

**Directors**

Michael J. Downey, *Chairman*  
Jessica M. Bibliowicz  
David J. Brennan  
Robert H. Burns  
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**Officers**

Brian A. Corris, *President*  
Grace C. Torres, *Vice President*  
M. Sadiq Peshimam, *Treasurer and Chief Financial Officer*  
Deborah A. Docs, *Secretary and Chief Legal Officer*  
Andrew R. French, *Assistant Secretary*  
Valerie M. Simpson, *Chief Compliance Officer*  
Theresa C. Thompson, *Deputy Chief Compliance Officer*

**Investment Manager**

Baring Asset Management (Asia) Limited  
1901 Edinburgh Tower  
15 Queen's Road Central  
Hong Kong

**Administrator**

Prudential Investments LLC  
Gateway Center Three  
100 Mulberry Street  
Newark, NJ 07102-4077

**Custodian**

The Bank of New York Mellon  
One Wall Street  
New York, NY 10286

**Transfer Agent**

Computershare Trust Company N.A.  
P.O. Box 43011  
Providence, RI 02940-3011

**Independent Registered Public Accounting Firm**

KPMG LLP  
345 Park Avenue  
New York, NY 10154

**Legal Counsel**

Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock at market prices.

The accompanying portfolio of investments as of December 31, 2009 was not audited and, accordingly, no opinion is expressed on it.

The information in this report, including the portfolio of investments herein, is for the shareholders of The Asia Pacific Fund, Inc. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

The Asia Pacific Fund, Inc.  
Gateway Center Three  
100 Mulberry Street  
Newark, NJ 07102-4077

For general information on the Fund, please call (toll-free) the Altman Group, our shareholders' servicing agent toll-free at:

1-(888) 4-ASIA-PAC

Current information about the Fund is available on its website (<http://www.asiapacificfund.com>). This website includes monthly updates of the Fund's performance and other data as well as the Manager's quarterly presentation of performance and asset allocations and comments on the current Asian outlook.

The Fund's CUSIP number is 044901106  
APBQ12



# The Asia Pacific Fund, Inc.

## Quarterly Report December 31, 2009

[www.asiapacificfund.com](http://www.asiapacificfund.com)

**The Asia Pacific Fund, Inc.**  
**As of December 31, 2009 (Unaudited)**

**OUR TOLL-FREE LINE:**  
**1-888-4-ASIA-PAC**

For further information on the Fund, please call. In addition, the Fund makes available monthly certain portfolio information. If you would like to receive this information please call the toll-free number indicated above.

Statistics	
Total Net Assets	\$114,620,476
Shares Outstanding	10,344,073
Net Asset Value	\$11.08
Equity	97.4%(a)

Total Returns (US Dollar terms)		
Period	Market Price(b)	NAV(c)
3 months ended 12/31/09	7.4%	8.2%
6 months ended 12/31/09	24.1%	24.6%
9 months ended 12/31/09	66.9%	64.1%
1 Year ended 12/31/09	62.0%	58.7%
3 Year ended 12/31/09	16.1%	20.2%
5 Year ended 12/31/09	112.1%	103.2%
10 Years ended 12/31/09	182.4%	135.3%
Since inception(d)	719.1%	750.6%
Since inception(d)(e)	9.7%	9.9%

Other Information	
Ticker Symbol	APB
Primary Exchange	NYSE
Dividend Repurchase Program	Yes

Footnote section

- (a) Expressed as a percentage of total investments.
- (b) Total investment return is calculated assuming a purchase of common stock at the current market value on the first day and a sale at the current market value on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. These calculations do not include brokerage commissions.
- (c) This information represents the historical net asset value per share performance of The Asia Pacific Fund, Inc. Net asset value per share performance has been computed by the Investment Manager and is calculated assuming reinvestment of dividends and distributions. Because net asset value per share performance does not reflect market price, it is not the same as total investment return.
- (d) Investment operations commenced on May 4, 1987.
- (e) Average annual return.

