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# **DBSAM FUNDS**

**(Société d'Investissement à Capital Variable)**

**Annual Report and Audited Financial Statements  
as at June 30, 2011**

R.C.S. Luxembourg: B 94.979

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# DBSAM FUNDS

## Management and Administration

### **Registered Office:**

69, route d'Esch  
L-1470 Luxembourg  
R.C.S. Luxembourg B 94979

### **Board of Directors:**

Ms Amy Yip Yok Tak,  
Chairman and Director of DBS Asset Management Ltd.  
(Until March 28, 2011)

Ms Joyce Chua Peck Koon,  
Managing Director, DBS Asset Management Ltd.

Mr Phillip Yeo Phuay Lik,  
Senior Vice-President, DBS Asset Management Ltd.

Mr Chan Kum Kong,  
Senior Vice-President, DBS Asset Management Ltd.  
(Since March 28, 2011)

### **Management Company:**

RBS (Luxembourg) S.A.  
33, rue de Gasperich  
L-5826 Hesperange

### **Promoter:**

DBS Asset Management Ltd.  
6, Shenton Way  
DBS Building, Tower One  
Singapore 068809

### **Custodian Bank and Paying Agent:**

RBC Dexia Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### **The functions of Administrative Agent are delegated to:**

RBC Dexia Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### **The functions of Transfer Agent are delegated to:**

RBC Dexia Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### **Investment Manager and Distributor:**

DBS Asset Management Ltd.  
6, Shenton Way  
DBS Building, Tower One  
Singapore 068809

### **Auditor:**

PricewaterhouseCoopers S.à r.l.  
400, route d'Esch  
B.P. 1443  
L-1014 Luxembourg

### **Legal Adviser:**

Arendt & Medernach  
14, rue Erasme  
B.P. 39  
L-2010 Luxembourg

## DBSAM FUNDS

### Management and Administration (continued)

**Tax Agent in Singapore:**

Ernst & Young Solutions LLP  
One Raffles Quay, North Tower, Level 18  
Singapore 048583

**Mailing address:**

Ernst & Young Solutions LLP  
Robinson Road  
PO Box 384  
Singapore 900731

# DBSAM FUNDS

## Directors' Report

Financial Year ended June 30, 2011

The performance of the Fund for the financial year ended June 30, 2011 was as follows:

Class I (in USD terms) 6.13%

Class P (in EUR terms) (10.76%)

\* Source: DBS Asset Management, the performance is calculated on the NAV per share at the closing dates June 30, 2010 and June 30, 2011.

For and on behalf of the Investment Manager  
DBS Asset Management Ltd.

Luxembourg, September 30, 2011

Note: The figures stated in this report are historical and not necessarily indicative of future performance.



## Audit Report

To the Shareholders of  
**DBSAM Funds**

We have audited the accompanying financial statements of DBSAM Funds, which comprise the statement of net assets and the statement of investments as at June 30, 2011 and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### **Responsibility of the Board of Directors of the SICAV for the financial statements**

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Responsibility of the "Réviseur d'entreprises agréé"**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment of the "Réviseur d'entreprises agréé", 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 "Réviseur d'entreprises agréé" considers internal control relevant to the entity's 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, 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 give a true and fair view of the financial position of DBSAM Funds as of June 30, 2011, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### **Other matters**

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.  
Represented by

  
Christelle Crépin

Luxembourg, September 30, 2011

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R.C.S. Luxembourg B 65 477 - Capital social EUR 516 950 - TVA LU17564447

# DBSAM FUNDS

## Statement of Net Assets as at June 30, 2011

		DBS Asia Credit Fund	Combined
	Notes	USD	EUR
<b>ASSETS</b>			
Investments at market value	(2)	11,164,272	7,680,165
Cash at bank		904,630	622,317
Interest receivable, net	(2)	173,340	119,245
Unrealised profit on futures contracts	(9)	9,297	6,395
<b>TOTAL ASSETS</b>		<b>12,251,539</b>	<b>8,428,122</b>
<b>LIABILITIES</b>			
Amounts payable on purchase of investments		600,870	413,353
Unrealised loss on forward foreign exchange contracts	(10)	8,430	5,799
Management fee payable	(3)	32,169	22,130
Taxes and expenses payable		86,824	59,728
<b>TOTAL LIABILITIES</b>		<b>728,293</b>	<b>501,010</b>
<b>NET ASSETS</b>		<b>11,523,246</b>	<b>7,927,112</b>
<b>Net asset value per share</b>			
Class I-USD (USD)		11.42	
Class P (EUR)		9.04	
<b>Number of shares outstanding</b>			
Class I-USD (USD)		1,005,180.325	
Class P (EUR)		3,240.000	

