

For the Year Ended 30 June 2019

Annual Report

State Street Australian Fixed Income Index Trust

ARSN: 089 590 643

State Street Global Fixed Income Index Trust

ARSN: 089 590 545

State Street Floating Rate Fund

ARSN: 618 268 821

State Street Fixed Income Funds

Annual report

For the year ended 30 June 2019

Contents

	Page
Directors' report	2
Auditor's independence declaration	6
Statements of comprehensive income	7
Statements of financial position	9
Statements of changes in equity	11
Statements of cash flows	13
Notes to the financial statements	15
Directors' declaration	53
Independent auditor's report to the unitholders of State Street Fixed Income Funds	54

These financial statements cover State Street Australian Fixed Income Index Trust, State Street Global Fixed Income Index Trust and State Street Floating Rate Fund as individual entities.

The Responsible Entity of the Funds/Trusts is State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL 274900). The Responsible Entity's registered office is:

State Street Global Advisors, Australia Services Limited
Level 17, 420 George Street
Sydney NSW 2000.

Directors' report

The directors of State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441), the Responsible Entity of State Street Australian Fixed Income Index Trust, State Street Global Fixed Income Index Trust and State Street Floating Rate Fund (the "Funds/Trusts"), present their report together with the financial statements of the Funds/Trusts for the year ended 30 June 2019.

Principal activities

State Street Australian Fixed Income Index Trust invests in fixed interest securities in accordance with the provisions of the Trust's Constitution.

State Street Global Fixed Income Index Trust invests in fixed interest securities and currency contracts in accordance with the provisions of the Trust's Constitution.

State Street Floating Rate Fund invests in fixed interest securities in accordance with the provisions of the Fund's Constitution.

The Funds/Trusts did not have any employees during the year.

There were no significant changes in the nature of the Funds'/Trusts' activities during the year.

Directors

The following persons held office as directors of State Street Global Advisors, Australia Services Limited during the year or since the end of the year and up to the date of this report:

Susan Darroch (resigned as director effective 21 June 2019)
James MacNevin
Matthew George
Jonathan Mark Shead (appointed as director effective 21 June 2019)

Review and results of operations

During the year, the Funds/Trusts continued to invest their funds in accordance with target asset allocations as set out in the governing documents of the Funds/Trusts and in accordance with the provisions of the Funds'/Trusts' Constitution.

Results

The performance of the Funds/Trusts, as represented by the results of their operations, were as follows:

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Operating profit/(loss) before finance costs attributable to unitholders (\$)	<u>21,872,074</u>	5,687,425	<u>12,991,061</u>	3,889,473
Distributions to unitholders (\$)	<u>9,205,195</u>	5,359,036	<u>12,991,061</u>	344,737
Distributions (cents per unit - CPU)	<u>4.25</u>	2.63	<u>7.13</u>	0.19

Directors' report (continued)

Review and results of operations (continued)

	State Street Floating Rate Fund	
	Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
Operating profit/(loss) before finance costs attributable to unitholders (\$)	2,734,126	1,016,674
Distributions to unitholders (\$)	2,227,790	1,261,824
Distributions (cents per unit - CPU)	2.44	1.52

The tables below demonstrate the performance of the Funds/Trusts as represented by their total returns. Total returns reflect combined capital growth and distribution performance assuming all distributions are reinvested; and are shown net of fees. The total returns are shown for the past five years to 30 June 2019:

	2019 %	2018 %	2017 %	2016 %	2015 %
State Street Australian Fixed Income Index Trust					
Total return	9.51	2.93	0.29	7.07	5.68
Benchmark: Bloomberg AusBond Composite Bond Index	9.57	3.09	0.25	7.02	5.63
State Street Global Fixed Income Index Trust					
Total return	7.00	2.14	(1.21)	10.77	6.06
Benchmark: Citigroup World Government Bond ex-Australia Index (Hedged to AUD)	7.20	2.33	(1.14)	10.86	6.19
State Street Floating Rate Fund					
Total return	3.13	1.53	N/A	N/A	N/A
Benchmark: RBA Cash Rate	1.49	1.18	N/A	N/A	N/A

Consistent with our statements in the governing documents of the Funds/Trusts, past performance is not a reliable indicator of future performance.

Directors' report (continued)

Review and results of operations (continued)

Unit redemption prices

Unit redemption prices (quoted ex-distribution) are shown as follows:

	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
State Street Australian Fixed Income Index Trust					
At 30 June	1.05	1.00	1.00	1.03	1.01
State Street Global Fixed Income Index Trust					
At 30 June	0.96	0.97	0.95	0.96	0.96
State Street Floating Rate Fund					
At 30 June	1.00	1.00	N/A	N/A	N/A

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds/Trusts that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds/Trusts in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds/Trusts in future financial years.

Likely developments and expected results of operations

The Funds/Trusts will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds/Trusts and in accordance with the provisions of the Funds'/Trusts' Constitution.

The results of the Funds'/Trusts' operations will be affected by a number of factors, including the performance of investment markets in which the Funds/Trusts invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Funds/Trusts and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds/Trusts.

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Funds/Trusts in regards to insurance cover provided to either the officers of State Street Global Advisors, Australia Services Limited or the auditors of the Funds/Trusts. So long as the officers of State Street Global Advisors, Australia Services Limited act in accordance with the Funds'/Trusts' Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Funds/Trusts against losses incurred while acting on behalf of the Funds/Trusts.

Indemnity of auditors

The auditors of the Funds/Trusts are in no way indemnified out of the assets of the Funds/Trusts.

Directors' report (continued)

Fees paid to and interests held in the Funds/Trusts by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds'/Trusts' properties during the year are disclosed in note 17 to the financial statements.

No fees were paid out of Funds'/Trusts' properties to the directors of the Responsible Entity during the year.

The number of interests in the Funds/Trusts held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 17 to the financial statements.

Interests in the Funds/Trusts

The movements in units on issue in the Funds/Trusts during the year are disclosed in note 10 to the financial statements.

The value of the Funds'/Trusts' assets and liabilities is disclosed on the Statements of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Funds/Trusts are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

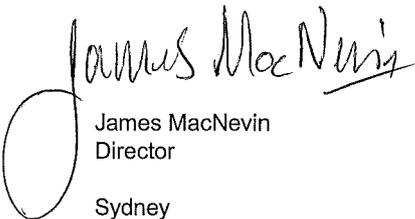
Rounding of amounts to the nearest dollar

The Funds/Trusts are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.