Portfolio Characteristics (As of December 31, 2009)	
Top Ten Equity Holdings* (% of Total Net Assets)	

Samsung Electronics Co. Ltd.	5.5%
China Life Insurance Co. Ltd.	3.6%
Hynix Semiconductor, Inc.	2.5%
Taiwan Fertilizer Co. Ltd.	2.3%
Far Eastern New Century Corp.	2.1%
China Construction Bank Corp.	2.0%
Largan Precision Co. Ltd.	2.0%
Angang Steel Co. Ltd.	1.9%
POSCO	1.9%
Hon Hai Precision Industry Co. Ltd.	1.9%

\* Excludes short-term investments

Equity Country Weightings (% of Total Equity Investments)	
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China (including Hong Kong)	40.8%
South Korea	20.1%
Taiwan	19.1%
Singapore	6.9%
India	4.9%
Indonesia	3.9%
Thailand	2.1%
Malaysia	1.8%
Philippines	0.4%

Sector Breakdown: Top Ten Industries** (% of Total Net Assets)	
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Information Technology	22.0%
Materials	12.9%
Industrials	11.7%
Diversified Financials	11.5%
Consumer Discretionary	11.2%
Banking	11.1%
Real Estate-Developers	9.5%
Energy	6.6%
Consumer Staples	6.3%
Mutual Fund	2.8%

\*\* Including short-term investments

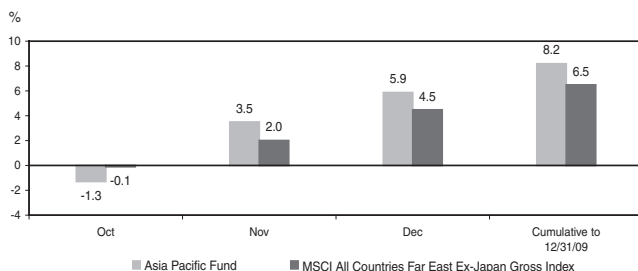
# REPORT OF THE INVESTMENT MANAGER

## For the period from September 30 to December 31, 2009

### PERFORMANCE

During the three-month period ended December 31, 2009, the Fund's net asset value (NAV) per share increased by US\$0.84, from US\$10.24 to US\$11.08. In percentage terms, the Fund's total return performance was +8.2%. This compares with the total return of +6.5% from its referenced benchmark index, the MSCI All Countries Far East Ex-Japan Gross Index (Index). The Fund's share price rose by +7.4% over the period, from US\$9.68 to US\$10.40.

The chart below illustrates the Fund's NAV performance per share during the period:



Source: Baring Asset Management, MSCI.

### Local Currencies versus the US Dollar

Currency US\$/Local rate	Sept. 30 2009	Dec. 31 2009	Sept. 30 to Dec. 31, 2009 Change %
<b>North Asia</b>			
South Korean Won	1,178	1,164	1.2
New Taiwan Dollar	32.15	31.99	0.5
Chinese Renminbi	6.83	6.83	0.0
Hong Kong Dollar	7.75	7.75	0.0
<b>ASEAN</b>			
Indonesian Rupiah	9,665	9,395	2.9
Philippine Peso	47.38	46.23	2.5
Malaysian Ringgit	3.46	3.42	1.1
Singapore Dollar	1.41	1.40	0.4
Thai Baht	33.41	33.34	0.2
<b>Indian Rupee</b>			
	48.11	46.54	3.4

Source: Baring Asset Management, Factset.