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

# DBSAM FUNDS

## Statement of Changes in Net Assets for the year ended June 30, 2011

		DBS Asia Credit Fund	Combined
	Notes	USD	EUR
<b>Net assets at the beginning of the year</b>		<b>10,853,841</b>	<b>8,886,757</b>
<b>INCOME</b>			
Interest on bonds	(2)	607,151	417,673
Bank interest		125	86
<b>TOTAL INCOME</b>		<b>607,276</b>	<b>417,759</b>
<b>EXPENSES</b>			
Management fee	(3)	148,504	102,159
Custodian bank fee	(5)	7,287	5,013
Domiciliation, administration and transfer agent fees	(6)	51,290	35,284
Audit fees, printing and publishing expenses		38,171	26,259
Subscription tax	(4)	1,173	807
Bank charges and correspondent fees		18,754	12,901
Interest on overdraft		13	9
Legal fees		97,361	66,977
Other charges		7,671	5,277
<b>TOTAL EXPENSES</b>		<b>370,224</b>	<b>254,686</b>
<b>NET INCOME / (LOSS) FROM INVESTMENTS</b>		<b>237,052</b>	<b>163,073</b>
Net Realised profit/(loss) on:			
- sale of Investments		458,353	315,312
- forward foreign exchange contracts		(16,385)	(11,272)
- foreign exchange		15,401	10,595
- futures contracts		(5,287)	(3,637)
<b>Net realised profit/(loss)</b>		<b>689,134</b>	<b>474,071</b>
Change in net unrealised appreciation/(depreciation) on:			
- investments		(26,455)	(18,199)
- forward foreign exchange contracts		(8,430)	(5,799)
- futures contracts		15,156	10,426
<b>Net increase/(decrease) in net assets as a result of operations</b>		<b>669,405</b>	<b>460,499</b>
<b>Currency translation</b>		<b>-</b>	<b>(1,420,144)</b>
<b>Net assets at the end of the year</b>		<b>11,523,246</b>	<b>7,927,112</b>

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

# DBSAM FUNDS

## Changes in the Number of Shares for the Year ended June 30, 2011

### DBS Asia Credit Fund

#### USD

##### Class I-USD (USD)

Number of shares outstanding at the beginning of the year	1,005,180.325
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year	1,005,180.325

#### EUR

##### Class P (EUR)

Number of shares outstanding at the beginning of the year	3,240.000
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year	3,240.000

## Statistics

### DBS Asia Credit Fund

#### USD

#### Net Assets

June 30, 2011	11,523,246
June 30, 2010	10,853,841
June 30, 2009	9,907,524

#### NAV per share at the end of the year

#### June 30, 2011

USD	
Class I-USD (USD)	11.42
EUR	
Class P (EUR)	9.04

#### June 30, 2010

USD	
Class I-USD (USD)	10.76
EUR	
Class P (EUR)	10.13

#### June 30, 2009

USD	
Class B (USD)*	9.82
EUR	
Class P (EUR)	8.01

\* with effect on July 31, 2009, the "Class B" shares has been renamed "Class I - USD" shares



# DBSAM FUNDS

## DBS Asia Credit Fund

### Statement of Investments as at June 30, 2011

(expressed in USD)