James MacNevin
Director
Sydney
27 August 2019



Auditor's Independence Declaration for State Street Fixed Income Funds

- State Street Australian Fixed Income Index Trust
- State Street Global Fixed Income Index Trust
- State Street Floating Rate Fund

As lead auditor for the audit of State Street Fixed Income Funds for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Joe Sheeran', with a long horizontal flourish extending to the right.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
27 August 2019

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Statements of comprehensive income

	Notes	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Investment income					
Interest income from financial assets at amortised cost		15,081	22,152	8,816	3,247
Interest income from financial assets at fair value through profit or loss		6,301,236	5,478,046	3,226,318	2,821,575
Net gains/(losses) on financial instruments at fair value through profit or loss	6	15,896,460	515,460	9,622,970	1,393,336
Other operating income		40,370	710	535,292	68,773
Total net investment income/(loss)		22,253,147	6,016,368	13,393,396	4,286,931
Expenses					
Responsible Entity's fees	17	24,436	20,846	19,414	18,454
Investment Manager's fees	17	349,700	298,317	352,103	334,679
Transaction costs		6,937	9,277	27,505	37,064
Other operating expenses		-	503	3,313	7,261
Total operating expenses		381,073	328,943	402,335	397,458
Profit/(loss) for the year/period		21,872,074	5,687,425	12,991,061	3,889,473
Other comprehensive income for the year/period		-	-	-	-
Total comprehensive income for the year/period		21,872,074	5,687,425	12,991,061	3,889,473

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of comprehensive income (continued)

		State Street Floating Rate Fund	
		Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
Notes		\$	\$
Investment income			
		44,105	53,070
		2,482,580	1,423,419
	6	504,748	(237,219)
		3,031,433	1,239,270
Expenses			
	17	9,519	6,093
	17	287,497	215,492
		291	1,011
		297,307	222,596
		2,734,126	1,016,674
		-	-
		2,734,126	1,016,674

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

	Notes	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
		As at		As at	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	12	4,296,859	1,215,639	4,145,802	797,175
Margin accounts		12,357	12,357	-	-
Due from brokers - receivable for securities sold		357,947	-	2,965,509	2,685,755
Receivables	15	1,824,465	1,937,354	1,332,485	1,374,679
Financial assets at fair value through profit or loss	7	<u>223,279,256</u>	<u>210,041,340</u>	<u>187,758,243</u>	<u>176,894,456</u>
Total assets		<u>229,770,884</u>	<u>213,206,690</u>	<u>196,202,039</u>	<u>181,752,065</u>
Liabilities					
Due to brokers - payable for securities purchased		4,373,245	1,137,318	6,160,587	-
Payables	16	162,498	56,217	74,404	66,123
Distribution payable	11	5,163,583	1,922,378	12,991,061	344,737
Financial liabilities at fair value through profit or loss	8	<u>-</u>	<u>-</u>	<u>1,262,992</u>	<u>3,689,097</u>
Total liabilities		<u>9,699,326</u>	<u>3,115,913</u>	<u>20,489,044</u>	<u>4,099,957</u>
Net assets attributable to unitholders - Equity	10	<u>220,071,558</u>	<u>210,090,777</u>	<u>175,712,995</u>	<u>177,652,108</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of financial position (continued)

		State Street Floating Rate Fund	
		As at	
		30 June 2019	30 June 2018
	Notes	\$	\$
Assets			
Cash and cash equivalents	12	3,433,687	4,704,683
Receivables	15	321,383	367,794
Financial assets at fair value through profit or loss	7	<u>89,785,825</u>	<u>84,490,367</u>
Total assets		<u>93,540,895</u>	<u>89,562,844</u>
Liabilities			
Payables	16	38,406	56,125
Distribution payable	11	<u>33,465</u>	<u>54,028</u>
Total liabilities		<u>71,871</u>	<u>110,153</u>
Net assets attributable to unitholders - Equity	10	<u>93,469,024</u>	<u>89,452,691</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Notes	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Total equity at the beginning of the financial year/period	10	210,090,777	-	177,652,108	-
Reclassification due to AMIT tax regime implementation*	10	-	169,103,441	-	196,774,390
Comprehensive income for the year/period					
Profit/(loss) for the year/period		<u>21,872,074</u>	<u>5,687,425</u>	<u>12,991,061</u>	<u>3,889,473</u>
Total comprehensive income for the year/period		<u>21,872,074</u>	<u>5,687,425</u>	<u>12,991,061</u>	<u>3,889,473</u>
Transactions with unitholders					
Applications	10	83,010,110	97,684,633	49,261,982	22,616,932
Redemptions	10	(91,117,529)	(61,867,584)	(51,523,453)	(45,283,950)
Units issued upon reinvestment of distributions	10	5,421,321	4,841,898	322,358	-
Distributions paid and payable	10, 11	(9,205,195)	(5,359,036)	(12,991,061)	(344,737)
Total transactions with unitholders		<u>(11,891,293)</u>	<u>35,299,911</u>	<u>(14,930,174)</u>	<u>(23,011,755)</u>
Total equity at the end of the financial year/period		<u>220,071,558</u>	<u>210,090,777</u>	<u>175,712,995</u>	<u>177,652,108</u>

*Effective from 1 July 2017, the Funds' units have been reclassified from financial liability to equity.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity (continued)

		State Street Floating Rate Fund	
		Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
	Notes	\$	\$
Total equity at the beginning of the financial year/period	10	89,452,691	-
Comprehensive income for the year/period			
Profit/(loss) for the year/period		<u>2,734,126</u>	<u>1,016,674</u>
Total comprehensive income for the year/period		<u>2,734,126</u>	<u>1,016,674</u>
Transactions with unitholders			
Applications	10	12,330,740	92,595,000
Redemptions	10	(11,009,453)	(4,100,000)
Units issued upon reinvestment of distributions	10	2,188,710	1,202,841
Distributions paid and payable	10, 11	<u>(2,227,790)</u>	<u>(1,261,824)</u>
Total transactions with unitholders		<u>1,282,207</u>	<u>88,436,017</u>
Total equity at the end of the financial year/period		<u>93,469,024</u>	<u>89,452,691</u>

*Effective from 1 July 2017, the Funds' units have been reclassified from financial liability to equity.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		102,619,698	48,338,007	82,245,491	72,251,865
Purchase of financial instruments at fair value through profit or loss		(99,135,677)	(110,691,809)	(81,036,997)	(53,752,601)
Interest received		8,483,105	7,766,815	4,278,596	4,226,706
Other income received/(paid)		38,974	289	544,538	51,648
Responsible Entity's fees paid		(24,343)	(20,003)	(19,236)	(18,877)
Investment Manager's fees paid		(348,341)	(285,256)	(348,817)	(342,505)
Payment of other operating expenses		(6,937)	(8,774)	(27,557)	(37,844)
Net cash inflow/(outflow) from operating activities	13(a)	<u>11,626,479</u>	<u>(54,900,731)</u>	<u>5,636,018</u>	<u>22,378,392</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		83,010,110	97,684,633	49,261,982	22,616,932
Payments for redemptions by unitholders		(91,012,700)	(43,803,815)	(51,517,748)	(45,283,950)
Distributions paid		(542,669)	(46,456)	(22,379)	-
Net cash inflow/(outflow) from financing activities		<u>(8,545,259)</u>	<u>53,834,362</u>	<u>(2,278,145)</u>	<u>(22,667,018)</u>
Net increase/(decrease) in cash and cash equivalents		3,081,220	(1,066,369)	3,357,873	(288,626)
Cash and cash equivalents at the beginning of the year/period		1,215,639	2,282,008	797,175	1,068,676
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	(9,246)	17,125
Cash and cash equivalents at the end of the year/period	12	<u>4,296,859</u>	<u>1,215,639</u>	<u>4,145,802</u>	<u>797,175</u>
Non-cash financing activities	13(b)				

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Statements of cash flows (continued)

		State Street Floating Rate Fund	
		Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
Notes	\$	\$	
Cash flows from operating activities			
		8,059,030	24,273,430
		(12,986,020)	(109,323,857)
		2,709,376	1,431,536
		(9,460)	(4,616)
		(304,845)	(162,239)
		(721)	384
		<u>(2,532,640)</u>	<u>(83,785,362)</u>
13(a)			
Cash flows from financing activities			
		12,330,740	92,595,000
		(11,009,453)	(4,100,000)
		(59,643)	(4,955)
		<u>1,261,644</u>	<u>88,490,045</u>
Net cash inflow/(outflow) from financing activities			
		(1,270,996)	4,704,683
Net increase/(decrease) in cash and cash equivalents			
		<u>4,704,683</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year/period			
		<u>3,433,687</u>	<u>4,704,683</u>
12			
Cash and cash equivalents at the end of the year/period			
		<u>3,433,687</u>	<u>4,704,683</u>
13(b)			
Non-cash financing activities			

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

	Page	
1	General information	16
2	Summary of significant accounting policies	16
3	Financial risk management	22
4	Offsetting financial assets and financial liabilities	31
5	Fair value measurement	33
6	Net gains/(losses) on financial instruments at fair value through profit or loss	37
7	Financial assets at fair value through profit or loss	38
8	Financial liabilities at fair value through profit or loss	38
9	Derivative financial instruments	39
10	Net assets attributable to unitholders	40
11	Distributions to unitholders	42
12	Cash and cash equivalents	43
13	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	44
14	Remuneration of auditors	45
15	Receivables	47
16	Payables	47
17	Related party transactions	48
18	Events occurring after the reporting period	52
19	Contingent assets and liabilities and commitments	52

1 General information

These financial statements cover State Street Australian Fixed Income Index Trust, State Street Global Fixed Income Index Trust and State Street Floating Rate Fund (the “Funds/Trusts”) as individual entities.