### STOCK MARKET PERFORMANCE September 30 to December 31, 2009

Country - Index	Market Change % Local	Market Change % US dollar
<b>North Asia</b>		
MSCI China	9.6	9.6
MSCI Taiwan	7.5	8.1
MSCI Hong Kong	3.6	3.6
MSCI Korea	1.1	2.3
<b>ASEAN</b>		
MSCI Singapore	9.4	9.8
MSCI Philippines	7.1	9.8
MSCI Malaysia	5.5	6.7
MSCI Indonesia	2.3	5.2
MSCI Thailand	0.8	1.1
<b>South Asia</b>		
MSCI India	4.2	7.7
<b>MSCI All Countries</b>		
Far East Ex-Japan Gross	5.9	6.5

Source: Baring Asset Management, Factset.

### COUNTRY ALLOCATION\*

Country	Sept. 30, 2009	Oct 31, 2009	Nov 30, 2009	Dec 31, 2009
<b>North Asia</b>				
Hong Kong/China	84.4%	83.4%	82.9%	84.0%
South Korea	22.0	18.5	18.4	21.1
Taiwan	20.3	19.6	19.7	20.1
<b>ASEAN</b>				
Indonesia	4.1	3.6	4.0	4.1
Philippines	0.5	0.5	0.5	0.5
Malaysia	1.8	2.1	1.9	1.9
Singapore	6.6	6.9	7.5	7.3
Thailand	1.2	1.8	1.7	2.2
<b>South Asia</b>				
India	0.4	0.9	1.4	5.1
<b>Cash &amp; Other</b>	<b>1.0</b>	<b>0.8</b>	<b>0.1</b>	<b>-5.1</b>

\* Rounded up to the nearest tenth of one percent

## PORTFOLIO & MARKET REVIEW

The three-month period ending December 31, 2009 saw a continuation of the rally in global and regional equity markets. Asian equity markets, as measured by the Index, recorded a rise of 6.5% in US dollar terms. The top three performing markets in the Index were Singapore (+9.8%), the Philippines (+9.8%) and China (+9.6%). The bottom three were Thailand (+1.1%), Korea (+2.3%) and Hong Kong (+3.6%). With the exception of the Hong Kong Dollar and the Chinese Renminbi, all Asian currencies rose against a weak US dollar.

During the period, global investors continued to focus on the positive factors. These included better-than-expected third quarter earnings in the US, rising leading economic indicators globally, low interest rates, and steadily rising risk appetite. In Asia, the Chinese and Indian economies continued to lead, with a strong recovery observed in bank lending, construction spending, domestic consumption and real estate. In addition, there are signs of the beginning of re-stocking activity in developed economies. While newsflow has been mostly positive, mild corrections in equity markets in recent months have been caused by two key factors. The first relates to fears of potential renewed debt defaults. This includes the announcement of the restructuring of the Dubai World loans, together with the downgrading of the Greek government bond market by Fitch. The second relates to central banks' 'exit strategy'. A succession of better-than-expected economic data releases in China, India and the US, together with emerging signs of rising headline inflation, raised concern among investors about the possibility of an earlier-than-expected start of monetary tightening in 2010.

Our overall strategy has been to maintain the cyclical and growth bias in the portfolio. Over the period, key portfolio moves included additions to India and smaller ASEAN markets, and the reduction of exposures to Hong Kong and China. Cash balances were maintained at low levels during the early part of the quarter. A modest amount of leverage was employed in December to fund the purchase of stocks with an attractive growth and valuation profile. In terms of sector activity, we increased the Fund's exposure to the Industrials, Technology and Consumer Staples sectors, and reduced exposure to Financials and Materials.

China remains one of the strongest investment themes in the Fund. We continue to believe that the medium to long-term growth prospects for China are highly attractive. Even the weak export sector saw signs of a return to growth. In terms of Asian equity markets' valuation, the weighted average price-to-earnings and price-to-book ratios of Asian markets are close to their long-term average.

Over the period, the Fund's NAV rose by 8.2% in US dollar terms. It outperformed its reference benchmark. This was principally helped by good stock selection in China and Hong Kong. At the individual stock level, positive contributors included CNPC, China Citic Bank and the under-weighting in China Mobile. Detractors at the stock level included Bakrieland Development, Hana Financial Group and LG Innotek.

