 12/08/2015	500,000	153,899	2.50
MALAYSIAN GOVERNMENT SERIES 0211 3.434% DUE 15/08/2014	100,000	30,617	0.50
MALAYSIA GOVERNMENT SERIES 0113 3.172% DUE 15/07/2016	550,000	167,257	2.72
		987,559	16.05
PHILIPPINES			
REPUBLIC OF PHILIPPINES 7-48 7% DUE 27/01/2016	6,500,000	161,047	2.61
REPUBLIC OF PHILIPPINES SERIES 1042 9.125% DUE 04/09/2016	4,000,000	106,198	1.73
REPUBLIC OF PHILIPPINES SERIES 7-47 8.375% DUE 22/05/2015	1,000,000	24,663	0.40
		291,908	4.74
SINGAPORE			
GOVERNMENT OF SINGAPORE 3.75% DUE 01/09/2016	100,000	86,195	1.40
GOVERNMENT OF SINGAPORE 2.875% DUE 01/07/2015	200,000	164,380	2.67

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iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
SINGAPORE (CONTINUED)			
GOVERNMENT OF SINGAPORE 1.125% DUE 01/04/2016	620,000	499,752	8.12
GOVERNMENT OF SINGAPORE 0.25% DUE 01/02/2015	40,000	31,652	0.52
		781,979	12.71
SOUTH KOREA			
KOREA TREASURY BOND SERIES 1503 4.5% DUE 10/03/2015	250,000,000	241,839	3.93
KOREA TREASURY BOND SERIES 1412 3.25% DUE 10/12/2014	50,000,000	47,631	0.77
KOREA TREASURY BOND SERIES 1506 3.25% DUE 10/06/2015	300,000,000	286,276	4.65
KOREA TREASURY BOND SERIES 1612 3% DUE 10/12/2016	100,000,000	95,251	1.55
KOREA TREASURY BOND SERIES 1606 2.75% DUE 10/06/2016	150,000,000	141,874	2.31
REPUBLIC OF KOREA 1509 5.25% DUE 10/09/2015	170,000,000	167,551	2.72
REPUBLIC OF KOREA 1609 5% DUE 10/09/2016	250,000,000	249,690	4.06
REPUBLIC OF KOREA TREASURY BOND 1512 2.75% DUE 10/12/2015	300,000,000	284,041	4.62
		1,514,153	24.61
THAILAND			
BANK OF THAILAND BOND SERIES 4YR 3.5% DUE 24/02/2015	16,000,000	492,820	8.01
BANK OF THAILAND BOND SERIES 3YR 3.3% DUE 16/07/2015	4,200,000	129,284	2.10
BANK OF THAILAND BOND SERIES 4YR 3.22% DUE 01/03/2016	10,000,000	307,553	5.00
GOVERNMENT OF THAILAND 5.4% DUE 27/07/2016	3,500,000	113,073	1.84

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PRIMARY – BY GEOGRAPHY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
THAILAND (CONTINUED)			
GOVERNMENT OF THAILAND 3.625% DUE 22/05/2015	6,000,000	185,270	3.01
GOVERNMENT OF THAILAND 3.125% DUE 11/12/2015	6,000,000	184,238	2.99
THAILAND GOVERNMENT 4.125% DUE 18/11/2016	2,700,000	84,841	1.38
		1,497,079	24.33
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES		54,990	0.89
PORTFOLIO OF INVESTMENTS		**6,113,113**	**99.35**
OTHER NET ASSETS		**39,956**	**0.65**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)		**6,153,069**	**100.00**

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

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iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

PRIMARY – BY GEOGRAPHY (SUMMARY)

	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
CHINA	7.96	1.82
HONG KONG	3.59	2.03
INDONESIA	4.47	4.45
MALAYSIA	16.05	20.45
PHILIPPINES	4.74	3.85
SINGAPORE	12.71	16.08
SOUTH KOREA	24.61	25.13
THAILAND	24.33	24.80
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	0.89	0.87
PORTFOLIO OF INVESTMENTS	**99.35**	**99.48**
OTHER NET ASSETS	**0.65**	**0.52**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**100.00**	**100.00**

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iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF

SECONDARY – BY INDUSTRY

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
BONDS – QUOTED			
GOVERNMENT RELATED	6,058,123	98.46	98.61
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	54,990	0.89	0.87
PORTFOLIO OF INVESTMENTS	**6,113,113**	**99.35**	**99.48**
OTHER NET ASSETS	**39,956**	**0.65**	**0.52**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**6,153,069**	**100.00**	**100.00**

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

iSHARES SOUTHEAST ASIA TRUST

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iShares Barclays USD Asia High Yield Bond Index ETF

PRIMARY – BY INDUSTRY

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
FINANCIAL			
ALLIANCE GLOBAL GROUP INCORPORATION 6.5% DUE 18/08/2017	350,000	370,125	0.53
CHAMPION MTN LIMITED SERIES EMTN 3.75% DUE 17/01/2023	400,000	339,808	0.48
CITIC BK INTERNATIONAL LIMITED SERIES EMTN 6.875% DUE 24/06/2020	350,000	377,352	0.54
CK BOND SEC 03 LIMITED 5.375% PERPETUAL	450,000	393,750	0.56
GREENTOWN CHINA 8.5% DUE 04/02/2018	650,000	680,875	0.97
ICICI BANK LIMITED VAR DUE 30/04/2022	700,000	682,500	0.98
JOYOUS GLORY GROUP GMTN 5.7% DUE 07/03/2020	400,000	406,000	0.58
POLY PROPERTY GROUP 4.75% DUE 16/05/2018	500,000	481,250	0.69
SUN HUNG KAI & COMPANY BVI LIMITED SERIES EMTN 6.375% DUE 26/09/2017	200,000	203,000	0.29
WOORI BANK VAR DUE 02/05/2037	800,000	852,000	1.22
		4,786,660	6.84
INDUSTRIAL			
ADARO INDONESIA 7.625% DUE 22/10/2019	700,000	740,250	1.06
AGILE PROPERTY H0LDINGS LIMITED 9.875% DUE 20/03/2017	650,000	719,875	1.03
AGILE PROPERTY HOLDINGS LIMITED 8.875% DUE 28/04/2017	500,000	526,750	0.75
AGILE PROPERTY HOLDINGS LIMITED VAR PERP	550,000	508,750	0.73
BERAU CAPITAL RESOURCES 12.5% DUE 08/07/2015	400,000	422,600	0.60
BERAU COAL ENERGY 7.25% DUE 13/03/2017	400,000	396,000	0.57
BIG WILL INVESTMENTS LIMITED EMTN 10.875% DUE 29/04/2016	200,000	222,300	0.32
BUMI INVESTMENT PRIVATE LIMITED 10.75% DUE 06/10/2017	600,000	402,000	0.57
BW GROUP LIMITED 6.625% DUE 28/06/2017	350,000	362,250	0.52

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

iSHARES SOUTHEAST ASIA TRUST

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

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iShares Barclays USD Asia High Yield Bond Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
CAIFU HOLDINGS LIMITED 8.75% DUE 24/01/2020	600,000	602,100	0.86
CAPITALAND TREASURY LIMITED EMTN 4.076% DUE 20/09/2022	200,000	187,402	0.27
CENTRAL CHINA REAL ESTATE EMTN 6.5% DUE 04/06/2018	400,000	393,000	0.56
CENTRAL PLAZA DEVELOPMENT LIMITED VAR PERP	400,000	415,400	0.59
CHINA ORIENTAL GROUP COMPANY LIMITED 8% DUE 18/08/2015	400,000	409,000	0.58
CHINA SCE PROPERTY HOLDING 11.5% DUE 14/11/2017	200,000	221,000	0.32
CHINA SHANSHUI CEMENT GROUP COMPANY LIMITED 10.5% DUE 27/04/2017	300,000	325,875	0.47
CHINA SHANSHUI CEMENT GROUP COMPANY LIMITED 8.5% DUE 25/05/2016	400,000	415,000	0.59
CIFI HOLDINGS GROUP 12.25% DUE 15/04/2018	400,000	453,000	0.65
CITIC PACIFIC LIMITED 6.375% DUE 10/04/2020	200,000	194,250	0.28
CITIC PACIFIC LIMITED 6.625% DUE 15/04/2021	300,000	291,000	0.42
CITIC PACIFIC LIMITED SERIES EMTN 6.875% DUE 21/01/2018	500,000	522,500	0.75
CITIC PACIFIC LIMITED VAR PERP	400,000	392,500	0.56
CITIC PACIFIC LTD 6.8% DUE 17/01/2023	900,000	830,250	1.19
CITIC PACIFIC LTD VAR PERP	500,000	482,500	0.69
CITIC TELECOM INTERNATIONAL FINANCE 6.1% DUE 05/03/2025	450,000	404,437	0.58
COUNTRY GARDEN HOLDINGS COMPANY 11.25% DUE 22/04/2017	350,000	375,375	0.54
COUNTRY GARDEN HOLDINGS COMPANY 11.125% DUE 23/02/2018	1,200,000	1,338,000	1.91
COUNTRY GARDEN HOLDINGS COMPANY 7.5% DUE 10/01/2023	400,000	383,000	0.55