State Street Australian Fixed Income Index Trust was constituted on 19 January 1998 and will terminate on 18 January 2078 unless terminated earlier in accordance with the provisions of the Trust’s Constitution.

State Street Global Fixed Income Index Trust was constituted on 19 January 1998 and will terminate on 18 January 2078 unless terminated earlier in accordance with the provisions of the Trust’s Constitution.

State Street Floating Rate Fund was constituted on 28 March 2017 and will terminate on 20 October 2097 unless terminated earlier in accordance with the provisions of the Fund’s Constitution.

The Responsible Entity of the Funds/Trusts is State Street Global Advisors, Australia Services Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Level 17, 420 George Street, Sydney NSW 2000. The financial statements are presented in Australian currency.

State Street Australian Fixed Income Index Trust invests in fixed interest securities in accordance with the provisions of the Trust’s Constitution.

State Street Global Fixed Income Index Trust invests in fixed interest securities and currency contracts in accordance with the provisions of the Trust’s Constitution.

State Street Floating Rate Fund invests in fixed interest securities in accordance with the provisions of the Fund’s Constitution.

The financial statements were authorised for issue by the directors on 27 August 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds/Trusts are for-profit entities for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statements of financial position are presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Funds/Trusts invest in financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Funds/Trusts also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) *New and amended standards adopted by the Funds/Trusts*

AASB 9 Financial Instruments became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139.

Classification and measurement of debt securities is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. AASB 9 also introduces a new expected credit loss (ECL) impairment model.

AASB 9 has been applied retrospectively by the Funds/Trusts without the use of hindsight and they have determined that adoption did not result in a change to the classification or measurement of financial instruments in either the current or prior periods. The Funds/Trusts have elected to restate the comparative period presented to comply with AASB 9. The Funds/Trusts' investment portfolios continue to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

AASB 15 *Revenue from Contracts with Customers* became effective for annual periods beginning on or after 1 January 2018. The adoption of this standard did not have a material impact on the Funds'/Trusts' accounting policies nor the amounts recognised in the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2018 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) *New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds/Trusts.

(b) Financial assets and liabilities at fair value through profit or loss

(i) *Classification*

Assets

The Funds/Trusts classify their investments based on their business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds'/Trusts' portfolios of financial assets are managed and their performance are evaluated on a fair value basis in accordance with the Funds'/Trusts' documented investment strategies. The Funds/Trusts use fair value information to assess performance of the portfolios and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Funds'/Trusts' policies are for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss (continued)

(i) Classification (continued)

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds'/Trusts' business models' objective. Consequently, the debt securities are measured at fair value through profit or loss.

Investments in financial assets previously designated at fair value through profit or loss

State Street Australian Fixed Income Index Trust holds fixed interest securities of \$223,279,256 (2018: \$210,041,340) which had previously been designated at fair value through profit or loss.

State Street Global Fixed Income Index Trust holds fixed interest securities of \$186,085,427 (2018: \$175,283,959) which had previously been designated at fair value through profit or loss.

State Street Floating Rate Fund holds fixed interest securities of \$89,785,825 (2018: \$84,490,367) which had previously been designated at fair value through profit or loss.

On adoption of AASB 9 these securities are now mandatorily classified as fair value through profit or loss.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

The Funds/Trusts recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in the fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Funds/Trusts have transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds/Trusts measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statements of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see note 5 to the financial statements.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 to the financial statements for further information.

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders (continued)

The units can be put back to the Funds/Trusts at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds'/Trusts' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the unit back to the Funds/Trusts. This amount represents the expected cash flows on redemption of these units.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Funds/Trusts classify the net assets attributable to unit holders as equity as they satisfy the following criteria:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds'/Trusts' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds/Trusts, and it is not a contract settled in the Funds'/Trusts' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(e) Cash and cash equivalents

For the purpose of presentation in the Statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the Statements of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds'/Trusts' main income generating activities.

(f) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

(g) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Trust distributions are recognised on an entitlements basis.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the Statements of comprehensive income within dividend income and distribution income when the Funds'/Trusts' right to receive payments is established.

2 Summary of significant accounting policies (continued)

(g) Investment income (continued)

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(h) Expenses

All expenses, including Responsible Entity's fees and the Investment Manager's fees, are recognised in the Statements of comprehensive income on an accruals basis.

(i) Income tax

Under current legislation, the Funds/Trusts are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Funds/Trusts are not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds/Trusts to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders. The Responsible Entity may elect to distribute concessional capital gains when they arise. This may occur even when total capital losses exceed capital gains.

The benefits of tax credits paid are passed on to unitholders.

(j) Distributions

In accordance with the Funds'/Trusts' Constitution, the Funds/Trusts distribute income and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statements of changes in equity.

(k) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statements of comprehensive income as finance costs attributable to unitholders.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds'/Trusts' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds/Trusts compete for funds and is regulated. The Australian dollar is also the Funds'/Trusts' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities at fair value are reported in the Statements of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(m) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds/Trusts shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds/Trusts shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(n) Receivables

Receivables may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds/Trusts shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds/Trusts shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(o) Payables

Payables include liabilities and accrued expenses owing by the Funds/Trusts which are unpaid as at the end of the reporting period.

(p) Applications and redemptions

Applications received for units in the Funds/Trusts are recorded net of any entry fees payable prior to the issue of units in the Funds/Trusts. Redemptions from the Funds/Trusts are recorded gross of any exit fees payable after the cancellation of units redeemed.

(q) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds/Trusts by third parties such as Custodial and Administration services, Responsible Entity services and Investment Management services have been passed onto the Funds/Trusts. The Funds/Trusts qualify for Reduced Input Tax Credits ("RITC"). Hence Responsible Entity fees, Investment

2 Summary of significant accounting policies (continued)

(q) Goods and Services Tax (GST) (continued)

Management fees and other expenses have been recognised in the Statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (“ATO”). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of financial position. Cash flows relating to GST are included in the Statements of cash flow on a gross basis.

(r) Use of estimates

The Funds/Trusts may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds’/Trusts’ financial instruments, quoted market prices are readily available.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The adoption of AASB 9 introduced a new expected credit loss (ECL) impairment model, which has not materially impacted the Funds/Trusts.

(s) Rounding of amounts

The Funds/Trusts are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

(t) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

The Funds’/Trusts’ activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds’/Trusts’ overall risk management programme focuses on ensuring compliance with the Funds’/Trusts’ Product Disclosure Statement (“PDS”) and seeks to maximise the returns derived for the level of risk to which the Funds/Trusts are exposed. The Funds/Trusts may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity (the “Board”).

