

ASIA PACIFIC BASKET LIMITED

Report and Financial Statements

For the period from incorporation, 19 May 2008, to 30 September 2009

ASIA PACIFIC BASKET LIMITED

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ASIA PACIFIC BASKET LIMITED

REPORT AND FINANCIAL STATEMENTS GENERAL INFORMATION

DIRECTORS:

C Hickling
J Lewis
D Stephenson

**ADMINISTRATOR, SECRETARY AND
REGISTRAR:**

Praxis Property Fund Services Limited
(formerly Investec Administration Services Limited)
PO Box 296
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

REGISTERED OFFICE:

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

AUDITOR:

Saffery Champness
PO Box 141
La Tonnelle House
Les Banques
St Sampson
Guernsey
GY1 3HS

BANKERS:

Investec Bank (Channel Islands) Limited
PO Box 188
La Vielle Cour
St Peter Port
Guernsey
GY1 3LP

ASIA PACIFIC BASKET LIMITED

REPORT OF THE DIRECTORS

For the period from incorporation, 19 May 2008, to 30 September 2009

The Directors present their first report and audited financial statements for the period from incorporation, 19 May 2008, to 30 September 2009.

Principal Activity

The principal activity of the Company is investment holding.

The Company is a Guernsey authorised closed-ended investment scheme and is subject to the Authorised Closed-Ended Investment Scheme Rules 2008.

There have recently been a number of changes to the regulatory regime for Guernsey funds. A number of provisions which were contained in the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 to 2003 ('COBO') (which governed closed-ended funds) have been consolidated into the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the 'POI Law') (which governed open-ended funds and licencees) so that the POI Law now governs both open-ended and closed-ended funds (as well as licencees).

Closed-ended funds are now Category 1 controlled investments under the POI Law. The changes have also codified in the POI Law a number of standard conditions and ongoing notification requirements imposed on the licencees of funds which were listed on the fund's COBO consent, but were not explicitly set out in COBO. It is intended that the changes will simplify Guernsey's investment fund regime by categorising all funds (whether open-ended or closed-ended) as either registered schemes or authorised schemes.

Results and Dividends

The profit and loss statement is set out on page 7. The Directors do not propose a dividend for the period.

Directors

The Directors of the Company during the period and to the date of this report are detailed below.

J Lewis (appointed 19 May 2008)

C Hickling (appointed 19 May 2008)

D Stephenson (appointed 4 March 2009)

R Banfield (resigned 31 December 2008)

B Garnham (appointed 31 December 2008, resigned 4 March 2009)

No Director had any beneficial interest in the shares of the Company.

Directors' responsibilities

Guernsey company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements according the United Kingdom accounting standards, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ASIA PACIFIC BASKET LIMITED

REPORT OF THE DIRECTORS

For the period from incorporation, 19 May 2008, to 30 September 2009

Statement of Disclosure to Auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

A resolution to re-appoint Saffery Champness as auditor will be put to the members at the Annual General Meeting.

By Order of the Board



Chris Hickling
Director

15 February 2010

INDEPENDENT AUDITOR'S REPORT

To the members of Asia Pacific Basket Limited

We have audited the financial statements on pages 7 to 17. These financial statements have been prepared in accordance with the financial policies set out therein.

This report is made solely to the Company's members, as a body in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As described in the statement of directors' responsibilities on page 4, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable law. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 30 September 2009 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.



SAFFERY CHAMPNESS

15 February 2010

ASIA PACIFIC BASKET LIMITED

PROFIT AND LOSS ACCOUNT

For the period from incorporation, 19 May 2008, to 30 September 2009

	Notes	2009 AUD
REVENUE		
Interest income	3	98,975
GAIN ON INVESTMENTS		
Investments at fair value through profit and loss	4	541,686
		<u>640,661</u>
OPERATING EXPENSES	6	(522,766)
PROFIT FOR THE PERIOD CARRIED FORWARD		<u><u>117,895</u></u>
Earnings per share		
Basic - Ordinary Shares	7	<u><u>AUD 3.87</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the period from incorporation, 19 May 2008, to 30 September 2009

	2009 AUD
PROFIT FOR THE PERIOD	117,895
GAIN ON INVESTMENTS	
Available-for-sale investments	2,618,948
TOTAL RECOGNISED GAINS FOR THE PERIOD	<u><u>2,736,843</u></u>

The notes on pages 11 to 17 are an integral part of these financial statements.