**Baring Asset Management (Asia) Ltd**

**January 28, 2010**

**THE ASIA PACIFIC FUND, INC.**  
**Portfolio of Investments**  
**December 31, 2009**  
**(Unaudited)**

Shares	Description	Value	Shares	Description	Value
	<b>LONG-TERM INVESTMENTS—105.1%</b>				
	<b>EQUITIES</b>				
	<b>CHINA (INCLUDING HONG KONG)—42.8%</b>				
1,014,000	Angang Steel Co. Ltd. (Class “H” Shares) . . . . . (Materials)	\$2,211,133	230,000	China National Building Material Co. Ltd. (Class “H” Shares) . . . . . (Materials)	\$ 472,555
124,000	Anhui Conch Cement Co. Ltd. (Class “H” Shares) . . . . . (Materials)	792,355	543,680	China Overseas Land & Investment Ltd. . . . . (Real Estate-Developers)	1,139,165
736,000	BOC Hong Kong Holdings Ltd. . . . . (Banking)	1,653,551	462,000	China Resources Land Ltd. . . . . (Real Estate-Developers)	1,039,940
2,197,000	China CITIC Bank (Class “H” Shares) . . . . . (Banking)	1,859,684	679,000	China Shanshui Cement Group Ltd. . . . . (Materials)	492,900
2,700,000	China Construction Bank Corp. (Class “H” Shares) . . . . . (Banking)	2,306,194	400,500	China Shenhua Energy Co. Ltd. (Class “H” Shares) . . . . . (Energy)	1,944,151
248,000	China Everbright Ltd. . . . . (Diversified Financials)	607,309	472,000	China Shipping Development Co. Ltd. (Class “H” Shares) . . . . . (Industrials)	701,970
837,000	China Life Insurance Co. Ltd. (Class “H” Shares) . . . . . (Diversified Financials)	4,095,670	1,057,000	CNOOC Ltd. . . . . (Energy)	1,646,745
1,070,000	China Longyuan Power Group Corp.(a) (Class “H” Shares) . . . . . (Utilities)	1,385,560	1,118,000	CNPC Hong Kong Ltd. . . . . (Energy)	1,474,359
254,000	China Mengniu Dairy Co. Ltd.(a) . . . . . (Consumer Staples)	902,922	654,000	Dongfeng Motor Group Co. Ltd. (Class “H” Shares) . . . . . (Consumer Discretionary)	933,890
672,650	China Merchants Bank Co. Ltd. (Class “H” Shares) . . . . . (Banking)	1,750,169	906,000	Fushan International Energy Group Ltd. . . . . (Materials)	873,320
598,000	China Merchants Holdings International Co. Ltd. . . . . (Industrials)	1,929,111	3,000,000	GOME Electrical Appliances Holdings Ltd. . . . . (Consumer Discretionary)	1,080,223
933,600	China Metal Recycling Holdings Ltd.(a) . . . . . (Materials)	1,011,039	219,000	Henderson Land Development Co. Ltd. . . . . (Real Estate-Developers)	1,636,528
489,000	China Minsheng Banking Corp. Ltd.(a) (Class “H” Shares) . . . . . (Banking)	549,963	1,667,000	K. Wah International Holdings Ltd. . . . . (Real Estate-Developers)	615,547
			1,460,000	Lenovo Group Ltd. . . . . (Information Technology)	904,795
			244,000	Li Ning Co. Ltd. . . . . (Consumer Discretionary)	925,203

See Notes to Portfolio of Investments.