The Funds/Trusts use different methods to measure different types of risk to which they are exposed. These methods are explained below.

(a) Market Risk

(i) Price Risk

Price risk arises from investments held by the funds/trust for which prices in the future are uncertain.

3 Financial risk management (continued)

(a) Market Risk (continued)

(i) Price Risk (continued)

The Funds/Trusts have no significant price risk exposure as the Funds/Trusts invest in various instruments including securities on Australian bond markets and cash instruments. These have exposure primarily to interest rate movement and credit risk. The sensitivities on these instruments are reflected as component of interest rate risk, which are further explained and analysed in notes 3(b) and (c).

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

State Street Australian Fixed Income Index Trust and State Street Floating Rate Fund have no significant direct foreign exchange risk exposure as the Funds/Trusts operate solely in Australia and the majority of the Funds'/Trusts' assets and liabilities are denominated in Australian currency.

The table below summarises State Street Global Fixed Income Index Trust assets and liabilities that are denominated in a currency other than the Australian dollar.

State Street Global Fixed Income Index Trust

	US Dollars	Japanese Yen	Euro	British Pounds	Other currencies
As at 30 June 2019	A\$	A\$	A\$	A\$	A\$
Cash and cash equivalents	94,112	141,108	77,587	71,415	261,278
Due from brokers - receivables for securities sold	2,201,170	491,886	-	-	272,453
Receivables	455,564	94,224	636,709	57,078	88,606
Financial assets at fair value through profit or loss	73,465,715	35,922,618	59,644,882	9,835,496	8,889,532
Due to brokers - payable for securities purchased	(3,940,488)	(608,242)	(1,302,603)	(144,361)	(164,893)
Payables	-	(25)	(33)	-	(1961)
Financial liabilities at fair value through profit or loss	<u>(307,709)</u>	<u>(214,046)</u>	<u>(568,655)</u>	<u>(14,476)</u>	<u>(158,106)</u>
	<u>71,968,364</u>	<u>35,827,523</u>	<u>58,487,887</u>	<u>9,805,152</u>	<u>9,186,909</u>
Net increase/(decrease) in exposure from foreign currency forward contracts					
- buy foreign currency contracts	<u>(72,405,332)</u>	<u>(36,540,916)</u>	<u>(57,034,730)</u>	<u>(9,867,144)</u>	<u>(9,221,674)</u>
	<u>(436,968)</u>	<u>(713,393)</u>	<u>1,453,157</u>	<u>(61,992)</u>	<u>(34,765)</u>

3 Financial risk management (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

	US Dollars	Japanese Yen	Euro	British Pounds	Other currencies
As at 30 June 2018	A\$	A\$	A\$	A\$	A\$
Cash and cash equivalents	46,257	143,470	74,510	38,210	313,587
Due from brokers - receivables from securities sold	980,248	1,010,186	398,057	142,774	154,490
Receivables	396,713	94,756	723,362	67,925	91,332
Financial assets at fair value through profit or loss	63,671,160	36,113,008	58,329,672	10,022,261	8,758,355
Payables	-	-	-	-	(2,993)
Financial liabilities at fair value through profit or loss	<u>(1,378,803)</u>	<u>(487,610)</u>	<u>(1,570,723)</u>	<u>(89,976)</u>	<u>(161,985)</u>
	<u>63,715,575</u>	<u>36,873,810</u>	<u>57,954,878</u>	<u>10,181,194</u>	<u>9,152,786</u>
Net increase/(decrease) in exposure from foreign currency forward contracts					
- buy foreign currency contracts	<u>(62,601,215)</u>	<u>(35,842,394)</u>	<u>(57,410,689)</u>	<u>(10,075,146)</u>	<u>(9,161,196)</u>
	<u>1,114,360</u>	<u>1,031,416</u>	<u>544,189</u>	<u>106,048</u>	<u>(8,410)</u>

(iii) Interest rate risk

Interest rate risk is the risk that interest rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Funds/Trusts.

The Funds'/Trusts' policies are to maintain derivative adjusted exposure to cash instruments, at any point in time of no more than 10% of the Funds'/Trusts' value.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

3 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

The tables below summarise the Funds'/Trusts' direct exposure to interest rate risks.

State Street Australian Fixed Income Index Trust

30 June 2019	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	4,296,859	-	-	4,296,859
Margin accounts	12,357	-	-	12,357
Due from brokers - receivable for securities sold	-	-	357,947	357,947
Receivables	-	-	1,824,465	1,824,465
Financial assets at fair value through profit and loss	-	223,279,256	-	223,279,256
Liabilities				
Due to brokers - payable for securities purchased	-	-	(4,373,245)	(4,373,245)
Payables	-	-	(162,498)	(162,498)
Distributions payable	-	-	(5,163,583)	(5,163,583)
Net exposure	<u>4,309,216</u>	<u>223,279,256</u>	<u>(7,516,914)</u>	<u>220,071,558</u>
30 June 2018				
Assets				
Cash and cash equivalents	1,215,639	-	-	1,215,639
Margin accounts	12,357	-	-	12,357
Receivables	-	-	1,937,354	1,937,354
Financial assets at fair value through profit and loss	-	210,041,340	-	210,041,340
Liabilities				
Due to brokers - payable for securities purchased	-	-	(1,137,318)	(1,137,318)
Payables	-	-	(56,217)	(56,217)
Distributions payable	-	-	(1,922,378)	(1,922,378)
Net exposure	<u>1,227,996</u>	<u>210,041,340</u>	<u>(1,178,559)</u>	<u>210,090,777</u>

3 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

State Street Global Fixed Income Index Trust

30 June 2019	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	4,145,802	-	-	4,145,802
Due from brokers - receivable for securities sold	-	-	2,965,509	2,965,509
Receivables	-	-	1,332,485	1,332,485
Financial assets at fair value through profit and loss	-	186,085,427	1,672,816	187,758,243
Liabilities				
Due to brokers - payable for securities purchased	-	-	(6,160,587)	(6,160,587)
Payables	-	-	(74,404)	(74,404)
Distributions payable	-	-	(12,991,061)	(12,991,061)
Financial liabilities at fair value through profit and loss	-	-	(1,262,992)	(1,262,992)
Net exposure	<u>4,145,802</u>	<u>186,085,427</u>	<u>(14,518,234)</u>	<u>175,712,995</u>
30 June 2018				
Assets				
Cash and cash equivalents	797,175	-	-	797,175
Due from brokers - receivable for securities sold	-	-	2,685,755	2,685,755
Receivables	-	-	1,374,679	1,374,679
Financial assets at fair value through profit and loss	-	175,283,959	1,610,497	176,894,456
Liabilities				
Payables	-	-	(66,123)	(66,123)
Distributions payable	-	-	(344,737)	(344,737)
Financial liabilities at fair value through profit or loss	-	-	(3,689,097)	(3,689,097)
Net exposure	<u>797,175</u>	<u>175,283,959</u>	<u>1,570,974</u>	<u>177,652,108</u>

3 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

State Street Floating Rate Fund

30 June 2019	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	3,433,687	-	-	3,433,687
Receivables	-	-	321,383	321,383
Financial assets at fair value through profit and loss	89,785,825	-	-	89,785,825
Liabilities				
Payables	-	-	(38,406)	(38,406)
Distributions payable	-	-	(33,465)	(33,465)
Net exposure	<u>93,219,512</u>	<u>-</u>	<u>249,512</u>	<u>93,469,024</u>

30 June 2018

Assets				
Cash and cash equivalents	4,704,683	-	-	4,704,683
Receivables	-	-	367,794	367,794
Financial assets at fair value through profit and loss	84,490,367	-	-	84,490,367
Liabilities				
Payables	-	-	(56,125)	(56,125)
Distributions payable	-	-	(54,028)	(54,028)
Net exposure	<u>89,195,050</u>	<u>-</u>	<u>257,641</u>	<u>89,452,691</u>

An analysis of financial liabilities by maturities is provided in note 3 paragraph (d).