Description	Face Value	Currency	Cost	Market Value	% Net Assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
<b>Bermudas</b>					
NOBLE GROUP 4.875% 10-5.8.15 REGS	200,000	USD	206,750	207,500	1.80
			<b>206,750</b>	<b>207,500</b>	<b>1.80</b>
<b>British Virgin Islands</b>					
HONG KONG ELECTRIC FINANCE 4.25% 10-14.12.20	100,000	USD	96,305	96,890	0.84
PCCW HKT CAPITAL NO.3 LTD 5.25% 05-15	150,000	USD	152,250	157,350	1.36
PCCW HKT CAPITAL NO.4 LTD 4.25% 10-24.02.16	100,000	USD	99,607	100,940	0.88
			<b>348,162</b>	<b>355,180</b>	<b>3.08</b>
<b>Cayman Islands</b>					
ALLIANCE GL 6.5% 10-18.08.17	150,000	USD	147,375	147,840	1.29
CENTRAL CHINA REAL ESTATE LTD 12.25% 10-20.10.15	100,000	USD	104,950	103,880	0.90
			<b>252,325</b>	<b>251,720</b>	<b>2.19</b>
<b>China</b>					
EXP-IMP BANK CHINA 5.25% 07-14 REGS	100,000	USD	108,750	108,810	0.94
			<b>108,750</b>	<b>108,810</b>	<b>0.94</b>
<b>Hong Kong</b>					
BANK OF EAST ASIA 8.5% PERP FTF	200,000	USD	221,000	217,000	1.88
CHINATRUST COMM.5.625% 05-PERP	550,000	USD	546,295	543,125	4.71
CNPC HK OVERSEAS CAPITAL 3.125% 11-28.04.16	200,000	USD	199,364	197,712	1.72
DAH SING BANK 6.625% 10-11.2.20	100,000	USD	105,500	105,560	0.92
PACNET 9.25% 10-9.11.15 REGS	200,000	USD	196,000	196,520	1.70
			<b>1,268,159</b>	<b>1,259,917</b>	<b>10.93</b>
<b>India</b>					
ICICI BK 5% 10-15.01.16 REG-S	200,000	USD	198,870	204,740	1.78
			<b>198,870</b>	<b>204,740</b>	<b>1.78</b>
<b>Malaysia</b>					
AMBB CAP.6.77% FRN 06-PERP.	200,000	USD	199,500	203,000	1.76
PENERBANGAN MALAYSIA BERHAD 5.625% 06-15.3.16	200,000	USD	220,354	222,580	1.93
PETRONAS CAP 5.25% 09-12.08.19	300,000	USD	329,700	323,130	2.80
PRIME HLDG 5.375% 04-22.9.14	200,000	USD	205,600	214,380	1.86
PUBLIC BK BERHAD FRN 06-22.8.36	100,000	USD	106,000	105,750	0.92
TM GLOBAL INC 5.25% 04-22.9.14	100,000	USD	106,650	108,080	0.94
			<b>1,167,804</b>	<b>1,176,920</b>	<b>10.21</b>
<b>Singapore</b>					
BAKRIE TELECOM 11.5% 10-7.5.15	125,000	USD	127,587	128,050	1.11
CMT MTN 4.321% 10-8.4.15	200,000	USD	200,000	206,960	1.80
OCBC 09-18.11.19	100,000	USD	99,971	103,950	0.90
UNITED OVERSEAS BANK 5.375% 04-19 REGS	300,000	USD	292,500	321,240	2.79
			<b>720,058</b>	<b>760,200</b>	<b>6.60</b>
<b>South Korea</b>					
EXP-IMP BK KOREA 5.25% 04-14	100,000	USD	100,950	107,110	0.93
EXP-IMP BK KOREA 5.875% 09-14.1.15	300,000	USD	296,850	329,400	2.86
HYUNDAI MOTOR 4.5% 10-15.4.15 REGS	200,000	USD	199,453	208,620	1.81
IND BANK OF KOREA 3.75% 11-29.9.16	200,000	USD	203,080	202,020	1.75

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

# DBSAM FUNDS

## DBS Asia Credit Fund

### Statement of Investments (continued) as at June 30, 2011

(expressed in USD)