Shares	Description	Value	Shares	Description	Value
	<b>CHINA (INCLUDING HONG KONG)—(continued)</b>		116,617	HCL Technologies Ltd. . . . . . (Information Technology)	\$ 926,425
380,000	Longfor Properties(a) . . . . . (Real Estate-Developers)	\$ 428,844	30,075	Mphasis Ltd. . . . . . (Information Technology)	465,572
492,000	New World Development Co. Ltd. . . . . . (Real Estate-Developers)	1,002,402	364,203	Opto Circuits India Ltd. . . . . .	1,767,637
944,000	Nine Dragons Paper Holdings Ltd. . . . . . (Materials)	1,505,745	418,632	Pipavav Shipyard Ltd.(a) . . . . .	486,238
135,000	Orient Overseas International Ltd. . . . . . (Industrials)	626,022	58,629	Tata Motors Ltd. . . . . . (Industrials)	989,558
192,000	Ping An Insurance Group Co. of China Ltd. (Class "H" Shares) . . . . . (Diversified Financials)	1,669,472			<u>5,847,083</u>
255,500	Ports Design Ltd. . . . . . (Consumer Discretionary)	787,765		<b>INDONESIA—4.1%</b>	
540,000	Sany Heavy Equipment International Holdings Co. Ltd.(a) . . . . . . (Industrials)	683,236	957,000	Bank Rakyat Indonesia . . . . . . (Banking)	769,173
912,000	Shun Tak Holdings Ltd. . . . . . (Industrials)	569,312	279,000	PT Astra International Tbk . . . . .	1,025,714
1,514,000	Sinofert Holdings Ltd. . . . . . (Materials)	839,843	19,103,000	PT Bakrieland Development Tbk(a) . . . . . . (Real Estate-Developers)	390,845
143,200	Sinopharm Group Co.(a) (Class "H" Shares) . . . . . . (Consumer Staples)	508,830	3,964,000	PT Delta Dunia Petroindo Tbk(a) . . . . . . (Materials)	707,702
44,000	Sun Hung Kai Properties Ltd. . . . . (Real Estate-Developers)	654,241	183,500	PT Indo Tambangraya Megah Tbk . . . . . . (Energy)	620,275
1,255,500	Techtronic Industries Co. . . . . . (Consumer Discretionary)	1,040,770	1,225,000	PT Telekomunikasi Indonesia Tbk . . . . . . (Telecommunications)	1,219,397
16,400	Tencent Holdings Ltd. . . . . . (Information Technology)	354,695			<u>4,733,106</u>
404,000	Yanzhou Coal Mining Co. Ltd. (Class "H" Shares) . . . . . . (Energy)	883,598		<b>MALAYSIA—1.9%</b>	
303,000	Zhuzhou CSR Times Electric Co. Ltd. (Class "H" Shares) . . . . . . (Industrials)	618,305	1,889,700	AirAsia Berhad(a) . . . . . . (Industrials)	758,659
		<u>49,109,031</u>	680,000	Genting Berhad . . . . . . (Consumer Discretionary)	1,449,409
	<b>INDIA—5.1%</b>				<u>2,208,068</u>
269,408	Era Infra Engineering Ltd. . . . . . (Industrials)	1,211,653		<b>PHILIPPINES—0.5%</b>	
			16,840,000	Megaworld Corp. . . . . . (Real Estate-Developers)	536,179
				<b>SINGAPORE—7.3%</b>	
			434,000	CapitaMalls Asia Ltd.(a) . . . . . . (Real Estate-Developers)	784,682
			181,000	City Developments Ltd. . . . . . (Real Estate-Developers)	1,479,950

See Notes to Portfolio of Investments.