The tables in note 3 paragraph (b) summarises the impact of an increase/decrease of interest rates on the Funds'/Trusts' operating profit and net assets attributable to unitholders through changes in future cash flows. For State Street Australian Fixed Income Index Trust and State Street Global Fixed Income Index Trust, the analysis is based on the assumption that interest rates changed by +/- 100 basis points (2018: +/- 100 basis points) from the year end rates with all other variables held constant. For State Street Floating Rate Fund, the analysis is based on the assumption that interest rates changed by +/- 200 basis points (2018: +/- 200 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of cash and cash equivalents.

(b) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds'/Trusts' operating profit and net assets attributable to unitholders to the various market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds'/Trusts' investments with the relevant benchmark and market volatility. However, actual movements in the risk

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds/Trusts invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

State Street Australian Fixed Income Index Trust

	Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-100bps	+100bps
	\$	\$
30 June 2019	(2,275,885)	2,275,885
30 June 2018	(2,112,693)	2,112,693

The sensitivity factors for 30 June 2018 was +/- 100bps for interest rate risk.

State Street Global Fixed Income Index Trust

	Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-100bps	+100bps
	\$	\$
30 June 2019	(1,902,312)	1,902,312
30 June 2018	(1,760,811)	1,760,811

The sensitivity factors for 30 June 2018 was +/- 100bps for interest rate risk.

State Street Floating Rate Fund

	Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-200bps	+200bps
	\$	\$
30 June 2019	(1,864,390)	1,864,390
30 June 2018	(1,783,901)	1,783,901

The sensitivity factors for 30 June 2018 was +/- 200bps for interest rate risk.

(c) Credit risk

Credit risk primarily arises from investments in debt securities and derivative financial instruments. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or part. Credit risk is managed primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved in accordance with the Investment Manager's criteria; and
- Ensuring that transactions are undertaken with a range of counterparties.

For derivative financial instruments, the Investment Manager has established limits such that, at any time, the maximum exposure of the Funds/Trusts to derivative instruments shall be limited to 25%.

3 Financial risk management (continued)

(c) Credit risk (continued)

Compliance with the Funds'/Trusts' mandate is monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The clearing and depository operations of the Funds'/Trusts' security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. At 30 June 2019, State Street Australia Limited had a credit rating of A (2018: A). As at 30 June 2019, substantially all cash and investments are held in custody by State Street Australia.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. An analysis of debt securities by rating is set out in the tables below.

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Debt securities				
AAA+ to AAA-	162,715,623	156,638,331	57,899,176	47,448,313
AA+ to AA-	43,069,271	37,978,075	65,119,871	65,967,679
A+ to A-	11,520,950	10,225,007	39,672,398	39,195,154
BBB+ to BBB-	5,973,412	5,199,927	22,504,657	21,927,942
BB+ to BB-	-	-	889,325	744,871
Total	<u>223,279,256</u>	<u>210,041,340</u>	<u>186,085,427</u>	<u>175,283,959</u>

	State Street Floating Rate Fund	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Debt securities		
AA+ to AA-	29,228,620	21,082,110
A+ to A-	26,114,950	31,596,375
BBB+ to BBB-	<u>34,442,255</u>	<u>31,811,882</u>
Total	<u>89,785,825</u>	<u>84,490,367</u>

(d) Liquidity risk

The Funds/Trusts are exposed to cash redemptions of redeemable units by unitholders from time to time. They therefore primarily hold investments that are traded in an active market and can be readily disposed.

State Street Global Fixed Income Index Trust's listed fixed interest securities are considered readily realisable, as they are traded in an active market and can be readily disposed.

The Funds/Trusts may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds/Trusts may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities

The tables below analyse the Funds'/Trusts' non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the tables are contractual undiscounted cash flows.

Units are redeemed on demand at the unitholder's option. It is not expected that the contractual maturity disclosed in the tables below will be representative of the actual cash outflows.

State Street Australian Fixed Income Index Trust

	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Due to brokers - payable for securities purchased	4,373,245	-	-	-	-
Payables	162,498	-	-	-	-
Distributions payable	<u>5,163,583</u>	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	<u>9,699,326</u>	-	-	-	-
At 30 June 2018					
Due to brokers - payable for securities purchased	1,137,318	-	-	-	-
Payables	56,217	-	-	-	-
Distributions payable	<u>1,922,378</u>	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	<u>3,115,913</u>	-	-	-	-

State Street Global Fixed Income Index Trust

	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Due to brokers - payable for securities purchased	6,160,587	-	-	-	-
Payables	74,404	-	-	-	-
Distributions payable	<u>12,991,061</u>	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	<u>19,226,052</u>	-	-	-	-
At 30 June 2018					
Payables	66,123	-	-	-	-
Distributions payable	<u>344,737</u>	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	<u>410,860</u>	-	-	-	-

3 Financial risk management (continued)

(d) Liquidity risk (continued)

State Street Floating Rate Fund

	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Payables	38,406	-	-	-	-
Distributions payable	33,465	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	71,871	-	-	-	-
At 30 June 2018					
Payables	56,125	-	-	-	-
Distributions payable	54,028	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	110,153	-	-	-	-

(ii) Maturities of net settled derivative financial instruments

The table below analyses State Street Global Fixed Income Index Trust's net settled derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on State Street Global Fixed Income Index Trust's investment strategy.

State Street Global Fixed Income Index Trust

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Not stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Net settled derivatives					
Foreign currency contracts	(249,889)	659,713	-	-	-
At 30 June 2018					
Net settled derivatives					
Foreign currency contracts	(2,782,284)	703,684	-	-	-

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statements of financial position are disclosed in the first three columns of the tables below.

The State Street Australian Fixed Income Index Trust and State Street Floating Rate Fund did not hold any derivatives during the year.

4 Offsetting financial assets and financial liabilities (continued)

State Street Global Fixed Income Index Trust						
Financial assets	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of financial position	Net amount of financial assets presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received	Net Amount
	\$	\$	\$	\$	\$	\$
30 June 2019						
Derivative financial instruments (i)	5,022,816	(3,350,000)	1,672,816	(751,828)	-	920,988
Total	5,022,816	(3,350,000)	1,672,816	(751,828)	-	920,988
30 June 2018						
Derivative financial instruments (i)	1,610,497	-	1,610,497	(1,285,393)	-	325,104
Total	1,610,497	-	1,610,497	(1,285,393)	-	325,104
Financial liabilities	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of financial position	Net amount of financial liabilities presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral pledged	Net Amount
	\$	\$	\$	\$	\$	\$
30 June 2019						
Derivative financial instruments (i)	4,612,992	(3,350,000)	1,262,992	(751,828)	-	511,164
Total	4,612,992	(3,350,000)	1,262,992	(751,828)	-	511,164
30 June 2018						
Derivative financial instruments (i)	3,689,097	-	3,689,097	(1,285,393)	-	2,403,704
Total	3,689,097	-	3,689,097	(1,285,393)	-	2,403,704

4 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds/Trusts do not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statements of financial position, but have been presented separately in the above tables.