ASIA PACIFIC BASKET LIMITED

BALANCE SHEET

As at 30 September 2009

	Notes	2009	
		AUD	AUD
FIXED ASSETS			
Investments at fair value through profit and loss	4	8,285,292	
Available-for-sale investments	5	23,008,440	
			<u>31,293,732</u>
CURRENT ASSETS			
Debtors and prepayments	8	386,093	
Cash and cash equivalents	9	1,482,665	
		<u>1,868,758</u>	
CREDITORS: amounts falling due within one year			
Creditors and accruals	10	10,862	
		<u>10,862</u>	
NET CURRENT ASSETS			1,857,896
			<u>33,151,628</u>
CAPITAL AND RESERVES			
Share capital	11		315
Share premium	12		30,414,470
Profit and loss account			117,895
Revaluation reserve	13		2,618,948
EQUITY SHAREHOLDERS' FUNDS			<u>33,151,628</u>
Number of fully paid Ordinary shares of AUD 0.01 each			30,462.65
Net Asset Value per Ordinary Share			AUD 1,088.27

The financial statements were approved by the Board and authorised for issue by:



Chris Hickling

Director

15 February 2010

The notes on pages 11 to 17 are an integral part of these financial statements.

ASIA PACIFIC BASKET LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the period from incorporation, 19 May 2008, to 30 September 2009

	Management Shareholders	Ordinary Shareholders				Total
	Share Capital AUD	Share Capital AUD	Share Premium AUD	Profit and loss account AUD	Revaluation reserve AUD	Total AUD
Shares issued (see notes 11,12)	10	305	30,462,345	-	-	30,462,660
Formation costs (see note 12)	-	-	(47,875)	-	-	(47,875)
Net profit for the period	-	-	-	117,895	-	117,895
Revaluation of available-for- sale investments (see note 13)	-	-	-	-	2,618,948	2,618,948
At 30 September 2009	10	305	30,414,470	117,895	2,618,948	33,151,628

The notes on pages 11 to 17 are an integral part of these financial statements.

ASIA PACIFIC BASKET LIMITED

CASH FLOW STATEMENT

For the period from incorporation, 19 May 2008, to 30 September 2009

	Notes	2009 AUD
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit		117,895
Less:		
Interest income	3	(98,975)
		<u>18,920</u>
Adjustments for non-cash items:		
Unrealised gain on investments at fair value through profit and loss	4	(541,686)
Adjustments for working capital movements:		
Increase in debtors and prepayments		(381,144)
Increase in creditors and accruals		10,862
Net cash outflow from operating activities		<u>(893,048)</u>
CASH FLOW STATEMENT		
Net cash outflow from operating activities		(893,048)
Investing activities		
Bank interest received	3	94,026
Management of liquid reserves		
Purchase of investments at fair value through profit and loss	4	(7,743,606)
Purchase of available-for-sale investments	5	(20,389,492)
		<u>(28,133,098)</u>
Financing activities		
Issue of ordinary share capital	11,12	30,414,785
Increase in cash for the period		<u>1,482,665</u>
Cash at the end of the period		<u><u>1,482,665</u></u>

The notes on pages 11 to 17 are an integral part of these financial statements.

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements of Asia Pacific Basket Limited, with domicile in Guernsey, have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Going concern

The financial statements have been prepared on a going concern basis.

Foreign exchange

Foreign currency assets and liabilities are translated into Australian Dollars at the rate of exchange ruling on the balance sheet date. Foreign currency transactions are translated into Australian Dollars at the rate of exchange ruling on the date of the transaction. Foreign exchange gains and losses are included in the profit and loss statement in the period in which they arise.

Income

Bank interest is accounted for on an accruals basis.

Investments

Under FRS 26, investments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them. Acquisition costs include transaction costs.

After initial recognition, the Company uses the following measurement bases for its investments:

- (i) Investments held for trading and those designated to the category at inception: Fair value through profit and loss.
- (ii) Held-to-maturity investments: Amortised cost.
- (iii) Available-for-sale investments: Fair value through equity

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date. Amortised cost is calculated using the effective interest method.

Taxation

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) Guernsey Ordinance 1989 and is charged an annual exemption fee of £600.