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
COUNTRY GARDEN HOLDINGS COMPANY LIMITED 7.25% DUE 04/04/2021	700,000	694,750	0.99
DYNAMIC TALENT LIMITED 4.75% DUE 01/08/2017	450,000	453,488	0.65
EVERGRANDE REAL ESTATE GROUP 13% DUE 27/01/2015	1,250,000	1,337,500	1.91
EVERGRANDE REAL ESTATE GROUP 8.75% DUE 30/10/2018	1,200,000	1,207,800	1.73
FITA INTERNATIONAL LIMITED 7% DUE 10/02/2020	600,000	669,822	0.96
FPC FINANCE LIMITED 6% DUE 28/06/2019	225,000	232,875	0.33
FPC TREASURY LIMITED SERIES 4.5% DUE 16/04/2023	450,000	381,375	0.55
FPT FINANCE LIMITED 6.375% DUE 28/09/2020	350,000	361,725	0.52
GAJAH TUNGGAL 7.75% DUE 06/02/2018	450,000	442,125	0.63
GEMDALE INTERNATIONAL INVESTMENT 7.125% DUE 16/11/2017	400,000	414,000	0.59
GLOBAL A&T ELECTRONICS 10% DUE 01/02/2019	550,000	478,500	0.68
GLORIOUS PROPERTY HOLDINGS LIMITED 13.25% DUE 04/03/2018	250,000	206,250	0.29
GREENLAND HONG KONG HOLDING 4.75% DUE 18/10/2016	600,000	605,100	0.87
HENDERSON LAND MTN PRIVATE LIMITED 4.75% DUE 14/02/2017	400,000	418,884	0.60
HENGDELI HOLDINGS LIMITED EMTN 6.25% DUE 29/01/2018	200,000	205,500	0.29
HENSON FINANCE LIMITED 5.5% DUE 17/09/2019	550,000	578,985	0.83
HIDILI INDUSTRIES INTERNATIONAL DEVELOPMENT LIMITED 8.625% DUE 04/11/2015	300,000	226,500	0.32

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
HLP FINANCE LIMITED SERIES EMTN 4.75% DUE 25/06/2022	450,000	434,007	0.62
HOWES CAPITAL LIMITED 4.75% DUE 10/04/2017	550,000	574,244	0.82
HYVA GLOBAL 8.625% DUE 24/03/2016	400,000	404,000	0.58
ICTSI TREASURY 4.625% DUE 16/01/2023	400,000	367,000	0.52
INDO ENERGY FINANCE II 6.375% DUE 24/01/2023	450,000	370,125	0.53
INDOSAT PALAPA COMPANY 7.375% DUE 29/07/2020	550,000	597,025	0.85
JGSH PHILIPPINES LIMITED 4.375% DUE 23/01/2023	600,000	549,000	0.78
KAISA GROUP HOLDINGS LIMITED 10.25% DUE 08/01/2020	450,000	463,500	0.66
KAISA GROUP HOLDINGS LIMITED 8.875% DUE 19/03/2018	400,000	409,000	0.58
KWG PROPERTY HOLDING LIMITED 13.25% DUE 22/03/2017	350,000	409,500	0.59
KWG PROPERTY HOLDINGS LT 12.75% DUE 30/03/2016	200,000	216,000	0.31
LAI SUN INTERNATIONAL FINANCE 5.7% DUE 18/01/2018	200,000	193,500	0.28
LONGFOR PROPERTIES 9.5% DUE 07/04/2016	500,000	530,000	0.76
LONGFOR PROPERTIES 6.75% DUE 29/01/2023	450,000	412,875	0.59
LONGFOR PROPERTIES SERIES EMTN 6.875% DUE 18/10/2019	400,000	416,000	0.59
MCE FINANCE LIMITED 5% DUE 15/02/2021	500,000	482,500	0.69
METROPOLITAN LIGHT INTERNATIONAL EMTN 5.25% DUE 17/01/2018	400,000	401,000	0.57
MIE HOLDINGS CORPORATION 9.75% DUE 12/05/2016	400,000	424,000	0.61
MONGOLIAN MINING CORPORATION 8.875% DUE 29/03/2017	400,000	315,000	0.45

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iShares Barclays USD Asia High Yield Bond Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
NOBLE GROUP LIMITED 8.5% PERPETUAL	275,000	275,687	0.39
OLAM INTERNATIONAL LIMITED 5.75% DUE 20/09/2017	400,000	379,000	0.54
OTTAWA HOLDINGS PRIVATE LIMITED 5.875% DUE 16/05/2018	200,000	152,000	0.22
PACNET LIMITED 9% DUE 12/12/2018	300,000	306,750	0.44
PARKSON RETAIL GROUP LIMITED 4.5% DUE 03/05/2018	450,000	421,875	0.60
PETRON CORPORATION VAR PERP	600,000	591,000	0.85
PHBS LIMITED 6.625% PERPETUAL	850,000	833,000	1.19
RENHE COMMERCIAL HOLDINGS 13% DUE 10/03/2016	450,000	289,125	0.41
ROAD KING INFRASTRUCTURE LIMITED 9.875% DUE 18/09/2017	350,000	388,500	0.56
ROSY UNICORN LIMITED 6.5% DUE 09/02/2017	400,000	433,496	0.62
ROYAL CAPITAL BV 8.375% PERPETUAL	200,000	208,500	0.30
SAN MIGUEL CORPORATION 4.875% DUE 26/04/2023	600,000	492,000	0.70
SHIMAO PROPERTY HOLDINGS LIMITED 11% DUE 08/03/2018	400,000	446,000	0.64
SHIMAO PROPERTY HOLDINGS LIMITED 9.65% DUE 03/08/2017	450,000	482,625	0.69
SHIMAO PROPERTY HOLDING LIMITED 6.625% DUE 14/01/2020	500,000	485,000	0.69
SHUI ON DEVELOPMENT HOLDINGS LIMITED VAR PERP	400,000	422,200	0.60
SHUI ON LAND LIMITED EMTN 9.75% DUE 16/02/2015	800,000	836,000	1.20
SINO LAND COMPANY LIMITED 3.25% DUE 21/09/2017	450,000	445,464	0.64
SM INVESTMENTS CORPORATION 5.5% DUE 13/10/2017	300,000	311,250	0.44

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
SM INVESTMENTS CORPORATION 4.25% DUE 17/10/2019	400,000	382,000	0.55
SOHO CHINA LIMITED 7.125% DUE 07/11/2022	400,000	383,000	0.55
SOHO CHINA LIMITED 5.75% DUE 07/11/2017	450,000	453,375	0.65
SPARKLE ASSETS LIMITED EMTN 6.875% DUE 30/01/2020	400,000	384,500	0.55
STATS CHIPPAC LIMITED 4.5% DUE 20/03/2018	600,000	594,000	0.85
STUDIO CITY FINANCE LIMITED 8.5% DUE 01/12/2020	1,075,000	1,190,563	1.70
SUNAC CHINA HOLDINGS LIMITED 12.5% DUE 16/10/2017	400,000	450,000	0.64
SUNAC CHINA HOLDINGS LIMITED 9.375% DUE 05/04/2018	400,000	411,400	0.59
THETA CAPITAL PRIVATE LIMITED 6.125% DUE 14/11/2020	400,000	370,000	0.53
VEDANTA RESOURCES 9.5% DUE 18/07/2018	950,000	1,054,500	1.51
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 8.25% DUE 07/06/2021	1,000,000	1,005,000	1.44
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 7.125% DUE 31/05/2023	200,000	183,000	0.26
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 6.75% DUE 07/06/2016	200,000	207,300	0.30
VEDANTA RESOURCES PUBLIC LIMITED COMPANY 6% DUE 31/01/2019	300,000	290,250	0.41
WEST CHINA CEMENT LIMITED 7.5% DUE 25/01/2016	400,000	412,000	0.59
WHEELOCK FINANCE LIMITED 4.75% DUE 23/02/2017	400,000	418,420	0.60
WHEELOCK FINANCE LIMITED 3% DUE 19/03/2018	400,000	390,072	0.56
YANCOAL INTERNATIONAL RESEARCH DEVELOPMENT 4.461% DUE 16/05/2017	400,000	395,152	0.56

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
INDUSTRIAL (CONTINUED)			
YANCOAL INTERNATIONAL RESEARCH DEVELOPMENT 5.73% DUE 16/05/2022	400,000	371,668	0.53
YANLORD LAND GROUP LIMITED 10.625% DUE 29/03/2018	400,000	438,000	0.63
YINGDE GASES INVESTMENT LIMITED 8.125% DUE 22/04/2018	400,000	415,000	0.59
ZOOMLION HK SPV COMPANY LIMITED 6.875% DUE 05/04/2017	400,000	413,000	0.59
ZOOMLION HK SPV COMPANY LIMITED 6.125% DUE 20/12/2022	450,000	410,625	0.59
		49,042,116	70.12
GOVERNMENT RELATED			
BANK OF CEYLON 6.875% DUE 03/05/2017	400,000	403,500	0.58
BANK OF CEYLON 5.325% DUE 16/04/2018	400,000	380,000	0.54
DEVT BANK OF MONGOLIA 5.75% DUE 21/03/2017	500,000	468,750	0.67
MAJAPAHIT HOLDING 8% DUE 07/08/2019	600,000	668,250	0.96
MAJAPAHIT HOLDING 7.875% DUE 29/06/2037	200,000	206,500	0.30
MAJAPAHIT HOLDING 7.75% DUE 17/10/2016	250,000	271,875	0.39
MAJAPAHIT HOLDING 7.75% DUE 20/01/2020	1,350,000	1,481,625	2.12
MAJAPAHIT HOLDING 7.25% DUE 28/06/2017	200,000	218,500	0.31
MCC HOLDING HK CORPORATION LIMITED 4.875% DUE 29/07/2016	400,000	399,980	0.57
MONGOLIA 5.125% DUE 05/12/2022	600,000	495,750	0.71
MONGOLIA 4.125% DUE 05/01/2018	650,000	586,300	0.84
NATIONAL SAVINGS BANK 8.875% DUE 18/09/2018	600,000	636,000	0.91
REPUBLIC OF ISLAMIC PAKISTAN 7.125% DUE 31/03/2016	500,000	490,000	0.70