5 Fair value measurement

The Funds/Trusts measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (see note 7 and 8)
- Derivative financial instruments (see note 9)

The Funds/Trusts have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds/Trusts value their investments in accordance with the accounting policies set out in note 2 to the financial statements.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

5 Fair value measurement (continued)

(ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds/Trusts would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds/Trusts hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Recognised fair value measurement

The tables below set out the Funds'/Trusts' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2019 and 30 June 2018.

State Street Australian Fixed Income Index Trust

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Debt securities	-	<u>223,279,256</u>	-	<u>223,279,256</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>223,279,256</u>	<u>-</u>	<u>223,279,256</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Debt securities	-	<u>210,041,340</u>	-	<u>210,041,340</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>210,041,340</u>	<u>-</u>	<u>210,041,340</u>

5 Fair value measurement (continued)

Recognised fair value measurement (continued)

State Street Global Fixed Income Index Trust

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Foreign currency contracts	-	1,672,816	-	1,672,816
Debt securities	-	<u>186,085,427</u>	-	<u>186,085,427</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>187,758,243</u>	<u>-</u>	<u>187,758,243</u>
Financial liabilities at fair value through profit or loss				
Foreign currency contracts	-	<u>1,262,992</u>	-	<u>1,262,992</u>
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>1,262,992</u>	<u>-</u>	<u>1,262,992</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Foreign currency contracts	-	1,610,497	-	1,610,497
Debt securities	-	<u>175,283,959</u>	-	<u>175,283,959</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>176,894,456</u>	<u>-</u>	<u>176,894,456</u>
Financial liabilities at fair value through profit or loss				
Foreign currency contracts	-	<u>3,689,097</u>	-	<u>3,689,097</u>
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>3,689,097</u>	<u>-</u>	<u>3,689,097</u>

5 Fair value measurement (continued)

Recognised fair value measurement (continued)

State Street Floating Rate Fund

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Debt securities	-	<u>89,785,825</u>	-	<u>89,785,825</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>89,785,825</u>	<u>-</u>	<u>89,785,825</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Debt securities	-	<u>84,490,367</u>	-	<u>84,490,367</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>84,490,367</u>	<u>-</u>	<u>84,490,367</u>

The Funds'/Trusts' policies are to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between the levels for the fair value hierarchy for the year ended 30 June 2019 and 30 June 2018. There were also no changes made to any of the valuation techniques applied as of 30 June 2019.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Funds/Trusts did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2019 or year ended 30 June 2018.

(iii) Fair values of other financial instruments

The carrying value of receivables and payables are assumed to approximate their fair values.

6 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments at fair value through profit or loss:

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Financial assets				
Net realised gain/(loss) on financial assets at fair value through profit or loss	3,311,822	367,781	6,324,202	12,259,707
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<u>12,584,638</u>	<u>147,679</u>	<u>11,325,293</u>	<u>(58,827)</u>
Net gains/(losses) on financial assets at fair value through profit or loss	<u>15,896,460</u>	<u>515,460</u>	<u>17,649,495</u>	<u>12,200,880</u>
Financial liabilities				
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	-	-	(10,452,630)	(7,571,733)
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>2,426,105</u>	<u>(3,235,811)</u>
Net gains/(losses) on financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>(8,026,525)</u>	<u>(10,807,544)</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>15,896,460</u>	<u>515,460</u>	<u>9,622,970</u>	<u>1,393,336</u>

State Street Floating Rate Fund

	Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
	\$	\$
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	(1,383)	7,588
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<u>506,131</u>	<u>(244,807)</u>
Net gains/(losses) on financial assets at fair value through profit or loss	<u>504,748</u>	<u>(237,219)</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>504,748</u>	<u>(237,219)</u>

7 Financial assets at fair value through profit or loss

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Financial assets at fair value through profit or loss				
Derivatives (note 9)	-	-	1,672,816	1,610,497
Debt securities	<u>223,279,256</u>	<u>210,041,340</u>	<u>186,085,427</u>	<u>175,283,959</u>
Total financial assets at fair value through profit or loss	<u>223,279,256</u>	<u>210,041,340</u>	<u>187,758,243</u>	<u>176,894,456</u>

	State Street Floating Rate Fund	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Financial assets at fair value through profit or loss		
Debt securities	<u>89,785,825</u>	<u>84,490,367</u>
Total financial assets at fair value through profit or loss	<u>89,785,825</u>	<u>84,490,367</u>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

8 Financial liabilities at fair value through profit or loss

	State Street Global Fixed Income Index Trust	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Financial liabilities at fair value through profit or loss		
Derivatives (note 9)	<u>1,262,992</u>	<u>3,689,097</u>
Total financial liabilities at fair value through profit or loss	<u>1,262,992</u>	<u>3,689,097</u>

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in note 3.

9 Derivative financial instruments

In the normal course of business the Funds/Trusts enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds'/Trusts' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Funds/Trusts against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds/Trusts.

The Funds/Trusts hold the following derivative instruments:

(a) Foreign currency contracts

Foreign currency contracts are primarily used by the Funds/Trusts to hedge against foreign currency exchange rate risks on their non-Australian dollar denominated trading securities. The Funds/Trusts agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds/Trusts recognise a gain or loss equal to the change in fair value at the end of each reporting period.

The Funds'/Trusts' derivative financial instruments at year end are detailed below:

State Street Global Fixed Income Index Trust

	Contract/ notional \$	Fair values	
		Assets \$	Liabilities \$
30 June 2019			
Foreign currency contracts	<u>566,327,008</u>	<u>1,672,816</u>	<u>1,262,992</u>
	<u>566,327,008</u>	<u>1,672,816</u>	<u>1,262,992</u>
30 June 2018			
Foreign currency contracts	<u>545,168,322</u>	<u>1,610,497</u>	<u>3,689,097</u>
	<u>545,168,322</u>	<u>1,610,497</u>	<u>3,689,097</u>

As at the reporting date, State Street Global Fixed Income Index Trust hedged transactions or positions by holding foreign currency contracts with a gross notional value of \$566,327,008 (2018: \$545,168,322) comprising of buy \$190,628,606 (2018: \$185,038,841) and sale \$375,698,402 (2018: \$360,129,481) resulting in net exposure of \$(185,069,796) (2018: \$(175,090,640)).

9 Derivative financial instruments (continued)

Risk exposures and fair value measurements

Information about the Funds'/Trusts' exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in note 3 and note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

10 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Funds/Trusts classify the net assets attributable to unit holders as equity as they satisfy the following criteria:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds'/Trusts' liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds/Trusts, and it is not a contract settled in the Funds'/Trusts' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Movements in number of units and net assets attributable to unitholders during the year/period were as follows:

	State Street Australian Fixed Income Index Trust			
	Year ended			
	30 June 2019 No.	30 June 2018 No.	30 June 2019 \$	30 June 2018 \$
Opening balance	209,407,255	168,992,208	210,090,777	169,103,441
Applications	81,191,099	97,258,697	83,010,110	97,684,633
Redemptions	(87,265,334)	(61,679,231)	(91,117,529)	(61,867,584)
Units issued upon reinvestment of distributions	5,322,979	4,835,581	5,421,321	4,841,898
Distributions paid and payable	-	-	(9,205,195)	(5,359,036)
Profit/(loss) for the year/period	-	-	21,872,074	5,687,425
Closing balance	<u>208,655,999</u>	<u>209,407,255</u>	<u>220,071,558</u>	<u>210,090,777</u>