Description	Face Value	Currency	Cost	Market Value	% Net Assets
KOREA DEVELOPMENT .BK 5.75% 03-10.9.13	100,000	USD	101,200	107,710	0.94
KOREA FINANCE CO 3.25% 10-20.09.2016	100,000	USD	96,090	98,460	0.86
KOREA NATIONAL OIL 5.375% 09-30.7.14	400,000	USD	411,854	429,960	3.73
KOREA RESOURCES 4.125% 10-19.5.15	210,000	USD	209,324	216,426	1.88
NACF 5% 09-30.09.14	200,000	USD	199,066	212,500	1.84
NATL FEDERATION OF FISHERIES 6.375% 09-21.7.14	150,000	USD	165,576	164,580	1.43
PUSAN BK FRN 07-30.10.17	300,000	USD	295,600	310,110	2.69
SHINHAN BANK 5.663%(FRN) 05-35	200,000	USD	202,000	202,000	1.75
SHINHAN BANK 6.819% 06-20.09.36	200,000	USD	209,250	210,000	1.82
WOORI BANK 6.208%(FRN) 05-37 REGS	250,000	USD	238,875	245,625	2.13
			<b>2,929,168</b>	<b>3,044,521</b>	<b>26.42</b>
<b>United Arab Emirates</b>					
AXIS BANK DUBAI 5.25% 10-30.9.15	280,000	USD	277,814	288,232	2.50
			<b>277,814</b>	<b>288,232</b>	<b>2.50</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>7,477,860</b>	<b>7,657,740</b>	<b>66.45</b>
<b>Transferable securities dealt in on other regulated markets</b>					
<b>Bonds</b>					
<b>Australia</b>					
PTTEP AUSTRALIA INTL 4.152% 10-19.07.15	170,000	USD	170,850	173,332	1.50
			<b>170,850</b>	<b>173,332</b>	<b>1.50</b>
<b>Cayman Islands</b>					
CHINA RESOURCE LAND LIMITED 4.625% 11-19.5.16	200,000	USD	197,880	198,280	1.72
HUTCHISON WHAMPOA 10 LTD FRN 10-PERP	450,000	USD	449,500	461,925	4.01
HUTCHISON WHAMPOA 5.75% 09-11.09.19	150,000	USD	149,135	161,205	1.40
UOB CAYMAN 5.796% 05-PERP. REGS	300,000	USD	264,000	308,250	2.67
			<b>1,060,515</b>	<b>1,129,660</b>	<b>9.80</b>
<b>Hong Kong</b>					
WING HANG BANK 6%(FRN)07-PERP.	100,000	USD	99,450	101,000	0.88
			<b>99,450</b>	<b>101,000</b>	<b>0.88</b>
<b>Indonesia</b>					
BUMI CAP 12% 09-10.11.16	200,000	USD	235,000	231,260	2.01
			<b>235,000</b>	<b>231,260</b>	<b>2.01</b>
<b>Malaysia</b>					
SARAWAK INTL 5.5% 05-03.08.15	250,000	USD	240,500	270,550	2.35
			<b>240,500</b>	<b>270,550</b>	<b>2.35</b>
<b>Singapore</b>					
OCBC FRN 10-15.11.22	200,000	USD	187,343	192,240	1.67
			<b>187,343</b>	<b>192,240</b>	<b>1.67</b>
<b>South Korea</b>					
GS CALTEX 7.25% 08-2.7.13 REGS	150,000	USD	152,550	162,345	1.41
KOREA HIGHWAY 4.875%-7.4.14 REGS	150,000	USD	147,000	158,565	1.38
KOREA SOUTH POWER 5.375% 04-13 REGS	260,000	USD	270,092	274,560	2.38
NACF 5.375%(TV) 04-17	200,000	USD	196,400	203,240	1.76
WOORI BANK 5.875% 11-13.4.21	200,000	USD	203,000	201,180	1.75
			<b>969,042</b>	<b>999,890</b>	<b>8.68</b>

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

# DBSAM FUNDS

## DBS Asia Credit Fund

### Statement of Investments (continued) as at June 30, 2011

(expressed in USD)

Description	Face Value	Currency	Cost	Market Value	% Net Assets
<b>Thailand</b>					
PTT PLC 5.75% 04-1.8.14 REGS	100,000	USD	108,490	107,220	0.93
TRUE MOVE 10.375% 08-14 REGS	100,000	USD	107,500	107,380	0.93
			<b>215,990</b>	<b>214,600</b>	<b>1.86</b>
<b>United States of America</b>					
WESTPAC CAP.III 5.819% 12-49	200,000	USD	199,750	194,000	1.68
			<b>199,750</b>	<b>194,000</b>	<b>1.68</b>
<b>Total - Transferable securities dealt in on other regulated markets</b>			<b>3,378,440</b>	<b>3,506,532</b>	<b>30.43</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>10,856,300</b>	<b>11,164,272</b>	<b>96.88</b>