Shares	Description	Value
<b>SINGAPORE—(continued)</b>		
989,600	Genting Singapore PLC(a) . . . . . (Consumer Discretionary)	\$ 911,641
553,000	Indofood Agri Resources Ltd.(a) . . . . (Consumer Staples)	908,920
841,000	Olam International Ltd. . . . .	1,580,120
131,000	Singapore Exchange Ltd. . . . .	771,351
352,000	Wilmar International Ltd. . . . .	1,600,547
206,000	Yanlord Land Group Ltd. . . . .	315,008
		8,352,219
<b>SOUTH KOREA—21.1%</b>		
53,910	Hana Financial Group, Inc. . . . .	1,523,729
144,900	Hynix Semiconductor, Inc.(a) . . . . .	2,881,516
18,723	Hyundai Engineering & Construction Co. Ltd. . . . .	1,135,706
6,820	Hyundai Mobis . . . . .	999,397
20,464	Hyundai Motor Co. . . . .	2,118,262
33,462	KB Financial Group, Inc.(a) . . . . .	1,703,893
6,051	LG Chem Ltd. . . . .	1,185,980
14,469	LG Electronics, Inc. . . . .	1,508,367
6,260	LG Innotek Co. Ltd. . . . .	531,447
23,280	LG International Corp. . . . .	604,701
4,045	POSCO . . . . .	2,133,218
30,729	Samsung Card Co. Ltd. . . . .	1,516,488
9,259	Samsung Electronics Co. Ltd. . . . .	6,349,174
		24,191,878

Shares	Description	Value
<b>TAIWAN—20.1%</b>		
898,000	Cathay Financial Holding Co. Ltd.(a) . . . . .	\$ 1,671,863
378,000	Epistar Corp. . . . .	1,414,391
1,907,292	Far Eastern New Century Corp.(b) . . . . .	2,384,842
563,000	Formosa Epitaxy, Inc. . . . .	944,262
285,000	Foxconn Technology Co. Ltd. . . . .	1,099,469
1,183,000	Fubon Financial Holding Co. Ltd.(a) . . . . .	1,454,399
455,000	Hon Hai Precision Industry Co. Ltd. . . . .	2,127,879
468,000	InnoLux Display Corp. . . . .	691,286
173,000	Largan Precision Co. Ltd. . . . .	2,270,328
34,340	MediaTek, Inc. . . . .	596,642
200,000	Silitech Technology Corp. . . . .	719,121
771,000	Synnex Technology International Corp. . . . .	1,665,176
733,000	Taiwan Fertilizer Co. Ltd. . . . .	2,609,989
3,772,000	United Microelectronics Corp.(a) . . . . .	2,037,793
1,831,000	Yuanta Financial Holding Co. Ltd. . . . .	1,339,741
		23,027,181
<b>THAILAND—2.2%</b>		
162,900	Bangkok Bank PCL . . . . .	570,273
138,300	PTT PCL(a) . . . . .	1,020,450

See Notes to Portfolio of Investments.

Shares	Description	Value
<b>THAILAND—(continued)</b>		
10,981,800	Quality Houses PCL(a) . . . . . (Real Estate-Developers)	\$ 876,172
		2,466,895
	Total long-term investments (cost \$89,714,230) . . . . .	120,471,640
<b>SHORT-TERM INVESTMENT—2.8%</b>		
<b>MONEY MARKET MUTUAL FUND</b>		
<b>UNITED STATES</b>		
3,264,146	JPMorgan Prime Money Market Fund/Premier (cost \$3,264,146) . . . . .	3,264,146
	<b>Total Investments(c)—107.9%</b> (cost \$92,978,376)(d) . . . . .	123,735,786
	Liabilities in excess of other assets—(7.9%) . . . . .	(9,115,310)
	<b>Net Assets—100.0%</b>	<b>\$114,620,476</b>

The following annotations are used in the Portfolio of Investments:

- (a) Non-income producing securities.
- (b) An Independent Director of the Fund is Chairman and Chief Executive Officer of the Company.
- (c) The earlier close of the foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred between the close of the foreign markets and the time at which the Fund values its securities that may materially affect the value of securities trading in such markets. To account for this, the Fund may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available. Accordingly, a significant portion of the Fund's investments are categorized as Level 2 investments.
- (d) The United States federal income tax basis of the Fund's investments and the net unrealized appreciation as of December 31, 2009 were as follows:

<u>Tax Basis</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Unrealized Appreciation</u>
\$94,238,394	\$30,933,314	\$(1,435,922)	\$29,497,392