10 Net assets attributable to unitholders (continued)

	State Street Global Fixed Income Index Trust			
	Year ended			
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	No.	No.	\$	\$
Opening balance	183,452,664	207,133,995	177,652,108	196,774,390
Applications	50,614,959	23,565,430	49,261,982	22,616,932
Redemptions	(52,235,364)	(47,246,761)	(51,523,453)	(45,283,950)
Units issued upon reinvestment of distributions	332,876	-	322,358	-
Distributions paid and payable	-	-	(12,991,061)	(344,737)
Profit/(loss) for the year/period	-	-	12,991,061	3,889,473
Closing balance	<u>182,165,135</u>	<u>183,452,664</u>	<u>175,712,995</u>	<u>177,652,108</u>

	State Street Floating Rate Fund			
	Year ended	Period from	Year ended	Period from
	30 June	19 October	30 June	19 October
	2019	2017 to	2019	2017 to
	No.	No.	\$	\$
Opening balance	89,680,490	-	89,452,691	-
Applications	12,321,209	92,572,776	12,330,740	92,595,000
Redemptions	(11,023,615)	(4,096,313)	(11,009,453)	(4,100,000)
Units issued upon reinvestment of distributions	2,192,159	1,204,027	2,188,710	1,202,841
Distributions paid and payable	-	-	(2,227,790)	(1,261,824)
Profit/(loss) for the year/period	-	-	2,734,126	1,016,674
Closing balance	<u>93,170,243</u>	<u>89,680,490</u>	<u>93,469,024</u>	<u>89,452,691</u>

As stipulated within the Funds'/Trusts' Constitution, a unit confers an equal undivided, vested, and infeasible interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds/Trusts.

Capital risk management

The Funds/Trusts consider their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds/Trusts are subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds'/Trusts' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds'/Trusts' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

11 Distributions to unitholders

The distributions for the year/period were as follows:

	State Street Australian Fixed Income Index Trust			
	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$	CPU	\$	CPU
Distributions paid	4,041,612	1.78	3,436,658	1.71
Distributions payable	<u>5,163,583</u>	<u>2.47</u>	<u>1,922,378</u>	<u>0.92</u>
Total distributions	<u>9,205,195</u>	<u>4.25</u>	<u>5,359,036</u>	<u>2.63</u>

	State Street Global Fixed Income Index Trust			
	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$	CPU	\$	CPU
Distributions payable	<u>12,991,061</u>	<u>7.13</u>	<u>344,737</u>	<u>0.19</u>
Total distributions	<u>12,991,061</u>	<u>7.13</u>	<u>344,737</u>	<u>0.19</u>

	State Street Floating Rate Fund			
	Year ended 30 June 2019	Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018	Period from 19 October 2017 to 30 June 2018
	\$	Monthly yield %	\$	Monthly yield %
Distribution paid - July	194,561	0.22	-	-
Distribution paid - August	197,747	0.22	-	-
Distribution paid - September	190,517	0.21	-	-
Distribution paid - October	195,247	0.21	55,504	0.07
Distribution paid - November	193,600	0.20	149,900	0.20
Distribution paid - December	206,690	0.23	150,042	0.20
Distribution paid - January	205,013	0.23	155,811	0.19
Distribution paid - February	195,897	0.21	153,481	0.18
Distribution paid - March	215,371	0.23	176,193	0.20
Distribution paid - April	202,872	0.22	175,534	0.20
Distribution paid - May	196,810	0.22	191,331	0.22
Distribution payable	<u>33,465</u>	<u>0.04</u>	<u>54,028</u>	<u>0.06</u>
Total distributions	<u>2,227,790</u>	<u>2.44</u>	<u>1,261,824</u>	<u>1.52</u>

12 Cash and cash equivalents

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Cash at bank	<u>4,296,859</u>	<u>1,215,639</u>	<u>4,145,802</u>	<u>797,175</u>
	<u>4,296,859</u>	<u>1,215,639</u>	<u>4,145,802</u>	<u>797,175</u>

	State Street Floating Rate Fund	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Cash at bank	<u>3,433,687</u>	<u>4,704,683</u>
	<u>3,433,687</u>	<u>4,704,683</u>

State Street Australian Fixed Income Index Trust

As at 30 June 2019, these accounts were bearing a floating interest rate of 1.06% (2018: 1.25%).

State Street Global Fixed Income Index Trust

As at 30 June 2019, these accounts were bearing floating interest rates from -1.50% to 1.06% (2018: -1.75% to 1.25%).

In some international jurisdictions, central banks have launched economic stimulus measures that include deployment of negative interest rates.

State Street Floating Rate Fund

As at 30 June 2019, these accounts were bearing a floating interest rate of 1.25% (2018: 1.50%).

13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year/period	21,872,074	5,687,425	12,991,061	3,889,473
Proceeds from sale of financial instruments at fair value through profit or loss	102,619,698	48,338,007	82,245,491	72,251,865
Purchase of financial instruments at fair value through profit or loss	(99,135,677)	(110,691,809)	(81,036,997)	(53,752,601)
Net (gains)/losses on financial instruments at fair value through profit or loss	(15,896,460)	(515,460)	(9,622,970)	(1,393,336)
Net interest bought/(sold)	2,052,503	2,515,091	1,005,417	1,186,315
Net change in receivables	112,889	(248,392)	42,194	222,830
Net change in payables	1,452	14,407	2,576	(9,029)
Effects of foreign currency exchange rate changes on cash and cash equivalent	-	-	9,246	(17,125)
Net cash inflow/(outflow) from operating activities	11,626,479	(54,900,731)	5,636,018	22,378,392
(b) Non-cash financing activities				
During the year/period, the following redemptions were satisfied by an in specie asset transfer	-	18,063,769	-	-
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	5,421,321	4,841,898	322,358	-

13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	State Street Floating Rate Fund	
	Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year/period	2,734,126	1,016,674
Proceeds from sale of financial instruments at fair value through profit or loss	8,059,030	24,273,430
Purchase of financial instruments at fair value through profit or loss	(12,986,020)	(109,323,857)
Net (gains)/losses on financial instruments at fair value through profit or loss	(504,748)	237,219
Net interest bought/(sold)	136,280	322,841
Net change in receivables	46,411	(367,794)
Net change in payables	(17,719)	56,125
Net cash inflow/(outflow) from operating activities	(2,532,640)	(83,785,362)
(b) Non-cash financing activities		
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	2,188,710	1,202,841

14 Remuneration of auditors

During the year/period the following fees were paid or payable for services provided by the auditor of the Funds/Trusts:

	State Street Australian Fixed Income Index Trust	
	Year ended 30 June 2019	30 June 2018
	\$	\$
PricewaterhouseCoopers Australian firm		
Audit and other assurance services		
Audit and review of financial statements	21,863	20,822
Audit of compliance plan	1,187	1,130
Total remuneration for audit and other assurance services	23,050	21,952
Taxation services		
Tax compliance services	11,367	10,768
Total remuneration for taxation services	11,367	10,768
Total remuneration of PricewaterhouseCoopers	34,417	32,720

14 Remuneration of auditors (continued)

	State Street Global Fixed Income Index Trust	
	Year ended	
	30 June 2019	30 June 2018
	\$	\$
PricewaterhouseCoopers Australian firm		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	24,661	23,486
Audit of compliance plan	<u>1,187</u>	<u>1,130</u>
Total remuneration for audit and other assurance services	<u>25,848</u>	<u>24,616</u>
<i>Taxation services</i>		
Tax compliance services	<u>11,367</u>	10,768
Total remuneration for taxation services	<u>11,367</u>	<u>10,768</u>
Total remuneration of PricewaterhouseCoopers	<u>37,215</u>	<u>35,384</u>

	State Street Floating Rate Fund	
	Year ended 30 June 2019	Period from 19 October 2017 to 30 June 2018
	\$	\$
PricewaterhouseCoopers Australian firm		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	12,635	12,033
Audit of compliance plan	<u>1,187</u>	<u>1,130</u>
Total remuneration for audit and other assurance services	<u>13,822</u>	<u>13,163</u>
<i>Taxation services</i>		
Tax compliance services	<u>11,367</u>	10,768
Total remuneration for taxation services	<u>11,367</u>	<u>10,768</u>
Total remuneration of PricewaterhouseCoopers	<u>25,189</u>	<u>23,931</u>

In 2019 and 2018, the Investment Manager has paid the remuneration of auditors on behalf of the Funds/Trusts.