2. SIGNIFICANT AGREEMENTS

The following significant agreements have been entered into by the Company:

Administration, Custodian and Secretarial Agreement

Under the Administration, Custodian and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the administrator, for its services as administrator, secretary, custodian and registrar, a fee of 0.15% of the Net Asset Value of the Fund per annum. This fee is payable annually in advance each year until the termination date, the date of compulsory redemption of the ordinary shares.

Investment Advisory Agreement

Under the Investment Advisory Agreement, the Company has agreed to pay or procure to be paid to the advisor, for its services as advisor, a fee of 0.55% per annum of the Company's funds, payable in advance on the anniversary of the first business day following the closing date, until the termination date as defined above.

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

2. SIGNIFICANT AGREEMENTS (continued)

Distribution Agreement

Under the Distribution Agreement, the Company has agreed to pay or procure to be paid to the Distributors a fee of 0.7% per annum of the Company's funds payable in advance on the first Business Day of each year, until the Termination Date.

3. INTEREST INCOME

	2009 AUD
Bank interest receivable	<u>98,975</u>

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2009 AUD
Deutsche Bank AG index basket call option	
Acquisitions during the period	7,743,606
Fair value adjustment for the period	541,686
Fair value carried forward	<u>8,285,292</u>

5. AVAILABLE-FOR-SALE INVESTMENTS

	2009 AUD
Zero Coupon Bonds issued by Investec Bank plc	
Acquisitions during the period	20,389,492
Fair value adjustment for the period	2,618,948
Fair value carried forward	<u>23,008,440</u>

6. OPERATING EXPENSES

	2009 AUD
Distributor fees	236,610
Investment advisory fees	185,906
Administration fees	49,816
Auditor's remuneration	10,862
Guernsey Financial Services Commission licence fees	9,279
Listing & sponsorship fees	12,139
Statutory fees	2,455
Legal & professional fees	8,150
Professional indemnity insurance	3,085
Sundry expenses	4,464
	<u>522,766</u>

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

7. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per share is based on the following data:

Earnings attributable to Ordinary shares:	2009
	AUD
Earnings for purpose of basic earnings per share being profit for the period attributable to ordinary shareholders	<u>117,895</u>
Number of shares:	
Weighted average number of Ordinary shares for the purpose of basic earnings per share	<u>30,462.65</u>

8. DEBTORS AND PREPAYMENTS

	2009
	AUD
Bank interest receivable	4,949
Prepaid administration fees	42,063
Prepaid distributor fees	189,897
Prepaid investment advisory fees	149,184
	<u>386,093</u>

9. CASH AND CASH EQUIVALENTS

	2009
	AUD
Balances at bank	<u>1,482,665</u>

10. CREDITORS AND ACCRUALS

	2009
	AUD
Audit fee	10,862
	<u>10,862</u>

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

11. SHARE CAPITAL

	2009 AUD
Authorised:	
10 Management shares of AUD1 each	10
999,000 Ordinary shares of AUD0.01 per share	9,990
	<u>10,000</u>
	2009 AUD
Issued:	
10 Management shares of AUD 1 each	10
30,462.65 Ordinary shares of AUD 0.01 each	305
	<u>315</u>

Ordinary shares are entitled to 1 vote each at a general meeting of the company. The Ordinary shares will be compulsorily redeemed on the termination date, 28 August 2013.

30,462.65 shares of AUD 0.01 each were issued on 20 August 2008 at an issue price of AUD 1,000 per share.

12. SHARE PREMIUM

	2009 AUD
Ordinary shares issued	30,462,345
Formation costs	(47,875)
	<u>30,414,470</u>

13. REVALUATION RESERVE

	2009 AUD
Revaluation of available-for-sale investments in the period	2,618,948
	<u>2,618,948</u>

14. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

As at the Balance Sheet date the immediate controlling party was Investec Trust (Guernsey) Limited as trustee of The Asia Pacific Basket Limited Charitable Trust, and the ultimate controlling party was Investec Plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. On 10 November 2009 the Company's management shares were transferred to The Basket Trust, a trust administered by Praxis Fiduciaries Limited, which is the immediate controlling party at the date of signing of these financial statements. At that same date the ultimate controlling party is Praxis Holdings Limited, a company incorporated in Guernsey.

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

14. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS (continued)

Praxis Property Fund Services Limited ('PPFSL'), the administrator of the Company, is deemed a related party as Chris Hickling and Janine Lewis are Directors of the Company and the administrator, whilst David Stephenson is a Director of the Company and an employee of the administrator. During the period PPFSL received AUD 49,816 for their services as administrator. Administration fees of AUD 42,063 were prepaid at the period end.