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PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
GOVERNMENT RELATED (CONTINUED)			
REPUBLIC OF ISLAMIC PAKISTAN 6.875% DUE 01/06/2017	500,000	485,000	0.69
REPUBLIC OF SRI LANKA 7.4% DUE 22/01/2015	225,000	234,281	0.33
REPUBLIC OF SRI LANKA 6.25% DUE 04/10/2020	1,100,000	1,082,125	1.55
REPUBLIC OF SRI LANKA 6.25% DUE 27/07/2021	850,000	823,438	1.18
REPUBLIC OF SRI LANKA 5.875% DUE 25/07/2022	600,000	561,750	0.80
REPUBLIC OF VIETNAM 6.75% DUE 29/01/2020	800,000	864,000	1.24
SOCIALIST REPUBLIC OF VIETNAM 6.875% DUE 15/01/2016	650,000	694,525	0.99
		11,452,149	16.38
UTILITIES			
BEIJING ENTERPRISES WATER GROUP LIMITED 4.625% DUE 06/05/2018	500,000	507,500	0.72
BHIRA INVESTMENTS LIMITED VAR DUE 27/04/2071	400,000	397,000	0.57
CHINA OIL & GAS GROUP LIMITED 5.25% DUE 25/04/2018	400,000	399,500	0.57
CHINA RESOURCES POWER VAR PERPETUAL	700,000	722,750	1.03
HERO ASIA INVESTMENT LIMITED VAR PERP	400,000	407,000	0.58
LISTRINDO CAPITAL 6.95% DUE 21/02/2019	400,000	417,000	0.60
STAR ENERGY GEOTHERMAL STAREN 6.125% DUE 27/03/2020	200,000	186,000	0.27
		3,036,750	4.34

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

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iShares Barclays USD Asia High Yield Bond Index ETF

PRIMARY – BY INDUSTRY (CONTINUED)

	HOLDINGS AT 31 DECEMBER 2013 UNITS	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %
BONDS – QUOTED			
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES		1,478,465	2.12
PORTFOLIO OF INVESTMENTS		**69,796,140**	**99.80**
OTHER NET ASSETS		**142,175**	**0.20**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)		**69,938,315**	**100.00**

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

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PRIMARY – BY INDUSTRY (SUMMARY)

	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
FINANCIAL	6.84	7.54
INDUSTRIAL	70.12	61.77
GOVERNMENT RELATED	16.38	24.64
UTILITIES	4.34	3.80
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	2.12	1.89
PORTFOLIO OF INVESTMENTS	**99.80**	**99.64**
OTHER NET ASSETS	**0.20**	**0.36**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**100.00**	**100.00**

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

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SECONDARY – BY GEOGRAPHY

	FAIR VALUE AT 31 DECEMBER 2013 US$	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2013 %	PERCENTAGE OF TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 31 DECEMBER 2012 %
BY COUNTRY OF RISK			
BERMUDA	684,687	0.98	2.12
BRITISH VIRGIN ISLANDS	1,453,044	2.08	4.86
CAYMAN ISLANDS	3,067,700	4.38	7.17
CHINA	24,504,725	35.04	23.50
GREAT BRITAIN	2,266,800	3.24	3.92
HONG KONG	12,767,773	18.26	14.99
INDIA	1,976,625	2.83	1.85
INDONESIA	5,454,750	7.80	9.21
IRELAND	362,250	0.52	0.71
MONGOLIA	1,865,800	2.67	3.83
NETHERLANDS	1,497,250	2.14	2.34
PAKISTAN	975,000	1.39	1.77
PHILIPPINES	2,900,750	4.14	9.93
SINGAPORE	2,008,902	2.87	2.33
SOUTH KOREA	852,000	1.22	1.73
SRI LANKA	4,121,094	5.89	4.54
VIETNAM	1,558,525	2.23	2.95
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	1,478,465	2.12	1.89
PORTFOLIO OF INVESTMENTS	**69,796,140**	**99.80**	**99.64**
OTHER NET ASSETS	**142,175**	**0.20**	**0.36**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)	**69,938,315**	**100.00**	**100.00**

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

iSHARES SOUTHEAST ASIA TRUST

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Notes to the Financial Statements
For the year ended 31 December 2013

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

1. The Trust

iShares Southeast Asia Trust (the "Trust") is a Singapore-constituted umbrella unit trust created by a trust deed dated 31 May 2006 made under Singapore law between BlackRock (Singapore) Limited as Manager and HSBC Institutional Trust Services (Singapore) Limited as Trustee (the "Principal Deed"). The Principal Deed has been amended by a supplemental deed dated 15 June 2006, an amending and restating deed dated 24 June 2010, a second amending and restating deed dated 6 May 2011, a third amending and restating deed dated 11 November 2011, a fourth amending and restating deed dated 30 March 2012, a second supplemental deed dated 15 November 2012 and a fifth amending and restating deed dated 1 July 2013, each made between the Manager and the Trustee (as amended, the "Trust Deed"). The Trust is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore.

As at 31 December 2013, the Trust has established five sub-funds (the "Sub-Funds"):

Name of Sub-Fund	Listing Date on the Singapore Exchange Securities Trading Limited ("SGX-ST")
iShares MSCI India Index ETF	15 June 2006
iShares J.P. Morgan USD Asia Credit Bond Index ETF	2 June 2011
iShares Barclays Asia Local Currency Bond Index ETF (formerly known as iShares Barclays Capital Asia Local Currency Bond Index ETF)	2 June 2011
iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF (formerly known as iShares Barclays Capital Asia Local Currency 1-3 Year Bond Index ETF)	8 December 2011
iShares Barclays USD Asia High Yield Bond Index ETF (formerly known as iShares Barclays Capital Asia Local Currency 1-3 Year Bond Index ETF)	8 December 2011

These financial statements relate to the five Sub-Funds.

iShares MSCI India Index ETF ("MSCI India ETF")

MSCI India ETF is the first Sub-Fund of the Trust and seeks to provide an investment return that corresponds generally to the performance of a diversified portfolio of Indian stocks as measured by the MSCI India Index.

All investments of MSCI India ETF are held through an investment company, iShares MSCI India Mauritius Company.

The financial statements of MSCI India ETF have been prepared on a consolidated basis and incorporate the balances and results of operations of iShares MSCI India Mauritius Company.

1. The Trust (continued)

iShares J.P. Morgan USD Asia Credit Bond Index ETF ("USD Asia Credit Bond ETF")

The investment objective of USD Asia Credit Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the J.P. Morgan Asia Credit Index - Core in US dollar terms.

iShares Barclays Asia Local Currency Bond Index ETF ("Asia Local Currency Bond ETF")

The investment objective of Asia Local Currency Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Barclays Asia Local Currency Diversified Bond Index (formerly known as Barclays Capital Asia Local Currency Diversified Bond Index) in US dollar terms.

iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF ("Asia Local Currency 1-3 Year Bond ETF")

The investment objective of Asia Local Currency 1-3 Year Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Barclays Asia Local Currency Short Duration Bond Index (formerly known as Barclays Capital Asia Local Short Duration Bond Index) in US dollar terms.

iShares Barclays USD Asia High Yield Bond Index ETF ("USD Asia High Yield Bond ETF")

The investment objective of USD Asia High Yield Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Barclays Asia USD High Yield Diversified Credit Index (formerly known as Barclays Capital Asia USD High Yield Diversified Credit Index) in US dollar terms.

2. Significant Accounting Policies

(a) Basis of preparation

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

The Sub-Funds have adopted the recommendations of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants in June 2012 ("RAP7") for the financial year beginning 1 January 2013.

The adoption of the revised RAP7 did not result in substantial changes to the Sub-Funds' accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed below.

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2. Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(i) Classification of net assets attributable to unitholders

RAP7 recommends that a unit trust should classify its units on initial recognition as equity and present a Statement of Movement of Unitholders' Funds summarising the movements in the value of the Sub-Funds. Previously, the Sub-Funds had classified the units as liabilities and presented the movements in value in the notes to the financial statements in accordance with the existing framework issued in May 2005. On the adoption of the revised RAP7, the Sub-Funds have reclassified the units from liabilities to equity. Consequently, the Sub-Funds' distributions will no longer be classified as a finance cost in the Statements of Total Return, but will be recorded as a dividend in the Statements of Movement of Unitholders' Funds.

The reclassification has been applied retrospectively.

(ii) Distributions

RAP7 recommends that distributions should be accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created. Previously, the Sub-Funds had recognised distributions on an ex-date basis.

The change in accounting policy has been applied retrospectively.

(iii) Transaction costs

RAP7 recommends that transaction costs, including all expenses relating to the purchase and sale of financial instruments, should be charged against income. Previously, the Sub-Funds had capitalised such expenses and recognised realised gains/losses on a net basis.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

(iv) Reconciliation of net assets attributable to unitholders per unit for issuing/redeeming units and per financial statements

The application of different valuation and accounting policies may result in differences between pricing net asset values and accounting net asset values. Where the difference is considered material, RAP7 further recommends that a reconciliation of the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date and the net assets attributable to unitholders per unit per the financial statements should be presented in the notes to the financial statements. The adoption of this recommendation results in additional disclosures but does not have an impact on the accounting policies and measurement bases of the Sub-Funds.

2. Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(v) Financial instruments: fair value measurement

RAP7 recommends disclosures and presentation of financial instruments in accordance with Singapore Financial Reporting Standard 107 "Financial Instruments: Disclosures" ("FRS107") wherever possible.

Apart from enhanced disclosures to present fair value measured assets and liabilities via a fair value hierarchy table, the Sub-Funds has previously presented disclosures of its financial instruments in accordance with FRS 107 voluntarily. The adoption of this recommendation results in additional disclosures but does not have an impact on the accounting policies and measurement bases of the Fund.

In addition to the adoption of the revised RAP7, the Sub-Funds have adopted Singapore Financial Reporting Standard 113 "Fair value measurement" ("FRS 113") which is effective for the financial year beginning 1 January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

On adoption of the standard, MSCI India Index ETF changed its valuation inputs for listed financial assets and liabilities to last traded prices to be consistent with the inputs prescribed in the Fund's offering document for the calculation of their per unit trading value for creations and redemptions. In the prior year, the Fund utilised bid and ask prices for its listed financial assets and liabilities in accordance with Singapore Financial Reporting Standard 39 "Financial Instruments: Recognition and measurement" ("FRS 39"). The change in valuation inputs is considered to be a change in estimates in accordance with Singapore Financial Reporting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("FRS 8") and is applied prospectively.