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

# DBSAM FUNDS

## DBS Asia Credit Fund

### Investments Breakdowns as at June 30, 2011

(expressed as a percentage of net assets)

<b>Geographical breakdown</b>	<b>%</b>
South Korea	35.10
Malaysia	12.56
Cayman Islands	11.99
Hong Kong	11.81
Singapore	8.27
British Virgin Islands	3.08
United Arab Emirates	2.50
Indonesia	2.01
Thailand	1.86
Bermudas	1.80
India	1.78
United States of America	1.68
Australia	1.50
China	0.94
	<b>96.88</b>

# DBSAM FUNDS

## Notes to the Financial Statements as at June 30, 2011

### Note 1 - Organisation

DBSAM Funds (the "SICAV") was incorporated for an unlimited period of time on July 24, 2003 and is governed by the Law of August 10, 1915 on commercial companies, as amended, and by the part I of the Law of December 20, 2002 on Undertakings for Collective Investment ("UCI") until June 30, 2011 and by the part I of the law of December 17, 2010 concerning UCI since July 1, 2011.

The registered office of the SICAV is established at 69, route d'Esch, L-1470 Luxembourg. The SICAV is recorded at the *Registre de Commerce et des Sociétés* with the District Court of Luxembourg under the number B 94979.

The Articles of Incorporation (the "Articles") have been published in the *Mémorial, Recueil des Sociétés et Associations* (the "Mémorial") of September 4, 2003 and have been filed with the Chancery of the District Court of Luxembourg together with the *Notice légale* on the issue and sale of Shares. The Articles have been amended on February 13, 2004, which amendment was published in the Mémorial on March 9, 2004. Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the SICAV.

The minimum capital of the SICAV, as provided by law and by Article 5 of the Articles is EUR 1,250,000. The capital of the SICAV is represented by fully paid-up Shares of no par value. The initial capital of the SICAV has been set at EUR 32,500 divided into 3,250 fully paid-up Shares of no par value.

The SICAV is open-ended which means that it will, at any time on the request of the shareholders, redeem its Shares at prices based on the applicable Net Asset Value per Share of the relevant Sub-Fund.

The SICAV may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund.

The share capital of the SICAV will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

The SICAV may issue Shares of different classes reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, classes of Shares may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions and/or (ii) a specific sales and redemption charge structure and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) a specific currency, and/or (vi) any other specific features applicable to one class.

Eleven classes of shares have been defined:

- Class I-EUR Shares, which are denominated in EUR ("Class I-EUR")
- Class I-JPY Shares, which are denominated in JPY ("Class I-JPY")
- Class I-BRL Shares, which are denominated in BRL ("Class I-BRL")
- Class I-SGD Shares, which are denominated in SGD ("Class I-SGD")
- Class I-USD Shares, which are denominated in USD ("Class I-USD")
- Class P Shares, which are denominated in EUR ("Class P")
- Class R-EUR Shares, which are denominated in EUR ("Class R-EUR")
- Class R-JPY Shares, which are denominated in JPY ("Class R-JPY")
- Class R-BRL Shares, which are denominated in BRL ("Class R-BRL")
- Class R-SGD Shares, which are denominated in SGD ("Class R-SGD")
- Class R-USD Shares, which are denominated in USD ("Class R-USD")

Class I-EUR Shares, Class I-JPY Shares, Class I-SGD Shares, Class I-USD Shares and Class I-BRL Shares shall be offered to Institutional Investors only.

3,240 Class P Shares have been subscribed by DBS Asset Management Ltd at the date of incorporation of the SICAV and entitle DBS Asset Management Ltd. in accordance with the Articles of the SICAV to propose to the General Meeting of Shareholders a list containing the names of candidates for the position of director of the SICAV out of which a majority of the directors must be appointed.

The Board of Directors of the SICAV does not contemplate to issue further Class P Shares to investors.

Class R-EUR Shares, Class R-JPY Shares, Class R-SGD Shares, Class R-USD Shares and Class R-BRL Shares are not restricted as to the type of investor to which they are offered.