The difference between book basis and tax basis is attributable to deferred losses on wash sales.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical securities

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's assets carried at fair value:

	Level 1	Level 2	Level 3
<b>Investments in Securities</b>			
<b>Equities</b>			
China (including Hong Kong)	\$3,556,433	\$ 45,552,598	\$—
India	486,238	5,360,845	—
Indonesia	—	4,733,106	—
Malaysia	—	2,208,068	—
Philippines	—	536,179	—
Singapore	784,682	7,567,537	—
South Korea	—	24,191,878	—
Taiwan	—	23,027,181	—
Thailand	1,896,622	570,273	—
Money Market Mutual Fund	3,264,146	—	—
	9,988,121	113,747,665	—
Other Financial Instruments*	—	—	—
<b>Total</b>	<b>\$9,988,121</b>	<b>\$113,747,665</b>	<b>\$—</b>

\* Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

As of March 31, 2009 and December 31, 2009, the Fund did not use any significant unobservable inputs (Level 3) in determining the value of investments.

See Notes to Portfolio of Investments.

The industry classification of portfolio holdings and liabilities in excess of other assets shown as a percentage of net assets as of December 31, 2009 was as follows:

Information Technology	22.0%
Materials	12.9
Industrials	11.7
Diversified Financials	11.5
Consumer Discretionary	11.2
Banking	11.1
Real Estate-Developers	9.5
Energy	6.6
Consumer Staples	6.3
Money Market Mutual Fund	2.8
Utilities	1.2
Telecommunications	1.1
	<hr/>
	107.9
Liabilities in excess of other assets	(7.9)
	<hr/>
Total	100.0 %

## Notes to Portfolio of Investments (Unaudited)

*Securities Valuation:* Investments are stated at value. Securities for which the primary market is on an exchange are valued at the last sale price on such exchange on the day of valuation or, if there was no sale on such day, at the last bid price quoted on such day. Securities for which reliable market quotations are not readily available, or whose value have been affected by events occurring after the close of the security's foreign market and before the Fund's normal pricing time, are valued at the fair value in accordance with the Board of Director's approved fair valuation procedures. When determining the fair valuation of securities, some of the factors influencing the valuation include the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer's financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst, media or other reports or information regarding the issuer or the markets or industry in which it operates; other analytical data; and consistency with valuation of similar securities held by other funds managed by Baring Asset Management (Asia) Limited. Using fair value to price securities

may result in a value that is different from a security's most recent closing price and from the price used by other mutual funds to calculate their net asset values.

Investments in mutual funds are valued at their net asset value on each day the New York Stock Exchange is open for trading.

Market values of investments traded in a foreign currency are translated into U.S. dollars at the current rates of exchange.

*Stock Index Futures Contracts:* A stock index futures contract is an agreement to purchase (long) or sell (short) an agreed amount of securities at a set price for delivery on a future date. Upon entering into a stock index futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the "initial margin." Subsequent payments known as "variation margin," are made or received by the Fund each day, depending on the daily fluctuations in the value of the underlying security. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain or loss. When the contract expires or is closed, the gain or loss is realized and is presented in the Statement of Operations as net realized gain or loss on stock index futures contracts.

The Fund may utilize stock index futures contracts for hedging and investment purposes. Should market prices for the futures contracts or the underlying assets move in ways not anticipated by the Fund, losses may result. The use of futures contracts for hedging and investment purposes involves the risk of imperfect correlation in the movements in prices of futures contracts and the underlying assets being hedged or the exposures desired by the Fund.

With stock index futures contracts, there is minimal counterparty credit risk to the Fund since the exchanges' clearinghouse acts as counterparty to the futures, and guarantees the futures contracts against default.

*Other information regarding the Fund is available in the Fund's most recent Annual and Semi-Annual Reports to Shareholders. This information is available on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)).*