(b) Recognition of income

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

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Financial assets at fair value through profit or loss

(i) Initial recognition

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

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2. Significant Accounting Policies (continued)

(c) Financial assets at fair value through profit or loss (continued)

(ii) Subsequent measurement

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

(iii) Derecognition

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

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. Prior to 1 January 2013, the quoted market price used for investments held by the Sub-Funds was the current bid price. On adoption of FRS 113 "Fair value measurement", MSCI India Index ETF changed its fair valuation input to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value. The quoted market price for the investments held by the other Sub-Funds remains the current market quoted bid price, consistent with the inputs prescribed in the respective Sub-Fund's prospectus for the calculation of its per share trading value for creations and redemptions.

(e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(f) Payables

Payables are initially recognised at their fair values, and subsequently carried at amortised cost, using the effective interest method.

(g) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The financial statements are presented in United States dollars ("USD"), which is the Sub-Funds' functional and presentation currency.

2. Significant Accounting Policies (continued)

(g) 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 transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statements of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statements of Total Return within the fair value net gain or loss.

(h) Basis of consolidation

The financial statements presented in the Annual Report for MSCI India ETF are prepared on a consolidation basis to include the financial information of its wholly-owned subsidiary incorporated in Mauritius.

In preparing the consolidated financial statements of MSCI India ETF, intercompany transactions, balances and unrealised gains on transactions between MSCI India ETF and its Mauritius subsidiary are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

3. Taxation

The Sub-Funds were granted the status of Designated Unit Trust ("DUT") in Singapore and, therefore, certain income is not taxable in accordance with Section 35(12) and (12A) of the Income Tax Act including:

(a) gains or profits derived from Singapore or elsewhere from the disposal of securities;

(b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act);

(c) dividends derived from outside Singapore and received in Singapore;

(d) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;

(e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore; and

(f) other income directly attributable to qualifying debt securities issued on or after a prescribed date, as may be prescribed by regulations.

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3. Taxation (continued)

Enhanced-tier Fund Tax Incentive Scheme

With effect from 1 August 2012, MSCI India ETF and USD Asia Credit Bond ETF relinquished the DUT status in favour of the funds being approved by the Monetary Authority of Singapore ("MAS") for the Enhanced-tier Fund Tax Incentive Scheme under section 13X of the Income Tax Act. Subject to certain conditions being met annually, the Sub-Funds will be granted tax exemption on specified income from designated investments for the life of the Sub-Funds. The terms "specified income" and "designated investments" are defined in the relevant income tax regulations and MAS circulars.

Both MSCI India ETF and USD Asia Credit Bond ETF continued to enjoy status under Enhanced-tier Fund Tax incentive scheme for the tax year 2013. Following a review of the USD Asia Credit Bond ETF and its ability to satisfy the annual criteria for Enhanced-tier status for 2014, the manager has applied to the Inland Revenue Authority of Singapore for a change in tax status of the ETF to DUT with effect from 1 January, 2014.

Mauritius Income Tax

MSCI India ETF established a wholly-owned subsidiary incorporated in Mauritius to invest in Indian securities and/or IAPs.

The Mauritius Subsidiary holds a Global Business License (Category 1) ("GBLC1") from the Mauritius Financial Services Commission (the "FSC") and will apply for a certificate of tax residence from the Mauritius Revenue Authority (the "MRA") through the FSC. Currently, the MRA will generally issue a tax residence certificate ("TRC") if the Mauritius Subsidiary:

- has at all times at least two directors ordinarily resident in Mauritius. The resident directors must be of appropriate caliber and able to exercise independence of mind and judgement;
- maintains, at all times, its principal bank accounts in Mauritius;
- keeps and maintains, at all times, its accounting records in Mauritius;
- prepares its statutory financial statements and causes its financial statements to be audited in Mauritius;
- provides for meetings of directors to include at least two directors from Mauritius.

The TRC is currently renewed on an annual basis subject to an undertaking provided by two resident directors and the corporate secretary that the Mauritius subsidiary complies with the provisions of the prevailing legislation governing global business (including regulations and rules made thereunder), in particular the statutory provisions as laid down in section 71(4) (b) of the Financial Services Act 2007 and adheres to the conditions attached to its Global Business License (Category 1).

In light of increasing scrutiny of offshore financial centres, and in order to reinforce the management and control of businesses in Mauritius, the FSC recently announced the need for a company holding a GBLC1 and seeking a TRC to meet not only the current requirements set out above, but also to meet at least one of the following additional requirements, with effect 1 January 2015:

3. Taxation (continued)

- have an office premise in Mauritius;
- employs or shall employ at least one full time employee resident in Mauritius on the administrative or technical level;
- its constitution shall provide for all disputes arising out of the constitution to be resolved by way of arbitration in Mauritius;
- must hold (or is expected to hold within the next 12 months) assets (excluding cash in bank accounts or shares/interests in another corporation holding a global business license) worth at least US$100,000 in Mauritius;
- its shares are listed on a Mauritius stock exchange; or
- expected to incur yearly expenditure in Mauritius that can reasonably be expected from a similar corporation controlled and managed from Mauritius.

The FSC has yet to issue any clarifications on the above requirements, despite the many requests of the industry and stakeholders. As such, how they will impact a company holding a GBLC1 and seeking TRC renewal in 2015 is still a matter pending further clarity and guidance from Mauritius.

There is no capital gains tax in Mauritius on disposal of assets situated in Mauritius. Accordingly, capital gains arising on sale of securities would not be taxable in Mauritius. Further, dividend distributions made by the Mauritius Subsidiary would not be subject to any withholding tax.

Under the current Mauritian tax regime, the Mauritius Subsidiary will be charged income tax at the rate of 15% on dividend income. However, the Mauritius Subsidiary should be entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or a deemed tax credit of 80% of the Mauritian tax on its foreign source income. This would reduce the Mauritius rate of tax effectively to 3%. If the local tax in the foreign country has been charged at a rate greater than 15%, the effective rate of tax may be reduced further in certain circumstances. As per the double tax avoidance agreement ("DTAA") entered into between India and Mauritius ("Tax Treaty"), the Mauritius Subsidiary would be entitled to claim underlying tax credit in respect of Dividend Distribution Tax ("DDT") paid by the Indian company if the shareholding exceeds a certain threshold.

The DDT paid in India is currently charged at a rate of 16.995% (2012: 16.22%), and if the Mauritius Subsidiary holds more than a 5% stake in a company, it should not be liable to pay any tax in Mauritius in respect of its dividend income from such company.

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3. Taxation (continued)

The income tax on the profit before taxation of the Mauritius Subsidiary differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2013 US$	2012 US$
PROFIT AFTER DISTRIBUTION AND BEFORE TAXATION OF THE MAURITIUS SUBSIDIARY	**(30,298,543)**	118,148,049
APPLICABLE INCOME TAX CHARGE AT 15% (2012: 15%)	**(4,544,781)**	17,722,207
IMPACT OF:		
EXPENSES NOT ALLOWED FOR DEDUCTION	**–**	2,932,816
EXEMPT INCOME	**5,813,801**	(19,450,670)
FOREIGN TAX CREDIT	**(1,015,216)**	(963,482)
OVER PROVISION DURING THE YEAR	**(464)**	(22,975)
CHARGE FOR THE YEAR	**253,340**	217,896

India Capital Gains Tax

A company which is determined to be a tax resident in Mauritius under the treaty, but has no branch or permanent establishment in India, will not be subject to capital gains tax in India on the sale of securities. India's 2013 Finance Act articulated that a TRC would be a necessary but not sufficient condition for a company availing itself of treaty benefits. Shortly thereafter on 1 March 2013, India's Finance Ministry issued a press release to clarify that not only would TRCs be a sufficient determinative of residency status for purposes of treaty relief, but also that Circular 789 in respect of Mauritius residency is valid and continues to be in force. Nonetheless, there can be no future assurances that Circular 789 will continue to be in force and respected and companies resident in Mauritius will continue to be eligible for the beneficial provisions of the Tax Treaty.

3. Taxation (continued)

Furthermore, in light of the retrospective nature of Indian tax legislation enacted as part of India's 2012 Finance Act, there can be no assurance that any future changes to the India-Mauritius treaty or future interpretations or renegotiations thereof will not adversely affect the tax position of the Mauritius Subsidiary's investments in India. If the treaty is interpreted, amended, terminated, renegotiated, or possibly overridden by the recently enacted General Anti-Avoidance Rules ("GAAR") provisions, the details of which are pending further authoritative guidance, in a manner that would adversely affect the tax position in India of the Mauritius Subsidiary, such an interpretation, amendment, or override renegotiation may cause the Mauritius Subsidiary to incur capital gains tax in India and reduce its net asset value.

Although at present, the proposals of the 2012 Finance Bill have been enacted into India Tax Law, there is uncertainty still across the industry as well as in India's Finance Ministry as to the extent, scope, intent and thus impact to offshore FIIs thereof of these changes in legislation. Currently, with the enactment of the 2013 Finance Act, the legislation has deferred the effective date of GAAR until 1 April 2015. More detailed guidelines and clarifications from India's Finance Ministry are widely expected to be forthcoming on GAAR, Circular 789 and Mauritius, and the indirect tax transfer rules, on which India continues not to provide any clear guidance on whether it intends to not only economically tax an investment once, but multiple times and with retrospective effect. Though India's Ministry of Finance's ("MOF") public acceptance of many of the recommendations put forth by the Expert Committee is a clear and favorable indication that India's indirect tax transfers rules are more broad-scoped than the MOF intended, detailed guidelines and clarifications from the MOF are expectedly forthcoming. Nonetheless, India's current Prime Minister, Manmohan Singh, will be stepping down after India's 2014 General Elections, with likely a new government ushered in early May. As such, the returns of the Mauritius Subsidiary via its holdings in Indian investments may as a result be adversely impacted with yet again changes in India's political arena.