Shares in any Sub-Fund may be issued on a registered basis only.

As at June 30, 2011, only Class I-USD Shares and Class P Shares are outstanding.

The SICAV is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

# DBSAM FUNDS

## Notes to the Financial Statements as at June 30, 2011 (continued)

### **Note 1 - Organisation (continued)**

The SICAV propose the following sub-funds:

- DBS Asia Pacific Fund
- DBS Asia Credit Fund
- DBS Asia High Yield Bond Fund I
- DBS Asia High Yield Bond Fund II
- DBS Asia High Yield Bond Fund III

The Board of Directors of the SICAV may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

As at June 30, 2011 only the following Sub-Fund is offered to investors:

#### **- DBS Asia Credit Fund**

The investment objective of DBS Asia Credit Fund is to generate total return from the capital appreciation and income of investments in mainly USD denominated fixed income securities issued by sovereigns, quasi-sovereigns, Supranationals and companies in the Asian region. The Asian region consists of but is not limited to countries such as China, Hong Kong SAR, Indonesia, India, South Korea, Malaysia, Philippines, Pakistan, Singapore, Thailand, Taiwan and Vietnam.

The investment focus of DBS Asia Credit Fund is to invest primarily in transferable securities of issuers being the members of the JACI Investment Grade Total Return Index ("Benchmark"), which is an investment-grade sub-index of JPMorgan Asia Credit Index. The members of the Benchmark are rated at least BBB- by S&P or Baa3 by Moody's ("Investment Grade").

From time to time, the DBS Asia Credit Fund may invest in non-members of the Benchmark, which may be rated below Investment Grade (BB+ and below by S&P or Ba1 or below by Moody's). The investment Manager does not expect such allocation to exceed 20% of the DBS Asia Credit Fund's Net Asset Value at the point of investment.

### **Note 2 - Significant accounting policies**

#### **a) Presentation of financial statements**

The financial statements are prepared in accordance with Luxembourg regulations relating to undertakings for collective investment.

#### **b) Portfolio valuation**

The value of each security or other asset which is quoted or dealt in on a stock exchange is based on its last closing price on the stock exchange which is normally the principal market for such security known at the end of the day preceding the Valuation Day.

The value of each security dealt in on any other Regulated Market is based on its last known closing price which is normally available at the end of the day preceding the Valuation Day.

In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to preceding paragraphs is not representative of the fair market value of the relevant assets, the value of such assets is based on the reasonably foreseeable sales price determined prudently and in good faith.

As from September 28, 2009 the pricing source for all the securities issued by a member of the "Benchmark" is solely the prices provided by JP Morgan Securities Inc. New York.

All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

#### **c) Transactions in foreign currencies**

The value of the assets and liabilities denominated in a currency other than the Reference Currency of the relevant Sub-Fund or Class are translated at the prevailing exchange rates in Luxembourg at the Closing Date. Income and expenses in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates prevailing at the transaction date.

#### **d) Combined financial statements of the SICAV**

The combined accounts of the SICAV are maintained in EUR. The financial statements relating to the various separate Sub-Funds are also expressed in the relevant reference currency for the Sub-Funds. The Net Assets of the DBS Asia Credit Fund are calculated in USD.

The total Net Asset Value of the SICAV is equal to the sum of the net assets of the various Sub-Funds translated into EUR at the prevailing exchange rates in Luxembourg as at the Closing Date.

# DBSAM FUNDS

## Notes to the Financial Statements as at June 30, 2011 (continued)

### **Note 2 - Significant accounting policies (continued)**

The principal exchange rate used as at the Closing Date is the following: 1 USD = 0.687923 EUR

#### **e) Investment transactions and investment income**

Securities are recorded at cost, and where applicable on the basis of exchange rates prevailing on the date they are purchased.

Results on sales of securities are determined on the basis of the average cost method. Investment transactions are accounted for on the trade date. Dividends are accounted for on the ex-dividend date. Interest income is recorded on an accrual basis. Discounts on zero coupon bonds are accredited as adjustments to interest income.