As at the Balance Sheet date Investec Capital Markets Limited ('ICM'), the investment advisor to the Company, was deemed to be a related party as it was a subsidiary of Investec Limited, a company incorporated in South Africa and listed on the Johannesburg Stock Exchange. During the period ICM received AUD 185,906 for their services as advisor. Advisory fees of AUD 149,184 were prepaid at the period end. With effect from 10 November 2009 ICM ceased to be a related party.

15. FINANCIAL INSTRUMENT RISK FACTORS

The Company is exposed to market risk, credit risk and liquidity risk from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

(i) Market risk

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is not materially exposed to foreign exchange risk as most of its significant transactions are in Australian Dollars. The Company's management monitors the exchange rate fluctuations on an on-going basis.

The Company has no material currency exposures as at 30 September 2009.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as it invests cash and bank balances at short term interest rates. At 30 September 2009, the Company held cash on a call account of AUD 1,482,666, which earns interest at floating rates.

Had these balances existed for the whole of the period, the effect on the Income Statement of a increase/decrease in short term interest rates of 0.5% per annum would have been an increase/decrease in post-tax profit for the period of AUD 10,135.

The available-for-sale investments are exposed to fair value interest rate risk. However, whilst changes in market interest rates may give rise to short-term fluctuations in fair value, if the bonds are held to maturity their maturity value is fixed and therefore not subject to interest rate risk.

(c) Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company's investments at fair value through profit and loss are directly affected by changes in market prices.

Price risk is managed by investing in an index basket call option on a basket of indices, with an international bank, Deutsche Bank AG. The bank has a Standard and Poor long-term credit rating of A+.

Price risk is managed by investing in a zero coupon bond, with an international bank, Investec Bank plc. The bank has a long-term Fitch credit rating of BB+.

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

15. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk (continued)

(c) Price risk (continued)

The investments at fair value through profit and loss and available-for-sale investments expose the Company to price risk. The details are as follows:

	2009 AUD
Deutsche Bank AG index basket call option	8,285,292
Investec Bank plc zero coupon bond	23,008,440
	<u>31,293,732</u>

A 3 per cent increase/decrease in the value of the investments at fair value through profit and loss at 30 September 2009 would have increased/decreased the Net Asset Value of the Company by AUD 248,559.

A 3 per cent increase/decrease in the value of the available-for-sale investments at 30 September 2009 would have increased/decreased the Net Asset Value of the Company by AUD 690,253.

(ii) Credit risk

Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. These financial assets include cash and cash equivalents, trade and other receivables, available-for-sale investments and investments at fair value through profit and loss. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value or fair value of these instruments. The credit risk of the Company is managed by the Investment Advisor and assets are held with reputable banking institutions with a good credit rating.

The Company has determined to maintain its cash and cash equivalent balances with financial institutions, with a credit rating by Moody's of Prime - 2. The Company monitors the placement of cash balances on an ongoing basis.

The majority of the Company's trade and receivables consist of prepayments and there is no credit risk associated with these balances.

The available-for-sale investments are held with Investec Bank plc, which has a Fitch long term rating of BB+. The investments at fair value through profit and loss are held with Deutsche Bank AG, which has a Standard and Poor's long-term rating of A+.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial liability obligations as they fall due, which may cause financial losses to the Company. The Company places its cash and cash equivalents with financial institutions on a short-term basis in order to maintain a high level of liquidity. This ensures that the Company is able to complete transactions in a timely manner, thus minimising the Company's exposure to such losses.

The Board reviews the cash resources of the Company every quarter and ensures that sufficient monies are held on call account to meet its short term obligations. At 30 September 2009 the cash on call was AUD 1,482,666, which is considered by the Board to be sufficient to meet all the Company's short term obligations.

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation, 19 May 2008, to 30 September 2009

15. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(iii) Liquidity risk (continued)

The table below analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

30 September 2009	Less than 6	6-12 months	1 - 5 years
	months	months	years
	AUD	AUD	AUD
Trade and other payables	10,862	-	-
Net exposure	<u>10,862</u>	<u>-</u>	<u>-</u>

(iv) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost to capital.

In order to ensure that the Company will be able to continue as a going concern, the Board continuously monitors forecast and actual cash flows and matches the maturity profiles of assets and liabilities. The Company has no external borrowings.