USD ASIA CREDIT BOND ETF	**2013** **US$**	2012 US$
INCOME TAX	**222**	-
CHARGE FOR THE YEAR	**222**	-

ASIA LOCAL CURRENCY BOND ETF	**2013** **US$**	2012 US$
WITHHOLDING TAX DEDUCTED	**121,678**	183,675
CAPITAL GAINS TAX DEDUCTED	**59,948**	12,910
CHARGE FOR THE YEAR	**181,626**	196,585

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3. Taxation (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	2013 US$	For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December 2012 US$
WITHHOLDING TAX DEDUCTED	19,733	23,328
CAPITAL GAINS TAX DEDUCTED	–	129
CHARGE FOR THE YEAR/PERIOD	19,733	23,457

USD ASIA HIGH YIELD BOND ETF	2013 US$	For the period from 5 December 2011 (Date of Commencement of Operations) to 31 December 2012 US$
INCOME TAX	1,811	–
CHARGE FOR THE YEAR/PERIOD	1,811	–

The overseas income tax represents tax deducted at source on interest derived from outside Singapore.

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4. Distributions

USD ASIA CREDIT BOND ETF

	2013 US$	2012 US$
Quarter 1 ($0.12 per unit based on 3,415,900 units as at 5 March 2013)	409,908	–
Quarter 2 ($0.12 per unit based on 3,415,900 units as at 5 June 2013)	409,908	–
Quarter 3 ($0.11 per unit based on 4,140,900 units as at 4 September 2013)	455,499	–
Quarter 4 ($0.12 per unit based on 4,277,400 units as at 4 December 2013)	513,288	–
Quarter 1 ($0.13 per unit based on 4,240,900 units as at 2 March 2012)	–	551,317
Quarter 2 ($0.13 per unit based on 4,240,900 units as at 5 June 2012)	–	551,317
Quarter 3 ($0.12 per unit based on 5,490,900 units as at 5 September 2012)	–	658,908
Quarter 4 ($0.12 per unit based on 3,715,900 units as at 5 December 2012)	–	445,908
	1,788,603	2,207,450

ASIA LOCAL CURRENCY BOND ETF

	2013 US$	2012 US$
Quarter 1 ($0.09 per unit based on 3,425,000 units as at 5 March 2013)	308,250	–
Quarter 2 ($0.14 per unit based on 2,200,000 units as at 5 June 2013)	308,000	–
Quarter 3 ($0.09 per unit based on 1,975,000 units as at 4 September 2013)	177,750	–
Quarter 4 ($0.10 per unit based on 1,725,000 units as at 4 December 2013)	172,500	–
Quarter 1 ($0.08 per unit based on 3,675,000 units as at 2 March 2012)	–	294,000
Quarter 2 ($0.08 per unit based on 3,625,000 units as at 5 June 2012)	–	290,000
Quarter 3 ($0.08 per unit based on 3,625,000 units as at 5 September 2012)	–	290,000
Quarter 4 ($0.07 per unit based on 3,625,000 units as at 5 December 2012)	–	253,750
	966,500	1,127,750

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4. Distributions (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF

	2013 US$	For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December 2012 US$
Quarter 1 ($0.06 per unit based on 825,000 units as at 5 March 2013)	49,500	–
Quarter 2 ($0.08 per unit based on 625,000 units as at 5 June 2013)	50,000	–
Quarter 3 ($0.06 per unit based on 625,000 units as at 4 September 2013)	37,500	–
Quarter 4 ($0.05 per unit based on 625,000 units as at 4 December 2013)	31,250	–
Quarter 1 ($0.04 per unit based on 950,000 units as at 2 March 2012)	–	38,000
Quarter 2 ($0.05 per unit based on 950,000 units as at 5 June 2012)	–	47,500
Quarter 3 ($0.06 per unit based on 950,000 units as at 5 September 2012)	–	57,000
Quarter 4 ($0.05 per unit based on 925,000 units as at 5 December 2012)	–	46,250
	168,250	188,750

4. Distributions (continued)

USD ASIA HIGH YIELD BOND ETF

	2013 US$	For the period from 2 December 2011 (Date of Commencement of Operations) to 31 December 2012 US$
Quarter 1 ($0.16 Per unit based 4,650,000 units as at 5 March 2013)	**744,000**	-
Quarter 2 ($0.23 Per unit based 4,200,000 Units as at 5 June 2013)	**966,000**	-
Quarter 3 ($0.16 Per unit based 6,375,000 Units as at 4 September 2013)	**1,020,000**	-
Quarter 4 ($0.18 Per unit based 6,550,000 Units as at 4 December 2013)	**1,179,000**	-
Quarter 1 ($0.21 Per unit based 2,150,000 Units as at 2 March 2012)	-	451,500
Quarter 2 ($0.23 Per unit based 2,150,000 Units as at 5 June 2012)	-	494,500
Quarter 3 ($0.22 Per unit based 2,200,000 Units as at 5 September 2012)	-	484,000
Quarter 4 ($0.20 Per unit based 2,500,000 Units as at 5 December 2012)	-	500,000
	3,909,000	1,930,000

No distribution was made to the unitholders of MSCI India ETF for the year ended 31 December 2013 (2012: Nil).

5. Cash and bank balances

The amounts in cash and bank balances are placed with a financial institution which is a related company of the Trustee.

The carrying amount of bank balances approximates their fair value.

6. Payables

MSCI INDIA ETF	**2013 US$**	2012 US$
ACCRUED EXPENSES	**1,243,743**	1,675,930

USD ASIA CREDIT BOND ETF	**2013 US$**	2012 US$
ACCRUED EXPENSES	**20,684**	31,607

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6. Payables (continued)

ASIA LOCAL CURRENCY BOND ETF	2013 US$	2012 US$
ACCRUED EXPENSES	1,027	34,420
OTHER PAYABLES	21,466	50,176
	22,493	84,596

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	2013 US$	2012 US$
ACCRUED EXPENSES	1,198	9,085
OTHER PAYABLES	3,800	3,683
	4,998	12,768

USD ASIA HIGH YIELD BOND ETF	2013 US$	2012 US$
ACCRUED EXPENSES	81,767	34,880

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7. Units in issue

MSCI INDIA ETF	2013 UNITS	2012 UNITS
BEGINNING OF FINANCIAL YEAR	**99,500,000**	75,000,000
CREATED DURING FINANCIAL YEAR	**14,500,000**	69,000,000
CANCELLED DURING FINANCIAL YEAR	**(13,500,000)**	(44,500,000)
END OF FINANCIAL YEAR	**100,500,000**	99,500,000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (US$)	**604,312,486**	628,409,018
NET ASSET VALUE PER UNIT (US$)	**6.01**	6.32

For creations and redemptions and for various fee calculations, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit. Prior to 1 January 2013, the investments were valued at the relevant bid market prices as at the reporting date for reporting purpose.

The effect of bid market prices in the net assets attributable to unitholders per unit is as follows:

	2013 US$	2012 US$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER FINANCIAL STATEMENTS	**6.01**	6.32
EFFECT OF ADOPTING BID PRICES AT FAIR VALUE	**–**	*
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR ISSUING/REDEEMING	**6.01**	6.32

USD ASIA CREDIT BOND ETF	2013 UNITS	2012 UNITS
BEGINNING OF FINANCIAL YEAR	**3,465,900**	4,540,900
CREATED DURING FINANCIAL YEAR	**1,486,500**	1,250,000
CANCELLED DURING FINANCIAL YEAR	**(875,000)**	(2,325,000)
END OF FINANCIAL YEAR	**4,077,400**	3,465,900
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (US$)	**40,920,838**	37,458,056
NET ASSET VALUE PER UNIT (US$)	**10.04**	10.81

** amount denotes less than 0.01*

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7. Units in issue (continued)

ASIA LOCAL CURRENCY BOND ETF	2013 UNITS	2012 UNITS
BEGINNING OF FINANCIAL YEAR	3,425,000	3,675,000
CREATED DURING FINANCIAL YEAR	–	–
CANCELLED DURING FINANCIAL YEAR	(1,750,000)	(250,000)
END OF FINANCIAL YEAR	1,675,000	3,425,000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (US$)	15,646,762	36,386,707
NET ASSET VALUE PER UNIT (US$)	9.34	10.62

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	2013 UNITS	2012 UNITS
BEGINNING OF FINANCIAL YEAR	825,000	–
CREATED DURING FINANCIAL YEAR	–	950,000
CANCELLED DURING FINANCIAL YEAR	(200,000)	(125,000)
END OF FINANCIAL YEAR	625,000	825,000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (US$)	6,153,069	8,554,062
NET ASSET VALUE PER UNIT (US$)	9.84	10.37

USD ASIA HIGH YIELD BOND ETF	2013 UNITS	2012 UNITS
BEGINNING OF FINANCIAL YEAR	2,725,000	–
CREATED DURING FINANCIAL YEAR	4,800,000	2,725,000
CANCELLED DURING FINANCIAL YEAR	(925,000)	–
END OF FINANCIAL YEAR	6,600,000	2,725,000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (US$)	69,938,315	30,416,101
NET ASSET VALUE PER UNIT (US$)	10.60	11.16

8. Financial Risk Management

The Sub-Funds' activities may expose them to a variety of financial risks including but not limited to market risk (including price, currency and interest rate risk), liquidity risk and credit risk, which are associated with the financial statements and markets in which the Sub-Funds invest.

The following is a summary of the main risks and risk management policies.

(a) Market risk

Market risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Sub-Funds are designated to track the performance of their respective index, therefore, the exposure to market risk in the Sub-Funds will be substantially the same as that of the index. As index tracking exchange traded funds, the Manager manages the Sub-Funds' exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to their respective index characteristics.

(i) Price Risk

The Sub-Funds are exposed to price risk. This arises from investments held by the Sub-Funds for which prices in the future are uncertain. They are classified on the Statements of Financial Position as Portfolio of Investments. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

Price risk is managed and monitored by the Manager on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Sub-Funds' investment model which is reviewed and updated regularly. The Manager continuously monitors the Sub-Funds' holdings relative to the recommended portfolio, and the exposure of the Sub-Funds is monitored to ensure that they remain within designated ranges or asset allocation constraints.

If the MSCI India Index in local currency, Indian rupee (INR), had increased by 3% (2012: 3%) with all other variables held constant, the net asset value of MSCI India ETF would increase by approximately U$18.13 million (2012: U$18.85 million). Conversely, if the MSCI India Index in local currency decreased by 3% (2012: 3%) the net asset value of MSCI India ETF would decrease by 3% (2012: 3%). The price risk of USD Asia Credit Bond ETF, Asia Local Currency Bond ETF, USD Asia High Yield Bond ETF and Asia Local Currency 1-3 Year Bond ETF sensitivity to price changes is primarily driven by interest rate risk. The sensitivity analysis for these Sub-Funds is disclosed in note 8 (a) (iii).