#### **f) Forward foreign exchange contracts**

Outstanding forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the relevant valuation date and the resulting unrealised profits or losses are included in the statement of changes in net assets. Realised profits and losses on matured forward foreign exchange contracts are also included in the statement of changes in net assets.

#### **g) Futures contracts**

Futures contracts are valued based on the last available published price applicable on the valuation date.

#### **h) Formation expenses**

Expenses incurred in connection with the incorporation of the SICAV including those incurred in the preparation and publication of the first Prospectus, as well as the taxes, duties and any other publication expenses, are amortized over a maximum period of five years commencing October 19, 2004.

All the formation expenses have been fully amortised since October 2009.

### **Note 3 - Management Fee**

The management fee includes the investment management fee and the fees paid to the management company, RBS (Luxembourg) S.A..

An investment management fee is payable to the Investment Manager in compensation for its services. Such fee is set at 1% per annum for the DBS Asia Credit Fund.

The fee is payable in arrears at the end of each calendar quarter out of the assets of each Sub-Fund and calculated on the average quarterly net assets of each Sub-Fund thereof during the relevant calendar quarter.

The management company fee is payable monthly and the rate is set at 0.10% up to EUR 10 millions under management, 0.07% above EUR 10 million to EUR 50 million and at 0.05% above EUR 50 millions with a minimum annual fee amounting to EUR 25,000.

### **Note 4 - Subscription tax**

The SICAV is not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, with regard to Class I-EUR Shares, Class I-JPY Shares, Class I-SGD Shares, Class I-USD Shares, Class I-BRL Shares and Class P Shares liable in Luxembourg to a tax of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Share Classes at the end of the relevant calendar quarter, whereas Class R-EUR Shares, Class R-JPY Shares, Class R-SGD Shares, Class R-USD Shares and Class R-BRL Shares of the Fund will be subject to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Share Classes at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

### **Note 5 - Custodian bank fee**

As per the Custodian Agreement dated February 12, 2007 the custodian will charge as safe custody charges a fee at an annual rate of 0.0175% on the average net assets of the SICAV, with a minimum of USD 6,500 per year per sub-fund.

# DBSAM FUNDS

## Notes to the Financial Statements as at June 30, 2011 (continued)

### Note 6 - Domiciliation, Administration and Transfer agent fees

In relation with investment service agreements dated February 12, 2007 the SICAV delegates to RBC Dexia Investor services Bank S.A. the following services and is liable to following fees :

a) Domiciliary and corporate agent

USD 7,400 per annum

b) Central Administrative Agent

USD 21,000 per annum

c) Registrar and Transfer Agent

The SICAV is liable to Registrar and Transfer Agent fees in relation with maintenance fee, system platform, shareholder servicing fees, transaction fees. The applicable fees are depending on the transactions volume and are detailed in the contract dated February 12, 2007.

### Note 7 - Changes in the statement of investments

The changes in the statement of investments may be obtained free of charge, on simple request, at the registered office of the SICAV.

### Note 8 - Funds managed by the Management Company

The list of the funds managed by the Management Company, may be obtained, on simple request, at the registered office of the Management Company.

### Note 9 - Futures contracts

As at June 30, 2011, DBS Asia Credit Fund had the following futures contract outstanding:

	Positions Long/ (short)	Currency	Maturity Date	Engagement Market (in USD)	Unrealised profit/ (loss) (In USD)
10Y TREASURY NOTES					
USA	(5)	USD	21/09/2011	(611,641)	9,297
				TOTAL	9,297

### Note 10 - Forward Foreign Exchange contracts

As at June 30, 2011, the following forward foreign exchange contracts were outstanding for DBS Asia Credit Fund:

Currency	Purchases	Currency	Sales	Maturity Date
MYR	1,515,500	USD	500,000	11/07/2011
USD	500,000	MYR	1,510,250	11/07/2011
MYR	2,126,460	USD	700,000	15/07/2011
USD	700,000	MYR	2,139,550	15/07/2011
EUR	351,291	USD	500,000	21/07/2011
USD	500,000	EUR	350,753	21/07/2011
USD	1,000,000	SGD	1,233,287	29/07/2011
SGD	1,242,755	USD	1,000,000	29/07/2011

As at June 30, 2011, the unrealised capital loss amounts to USD (8,430).