(ii) Currency risk

As of 31 December 2013, MSCI India ETF, Asia Local Currency Bond ETF and Asia Local Currency 1-3 Year Bond ETF hold cash and other balances which are denominated in currencies other than USD. Therefore, the Sub-Funds are exposed to currency risk as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables summarise the Sub-Funds' exposure to key currencies at the end of the financial year. Monetary and non-monetary items have been taken into account for the analysis.

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

MSCI INDIA ETF

AS AT 31 DECEMBER 2013	INR	US$	TOTAL
ASSETS			
PORTFOLIO OF INVESTMENTS	603,051,410	–	603,051,410
CASH AND BANK BALANCES	51,768	2,301,788	2,353,556
RECEIVABLES	–	142,879	142,879
PREPAID EXPENSES	–	8,384	8,384
TOTAL ASSETS	603,103,178	2,453,051	605,556,229
LIABILITIES			
PAYABLES	–	1,243,743	1,243,743
TOTAL LIABILITIES	–	1,243,743	1,243,743
NET CURRENCY EXPOSURE	603,103,178	1,209,308	

AS AT 31 DECEMBER 2012	INR	US$	TOTAL
ASSETS			
PORTFOLIO OF INVESTMENTS	626,595,214	–	626,595,214
NET DIVIDEND RECEIVABLES	172,907	–	172,907
CASH AND BANK BALANCES	952	3,063,101	3,064,053
RECEIVABLES	–	244,790	244,790
PREPAID EXPENSES	–	7,984	7,984
TOTAL ASSETS	626,769,073	3,315,875	630,084,948
LIABILITIES			
PAYABLES	–	1,675,930	1,675,930
TOTAL LIABILITIES	–	1,675,930	1,675,930
NET CURRENCY EXPOSURE	626,769,073	1,639,945	

(a) Market risk (continued)

(ii) Currency risk (continued)

Equity investments are non-monetary assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Sub-Fund's net asset value has been included in the above price risk sensitivity analysis.

The Sub-Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net assets value of the Sub-Fund.

As of 31 December 2013 and 2012, MSCI India ETF's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

ASIA LOCAL CURRENCY BOND ETF

AS AT 31 DECEMBER 2013	KRW	THB	MYR	USD	SGD	IDR	PHP	HKD	CNH	TOTAL
ASSETS										
PORTFOLIO OF INVESTMENTS	3,870,147	2,743,443	2,466,232	-	2,196,604	1,949,306	1,845,836	150,329	326,182	15,548,079
DUE FROM BROKER	117,378	61,632	-	-	-	-	-	39,362	-	218,372
CASH AND BANK BALANCES	34,778	46,319	4,908	8,897	6,352	15,949	13,236	2,346	7,783	140,568
RECEIVABLES	9	-	353	10,051	-	165	13	-	35	10,626
TOTAL ASSETS	4,022,312	2,851,394	2,471,493	18,948	2,202,956	1,965,420	1,859,085	192,037	334,000	15,917,645
LIABILITIES										
PAYABLES	5,394	-	-	1,027	-	9,156	6,913	3	-	22,493
DUE TO BROKER	24,330	36,068	62,509	-	40,294	31,661	53,528	-	-	248,390
TOTAL LIABILITIES	29,724	36,068	62,509	1,027	40,294	40,817	60,441	3	-	270,883
NET FINANCIAL ASSETS	3,992,588	2,815,326	2,408,984	17,921	2,162,662	1,924,603	1,798,644	192,034	334,000	15,646,762
NET CURRENCY EXPOSURE	3,992,588	2,815,326	2,408,984	17,921	2,162,662	1,924,603	1,798,644	192,034	334,000	

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

ASIA LOCAL CURRENCY BOND ETF (continued)

AS AT 31 DECEMBER 2012	KRW	THB	MYR	USD	SGD	IDR	PHP	HKD	CNH	TOTAL
ASSETS										
PORTFOLIO OF INVESTMENTS	9,105,735	6,807,539	5,619,737	-	4,789,187	5,513,426	3,942,624	242,230	239,832	36,260,310
CASH AND BANK BALANCES	35,170	73,524	15,830	53,335	11,656	11	6,701	11,638	3,128	210,993
TOTAL ASSETS	9,140,905	6,881,063	5,635,567	53,335	4,800,843	5,513,437	3,949,325	253,868	242,960	36,471,303
LIABILITIES										
PAYABLES	13,092	-	-	34,419	-	25,105	11,980	-	-	84,596
TOTAL LIABILITIES	13,092	-	-	34,419	-	25,105	11,980	-	-	84,596
NET FINANCIAL ASSETS	9,127,813	6,881,063	5,635,567	18,916	4,800,843	5,488,332	3,937,345	253,868	242,960	36,386,707
NET CURRENCY EXPOSURE	9,127,813	6,881,063	5,635,567	18,916	4,800,843	5,488,332	3,937,345	253,868	242,960	

The table below summarises the estimated effect of reasonable possible changes in exchange rates on monetary assets and liabilities of Asia Local Currency Bond ETF, at the end of 31 December 2013 and 31 December 2012, with all other variables remaining constant.

The sensitivity analysis is presented in terms of the impact on the Sub-Fund's net assets attributable to unitholders. The disclosures below are shown in absolute terms, and the changes and impacts could be positive or negative.

	AT 31 DECEMBER 2013		AT 31 DECEMBER 2012	
	CHANGE IN EXCHANGE RATE	**IMPACT ON NET ASSET VALUE US$**	CHANGE IN EXCHANGE RATE	IMPACT ON NET ASSET VALUE US$
KRW	**1%**	**39,926**	1%	91,278
THB	**1%**	**28,153**	1%	68,811
MYR	**1%**	**24,090**	1%	56,356
SGD	**1%**	**21,627**	1%	48,008
IDR	**1%**	**19,246**	1%	54,883
PHP	**1%**	**17,986**	1%	39,373

8. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

ASIA LOCAL CURRENCY 1- 3 YEAR BOND ETF

AS AT 31 DECEMBER 2013	KRW	THB	MYR	USD	SGD	IDR	PHP	HKD	CNH	TOTAL
ASSETS										
PORTFOLIO OF INVESTMENTS	1,526,125	1,513,049	1,000,070	-	784,590	278,297	299,453	220,774	490,755	6,113,113
DUE FROM BROKER	119,588	-	-	-	27,719	-	-	-	-	147,307
CASH AND BANK BALANCES	13,102	4,552	947	14,369	2,792	7,247	3,017	10,238	3,960	60,224
RECEIVABLES	2	-	88	-	-	-	-	8	-	98
TOTAL ASSETS	1,658,817	1,517,601	1,001,105	14,369	815,101	285,544	302,470	231,020	494,715	6,320,742
LIABILITIES										
PAYABLES	1,704	-	-	1,197	102	484	1,511	-	-	4,998
DUE TO BROKER	95,362	-	15,434	-	-	-	-	51,879	-	162,675
TOTAL LIABILITIES	97,066	-	15,434	1,197	102	484	1,511	51,879	-	167,673
NET FINANCIAL ASSETS	1,561,751	1,517,601	985,671	13,172	814,999	285,060	300,959	179,141	494,715	6,153,069
NET CURRENCY EXPOSURE	1,561,751	1,517,601	985,671	13,172	814,999	285,060	300,959	179,141	494,715	

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF (continued)

AS AT 31 DECEMBER 2012	KRW	THB	MYR	USD	SGD	IDR	PHP	HKD	CNH	TOTAL
ASSETS										
PORTFOLIO OF INVESTMENTS	2,164,647	2,148,960	1,770,429	-	1,376,922	382,485	335,610	173,662	156,457	8,509,172
DUE FROM BROKER	-	-	-	-	-	-	-	-	77,930	77,930
CASH AND BANK BALANCES	5,810	2,666	2,743	22,006	16,442	6,165	1,726	1,628	13,835	73,021
TOTAL ASSETS	2,170,457	2,151,626	1,773,172	22,006	1,393,364	388,650	337,336	175,290	248,222	8,660,123
LIABILITIES										
PAYABLES	2,092	-	-	9,085	-	357	1,234	-	-	12,768
DUE TO BROKER	-	-	-	-	-	-	-	93,293	-	93,293
TOTAL LIABILITIES	2,092	-	-	9,085	-	357	1,234	93,293	-	106,061
NET FINANCIAL ASSETS	2,168,365	2,151,626	1,773,172	12,921	1,393,364	388,293	336,102	81,997	248,222	8,554,062
NET CURRENCY EXPOSURE	2,168,365	2,151,626	1,773,172	12,921	1,393,364	388,293	336,102	81,997	248,222	

8. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

ASIA LOCAL CURRENCY 1- 3 YEAR BOND ETF (continued)

The table below summarises the estimated effect of reasonable possible changes in exchange rates on monetary assets and liabilities of Asia Local Currency 1-3 Year Bond ETF, at the end of 31 December 2013 and 31 December 2012, with all other variables remaining constant.

The sensitivity analysis is presented in terms of the impact on the Sub-Fund's net assets attributable to unitholders. The disclosures below are shown in absolute terms, and the changes and impacts could be positive or negative.

	AT 31 DECEMBER 2013		AT 31 DECEMBER 2012	
	CHANGE IN EXCHANGE RATE	**IMPACT ON NET ASSET VALUE US$**	CHANGE IN EXCHANGE RATE	IMPACT ON NET ASSET VALUE US$
KRW	**1%**	**15,618**	1%	21,684
THB	**1%**	**15,176**	1%	21,516
MYR	**1%**	**9,857**	1%	17,732
SGD	**1%**	**8,150**	1%	13,934
CNH	**1%**	**4,947**	1%	2,482
PHP	**1%**	**3,010**	1%	3,361

USD ASIA CREDIT BOND ETF AND USD ASIA HIGH YIELD BOND ETF

The majority of the financial assets and liabilities of USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF are held in USD denominated instruments. As a result, they are not subject to significant currency risk.

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate movements affect the value of fixed income securities more directly than equities, and is a major risk to USD Asia Credit Bond ETF, Asia Local Currency Bond ETF, Asia Local Currency 1-3 Year Bond ETF and USD Asia High Yield Bond ETF.

The majority of the financial assets and liabilities of MSCI India ETF are non-interest bearing. As a result, they are not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

USD Asia Credit Bond ETF, Asia Local Currency Bond ETF, Asia Local Currency 1-3 Year Bond ETF and USD Asia High Yield Bond ETF invest primarily in debt securities which are subjected to interest rate fluctuations. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly and discuss with the index provider.

The tables following summarise the Sub-Funds' exposure to interest rate risk. They include the Sub-Funds' assets and liabilities at fair value, categorised by the interest rate types.

USD ASIA CREDIT BOND ETF

AS AT 31 DECEMBER 2013	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	3,046,250	37,234,452	613,034	40,893,736
DUE FROM BROKER	–	–	1,093,494	1,093,494
CASH AND BANK BALANCES	75,706	–	–	75,706
TOTAL ASSETS	3,121,956	37,234,452	1,706,528	42,062,936
LIABILITIES				
PAYABLES	–	–	20,684	20,684
DUE TO BROKER	–	–	1,121,414	1,121,414
TOTAL LIABILITIES	–	–	1,142,098	1,142,098

8. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

USD ASIA CREDIT BOND ETF (continued)

AS AT 31 DECEMBER 2012	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	2,166,770	34,781,150	517,402	37,465,322
DUE FROM BROKER	–	–	371,470	371,470
CASH AND BANK BALANCES	54,737	–	–	54,737
TOTAL ASSETS	2,221,507	34,781,150	888,872	37,891,529
LIABILITIES				
PAYABLES	–	–	31,607	31,607
DUE TO BROKER	–	–	401,866	401,866
TOTAL LIABILITIES	–	–	433,473	433,473

ASIA LOCAL CURRENCY BOND ETF

AS AT 31 DECEMBER 2013	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	200,533	15,177,148	170,398	15,548,079
DUE FROM BROKER	–	–	218,372	218,372
CASH AND BANK BALANCES	140,568	–	–	140,568
RECEIVABLES	–	–	10,626	10,626
TOTAL ASSETS	341,101	15,177,148	399,396	15,917,645
LIABILITIES				
PAYABLES	–	–	22,493	22,493
DUE TO BROKER	–	–	248,390	248,390
TOTAL LIABILITIES	–	–	270,883	270,883

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

ASIA LOCAL CURRENCY BOND ETF (continued)

AS AT 31 DECEMBER 2012	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	418,353	35,433,468	408,489	36,260,310
CASH AND BANK BALANCES	210,993	–	–	210,993
TOTAL ASSETS	629,346	35,433,468	408,489	36,471,303
LIABILITIES				
PAYABLES	–	–	84,596	84,596
TOTAL LIABILITIES	–	–	84,596	84,596

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF

AS AT 31 DECEMBER 2013	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	–	6,058,123	54,990	6,113,113
DUE FROM BROKER	–	–	147,307	147,307
CASH AND BANK BALANCES	60,224	–	–	60,224
RECEIVABLES	–	–	98	98
TOTAL ASSETS	60,224	6,058,123	202,395	6,320,742
LIABILITIES				
PAYABLES	–	–	4,998	4,998
DUE TO BROKER	–	–	162,675	162,675
TOTAL LIABILITIES	–	–	167,673	167,673

8. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF (continued)

AS AT 31 DECEMBER 2012	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	–	8,435,215	73,957	8,509,172
DUE FROM BROKER	–	–	77,930	77,930
CASH AND BANK BALANCES	73,021	–	–	73,021
TOTAL ASSETS	73,021	8,435,215	151,887	8,660,123
LIABILITIES				
PAYABLES	–	–	12,768	12,768
DUE TO BROKER	–	–	93,293	93,293
TOTAL LIABILITIES	–	–	106,061	106,061

USD ASIA HIGH YIELD BOND ETF

AS AT 31 DECEMBER 2013	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	6,082,100	62,235,575	1,478,465	69,796,140
DUE FROM BROKER	–	–	1,929,252	1,929,252
CASH AND BANK BALANCES	250,071	–	–	250,071
TOTAL ASSETS	6,332,171	62,235,575	3,407,717	71,975,463
LIABILITIES				
PAYABLES	–	–	81,767	81,767
DUE TO BROKER	–	–	1,955,381	1,955,381
TOTAL LIABILITIES	–	–	2,037,148	2,037,148

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8. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

USD ASIA HIGH YIELD BOND ETF (continued)

AS AT 31 DECEMBER 2012	VARIABLE RATES US$	FIXED RATES US$	NON-INTEREST BEARING US$	TOTAL US$
ASSETS				
PORTFOLIO OF INVESTMENTS	2,587,025	27,144,706	577,255	30,308,986
DUE FROM BROKER	–	–	414,500	414,500
DUE FROM UNITHOLDER	–	–	1,403,602	1,403,602
CASH AND BANK BALANCES	85,368	–	–	85,368
TOTAL ASSETS	2,672,393	27,144,706	2,395,357	32,212,456
LIABILITIES				
PAYABLES	–	–	34,880	34,880
DUE TO BROKER	–	–	1,761,475	1,761,475
TOTAL LIABILITIES	–	–	1,796,355	1,796,355

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest rate for the 12 months period is constant. As of 31 December 2013 and 31 December 2012, should interest rates lower or rise by 1% (2012: 1%) with all other variables remaining constant, the increase or decrease in the net assets attributable to unitholders would be as follows:

	IMPACT OF 1% (2012: 1%) MOVEMENT IN INTEREST RATES ON NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	
	31 DECEMBER 2013 US$	31 DECEMBER 2012 US$
USD ASIA CREDIT BOND ETF	**2,033,001**	1,596,455
ASIA LOCAL CURRENCY BOND ETF	**965,267**	2,289,002
ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	**113,287**	151,833
USD ASIA HIGH YIELD BOND ETF	**2,364,952**	694,904

(b) Liquidity risk

Liquidity risk is the risk that the Sub-Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlement of purchases. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and investing predominantly in securities that the Manager expects to be able to liquidate in a relatively short period of time. The Sub-Funds also maintain continuous monitoring of forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities. The Manager considers and maintains the liquidity of the Sub-Funds, in the context of the investment objectives and liquidity requirements per the issued Prospectuses.

The Sub-Funds' financial liabilities are repayable within 12 months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

MSCI INDIA ETF

AS AT 31 DECEMBER 2013	**LESS THAN 3 MONTHS US$**
PAYABLES	**1,243,743**

AS AT 31 DECEMBER 2012	**LESS THAN 3 MONTHS US$**
PAYABLES	1,675,930

USD ASIA CREDIT BOND ETF

AS AT 31 DECEMBER 2013	**LESS THAN 3 MONTHS US$**
PAYABLES	**20,684**
DUE TO BROKER	**1,121,414**

AS AT 31 DECEMBER 2012	**LESS THAN 3 MONTHS US$**
PAYABLES	31,607
DUE TO BROKER	401,866

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8. Financial Risk Management (continued)

(b) Liquidity risk (continued)

ASIA LOCAL CURRENCY BOND ETF

AS AT 31 DECEMBER 2013	LESS THAN 3 MONTHS US$
PAYABLES	22,493
DUE TO BROKER	248,390

AS AT 31 DECEMBER 2012	LESS THAN 3 MONTHS US$
PAYABLES	84,596

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF

AS AT 31 DECEMBER 2013	LESS THAN 3 MONTHS US$
PAYABLES	4,998
DUE TO BROKER	162,675

AS AT 31 DECEMBER 2012	LESS THAN 3 MONTHS US$
PAYABLES	12,768
DUE TO BROKER	93,293

USD ASIA HIGH YIELD BOND ETF

AS AT 31 DECEMBER 2013	LESS THAN 3 MONTHS US$
PAYABLES	81,767
DUE TO BROKER	1,955,381

AS AT 31 DECEMBER 2012	LESS THAN 3 MONTHS US$
PAYABLES	34,880
DUE TO BROKER	1,761,475

(c) **Credit risk**

The Sub-Funds take on exposure to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as participating dealers, issuers, brokers, custodians and banks.

The Manager has in place procedures for proper credit screening and monitoring of credit risk. The Sub-Funds invest mostly in financial assets, which have credit ratings assigned by Standard and Poor's or Moody's. The credit ratings are reviewed regularly.

The following table analyses the Sub-Funds' investments by credit ratings.

USD ASIA CREDIT BOND INDEX ETF	**PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013**	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012
AAA	**1.34**	1.76
AA	**0.49**	0.87
AA-	**4.25**	5.18
A3	**1.19**	0.82
A+	**13.03**	10.57
A	**4.78**	6.03
A-	**8.56**	10.74
Baa1	**0.12**	0.71
Baa2	**–**	0.42
Baa3	**0.85**	1.31
BBB+	**10.68**	7.21
BBB	**4.21**	5.82
BBB-	**14.72**	6.16
BB+	**12.65**	23.11
BB	**6.45**	4.72
BB-	**4.34**	3.34
Ba1	**0.52**	0.30
B1	**0.49**	1.10
B+	**2.86**	3.03
B	**0.21**	–
B-	**1.16**	0.83
CC	**0.16**	–
UNRATED	**5.37**	4.61
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	**1.50**	1.38
TOTAL DEBT SECURITIES	**99.93**	100.02

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8. Financial Risk Management (continued)

(c) Credit risk (continued)

ASIA LOCAL CURRENCY BOND INDEX ETF	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012
AAA	13.60	8.57
AA3	18.10	18.01
AA-	8.49	7.43
A3	6.94	7.69
A+	1.28	0.57
A	8.69	–
A-	12.54	15.56
Baa1	4.91	0.32
Baa3	23.33	–
BBB+	–	0.58
BBB-	–	12.37
BB+	0.40	2.12
Ba1	–	10.67
UNRATED	–	14.64
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	1.09	1.12
TOTAL DEBT SECURITIES	99.37	99.65

(c) Credit risk (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012
AAA	16.29	18.11
AA3	19.18	16.92
AA-	12.05	5.88
A3	10.11	14.68
A	5.94	5.77
A-	9.22	3.94
Baa1	15.11	17.95
Baa3	4.33	–
Ba1	–	3.85
BB+	2.20	4.45
UNRATED	4.03	7.06
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	0.89	0.87
TOTAL DEBT SECURITIES	99.35	99.48

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8. Financial Risk Management (continued)

(c) Credit risk (continued)

USD ASIA HIGH YIELD BOND ETF	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2013	PERCENTAGE OF TOTAL ASSETS ATTRIBUTABLE TO UNITHOLDERS AS AT 31 DECEMBER 2012
BB+	8.95	17.75
BB	17.19	16.20
BB-	21.64	16.60
Ba1	1.89	1.28
Ba2	0.60	0.85
B1	1.69	0.71
B2	0.71	0.70
B+	12.00	13.10
B	1.91	1.29
B-	3.86	4.29
CCC+	0.29	–
CCC	0.74	–
CC	0.57	–
UNRATED	25.64	24.98
ACCRUED INTEREST RECEIVABLE ON DEBT SECURITIES	2.12	1.89
TOTAL DEBT SECURITIES	99.80	99.64

Credit risk also arises from cash and cash equivalents held with financial institutions. The following table summarises the credit ratings of the bank and the custodian in which the Sub-Funds' assets are held as at 31 December 2013 and 31 December 2012 in respect of its senior long term debt obligations.

MSCI INDIA ETF AS AT 31 DECEMBER 2013	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

(c) Credit risk (continued)

AS AT 31 DECEMBER 2012	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

USD ASIA CREDIT BOND ETF

AS AT 31 DECEMBER 2013	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	**AA-**	**STANDARD & POOR'S**
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	**AA-**	**STANDARD & POOR'S**

AS AT 31 DECEMBER 2012	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

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8. Financial Risk Management (continued)

(c) Credit risk (continued)

ASIA LOCAL CURRENCY BOND ETF

AS AT 31 DECEMBER 2013	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

AS AT 31 DECEMBER 2012	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF

AS AT 31 DECEMBER 2013	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

8. Financial Risk Management (continued)

(c) Credit risk (continued)

AS AT 31 DECEMBER 2012	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

USD ASIA HIGH YIELD BOND ETF

AS AT 31 DECEMBER 2013	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	**AA-**	**STANDARD & POOR'S**
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	**AA-**	**STANDARD & POOR'S**

AS AT 31 DECEMBER 2012	CREDIT RATING*	SOURCE OF CREDIT RATING
BANK		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S
CUSTODIAN		
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	AA-	STANDARD & POOR'S

* Credit rating refers to the long term default issuer rating of the financial institution.

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8. Financial Risk Management (continued)

(d) Capital Management

The Sub-Funds' capital are represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity for the on-going management of the Sub-Funds.

(e) Fair value estimation

The Sub-Funds 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).

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2013 and 2012:

MSCI INDIA ETF

AS AT 31 DECEMBER 2013	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED EQUITY SECURITIES	**603,051,410**	**–**	**–**	**603,051,410**

AS AT 31 DECEMBER 2012	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED EQUITY SECURITIES	626,595,214	–	–	626,595,214

(e) Fair value estimation (continued)

USD ASIA CREDIT BOND ETF

AS AT 31 DECEMBER 2013	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	40,893,736	–	40,893,736

AS AT 31 DECEMBER 2012	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	37,465,322	–	37,465,322

ASIA LOCAL CURRENCY BOND ETF

AS AT 31 DECEMBER 2013	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	15,548,079	–	15,548,079

AS AT 31 DECEMBER 2012	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	36,260,310	–	36,260,310

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8. Financial Risk Management (continued)

(e) Fair value estimation (continued)

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF

AS AT 31 DECEMBER 2013	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	6,113,113	–	6,113,113

AS AT 31 DECEMBER 2012	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	8,509,172	–	8,509,172

USD ASIA HIGH YIELD BOND ETF

AS AT 31 DECEMBER 2013	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	69,796,140	–	69,796,140

AS AT 31 DECEMBER 2012	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
ASSETS				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
– QUOTED DEBT SECURITIES	–	30,308,986	–	30,308,986

Investments whose values are based on quoted market prices in active markets and therefore classified within level 1, comprise active listed equities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

8. Financial Risk Management (continued)

(e) Fair value estimation (continued)

Except for cash and cash equivalents which are classified as level 1, the Sub-Funds' assets and liabilities not measured at fair value at 31 December 2013 and 2012 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded.

There were no transfers between the levels of investment held by the Sub-Funds during the year ended 31 December 2013.

9. Related Party Transactions

The Manager and the Trustee of the Sub-Funds are BlackRock (Singapore) Limited and HSBC Institutional Trust Services (Singapore) Limited respectively.

HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of the HSBC Holdings PLC.

Management fees are paid to the Manager. Trustee fees, registrar fees and custody fees are paid to the Trustee or its related company (as applicable) from the management fees based on terms set out in the Trust Deed.

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10. Financial Ratios

MSCI INDIA ETF	**2013**	2012
EXPENSE RATIO	**1.08%**	1.09%
TURNOVER RATIO	**25.23%**	52.08%
USD ASIA CREDIT BOND ETF	**2013**	2012
EXPENSE RATIO	**0.29%**	0.34%
TURNOVER RATIO	**44.52%**	51.47%
ASIA LOCAL CURRENCY BOND ETF	**2013**	2012
EXPENSE RATIO	**0.29%**	0.41%
TURNOVER RATIO	**20.02%**	20.04%
ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	**2013**	2012
EXPENSE RATIO	**0.33%**	0.41%
TURNOVER RATIO	**79.29%**	92.54%
USD ASIA HIGH YIELD BOND ETF	**2013**	2012
EXPENSE RATIO	**0.52%**	0.54%
TURNOVER RATIO	**52.93%**	56.46%

The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The 2012 expense ratio for Asia Local Currency 1-3 Year Bond ETF and USD Asia High Yield Bond ETF were annualised in accordance with the guidelines.

The calculation of the Sub-Funds' expense ratios at 31 December 2013 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of the other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

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10. Financial Ratios (continued)

The following table presents the total operating expenses and average net asset values of the Sub-Funds for the year ended 31 December 2013:

MSCI INDIA ETF	**2013 US$**	2012 US$
TOTAL OPERATING EXPENSES	**6,728,999**	5,911,167
AVERAGE NET ASSET VALUE	**622,937,992**	542,078,410

USD ASIA CREDIT BOND ETF	**2013 US$**	2012 US$
TOTAL OPERATING EXPENSES	**109,423**	158,450
AVERAGE NET ASSET VALUE	**37,753,349**	46,815,335

ASIA LOCAL CURRENCY BOND ETF	**2013 US$**	2012 US$
TOTAL OPERATING EXPENSES	**71,075**	155,428
AVERAGE NET ASSET VALUE	**24,303,974**	37,454,126

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	**2013 US$**	2012 US$
TOTAL OPERATING EXPENSES	**22,968**	39,125
AVERAGE NET ASSET VALUE	**6,985,201**	9,526,607

USD ASIA HIGH YIELD BOND ETF	**2013 US$**	2012 US$
TOTAL OPERATING EXPENSES	**281,162**	126,456
AVERAGE NET ASSET VALUE	**53,798,815**	23,461,182

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10. Financial Ratios (continued)

The portfolio turnover ratios are calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value as below:

MSCI INDIA ETF	**2013 US$**	2012 US$
TOTAL VALUE OF PURCHASES OR SALES	**157,185,633**	282,323,151
AVERAGE DAILY NET ASSET VALUE	**622,937,992**	542,078,410

USD ASIA CREDIT BOND ETF	**2013 US$**	2012 US$
TOTAL VALUE OF PURCHASES OR SALES	**16,807,641**	24,094,006
AVERAGE DAILY NET ASSET VALUE	**37,753,349**	46,815,335

ASIA LOCAL CURRENCY BOND ETF	**2013 US$**	2012 US$
TOTAL VALUE OF PURCHASES OR SALES	**4,866,179**	7,640,250
AVERAGE DAILY NET ASSET VALUE	**24,303,974**	37,454,126

ASIA LOCAL CURRENCY 1-3 YEAR BOND ETF	**2013 US$**	2012 US$
TOTAL VALUE OF PURCHASES OR SALES	**5,538,240**	8,816,247
AVERAGE DAILY NET ASSET VALUE	**6,985,201**	9,526,607

USD ASIA HIGH YIELD BOND ETF	**2013 US$**	2012 US$
TOTAL VALUE OF PURCHASES OR SALES	**28,476,129**	13,246,898
AVERAGE DAILY NET ASSET VALUE	**53,798,815**	23,461,182

In accordance with the Sub-Funds' Trust Deed, units of the MSCI India ETF are issued through a creation of an Index Basket for each creating unit (comprising 500,000 units), the MSCI India ETF receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases.

The 2012 turnover ratio for Asia Local Currency 1-3 Year Bond ETF and USD Asia High Yield Bond ETF were computed from the date of commencement of operations on 2 December 2011 and 5 December 2011 respectively.

» 11. Comparatives

Where applicable, the 2012 comparative figures have been reclassified to conform with changes in the current presentation, in relation to the revised Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants in June 2012.

The prior period comparative figures for Asia Local Currency 1-3 Year Bond ETF and USD Asia High Yield Bond ETF are for the period from 2 December 2011 and 5 December 2011 (date of commencement of operations) to 31 December 2012 respectively, and not for a full financial year.

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Management and Administration

Directors of the Manager

Alasdair Charles Riach
Mark Seumas McCombe
Michael Timothy Marquardt
Kevin Perry
Kevin Shane Lee Hardy

Manager

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Trustee and Registrar

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