15 Receivables

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Interest receivable	1,814,849	1,929,134	1,332,485	1,374,679
Other receivables	<u>9,616</u>	<u>8,220</u>	-	-
	<u>1,824,465</u>	<u>1,937,354</u>	<u>1,332,485</u>	<u>1,374,679</u>

	State Street Floating Rate Fund	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Interest receivable	<u>321,383</u>	<u>367,794</u>
	<u>321,383</u>	<u>367,794</u>

16 Payables

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees payable	3,667	3,574	3,068	2,890
Redemptions payable	104,829	-	5,705	-
Investment Manager's fees payable	53,499	52,140	56,726	53,440
Other payables	<u>503</u>	<u>503</u>	<u>8,905</u>	<u>9,793</u>
	<u>162,498</u>	<u>56,217</u>	<u>74,404</u>	<u>66,123</u>

16 Payables (continued)

	State Street Floating Rate Fund	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Responsible Entity's fees payable	1,536	1,477
Investment Manager's fees payable	35,905	53,253
Other payables	965	1,395
	<u>38,406</u>	<u>56,125</u>

17 Related party transactions

Responsible Entity, Investment Manager and Custodian

The Responsible Entity of the Funds/Trusts is State Street Global Advisors, Australia Services Limited. The ultimate holding company of the Responsible Entity is State Street Corporation (incorporated in the United States of America).

The Investment Manager of the assets of the Funds/Trusts is State Street Global Advisors, Australia Limited. The ultimate holding company of the Investment Manager is State Street Corporation (incorporated in the United States of America).

The Custodian of the assets of the Funds/Trusts is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

Key management personnel

Key management personnel includes persons who were directors of State Street Global Advisors, Australia Services Limited at any time during the financial year as follows:

Susan Darroch (resigned as director effective 21 June 2019)
James MacNevin
Matthew George
Jonathan Mark Shead (appointed as director effective 21 June 2019)

Key management personnel compensation

Key management personnel are paid by State Street Global Advisors, Australia Limited. Payments made from the Funds/Trusts to State Street Global Advisors, Australia Services Limited do not include any amounts attributable to the compensation of key management personnel remuneration.

Key management personnel loan disclosures

The Funds/Trusts have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

17 Related party transactions (continued)

Other transactions within the Funds/Trusts

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds/Trusts during the financial year and there were no material contracts involving director's interests existing at year end.

Responsible Entity's/Investment Manager's fees and other transactions

State Street Australian Fixed Income Index Trust

For the year ended 30 June 2019, in accordance with the Trust's Constitution, the Responsible Entity was paid a total fee of 0.01% (2018: 0.01%) of the Trust per annum of the assets calculated as at the last day of each month.

During the year the Investment Manager was paid a fee of 0.15% (2018: 0.16%) per annum calculated by reference to the month end values of the Trust.

State Street Global Fixed Income Index Trust

For the year ended 30 June 2019, in accordance with the Trust's Constitution, the Responsible Entity was paid a total fee of 0.01% (2018: 0.01%) of the Trust per annum of the assets calculated daily.

During the year the Investment Manager was paid a fee of 0.19% (2018: 0.20%) per annum calculated daily.

State Street Floating Rate Fund

For the year ended 30 June 2019, in accordance with the Fund's Constitution, the Responsible Entity was paid a total fee of 0.01% (2018: 0.01%) of the Fund per annum of the assets calculated as at the last day of each month.

During the year the Investment Manager was paid a fee of 0.24% (2018: 0.37%) per annum calculated by reference to the month end values of the Fund.

The transactions during the year/period and amounts payable at year end between the Funds/Trusts and the Responsible Entity and the Investment Manager were as follows:

	State Street Australian Fixed Income Index Trust		State Street Global Fixed Income Index Trust	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees for the year/period	24,436	20,846	19,414	18,454
Investment Manager's fees for the year/period	349,700	298,317	352,103	334,679
Related party transaction fees for the year/period	6,937	9,277	27,505	37,064
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	3,667	3,574	3,068	2,890
Aggregate amounts payable to the Investment Manager at the end of the reporting period	53,499	52,140	56,726	53,440

17 Related party transactions (continued)

Responsible Entity's/Investment Manager's fees and other transactions (continued)

	State Street Floating Rate Fund	
	Year ended 30 June 2019 \$	Period from 19 October 2017 to 30 June 2018 \$
Responsible Entity's fees for the year/period	9,519	6,093
Investment Manager's fees for the year/period	287,497	215,492
Related party transaction fees for the year/period	291	1,011
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	1,536	1,477
Aggregate amounts payable to the Investment Manager at the end of the reporting period	35,905	53,253

All administration fees are paid by the Responsible Entity on behalf of the Funds/Trusts.

State Street Australian Fixed Income Index Trust held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2019, the balance in the account was \$4,296,859 (30 June 2018: \$1,215,639).

State Street Global Fixed Income Index Trust held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2019, the balance in the account was \$4,145,802 (30 June 2018: \$797,175).

State Street Floating Rate Fund held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2019, the balance in the account was \$3,433,687 (30 June 2018: \$4,704,683).

The fees for related parties include only fees incurred by the Funds/Trusts per their direct arrangement with the related parties. The indirect fees incurred by the Funds/Trusts as a result of their investments in other related party trust are embedded as part of gains and losses from investments at fair value through profit or loss.

17 Related party transactions (continued)

Related party unitholdings

Parties related to the Funds/Trusts (including State Street Global Advisors, Australia Services Limited, their related parties and other schemes managed by State Street Global Advisors, Australia Services Limited), held units in the Funds/Trusts as follows:

State Street Australian Fixed Income Index Trust

30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Trust (\$)
State Street Passive Balanced Trust	5,378,263	6,130,787	6,466,467	2.94	1,352,093	(599,569)	251,225
State Street Builder Fund	517,609	25,363	26,752	0.01	8,840,797	(9,333,043)	76,724
State Street Provider Fund	1,589,199	-	-	-	246,296	(1,835,495)	16,839
State Street Sustainer Fund	587,760	-	-	-	70,132	(657,892)	6,091

30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Trust (\$)
State Street Passive Balanced Trust	21,799,684	5,378,263	5,395,581	2.57	2,795,484	(19,216,905)	213,041
State Street Builder Fund	5,941,659	517,609	519,275	0.25	74,252	(5,498,302)	27,946
State Street Provider Fund	2,784,107	1,589,199	1,594,316	0.76	555,798	(1,750,706)	53,860
State Street Sustainer Fund	524,104	587,760	589,653	0.28	63,656	-	15,141

State Street Floating Rate Fund

30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
State Street Builder Fund	2,947,614	6,779,294	6,801,265	7.28	3,831,680	-	86,613
State Street Provider Fund	3,955,420	-	-	-	36,760	(3,992,180)	75,611
State Street Sustainer Fund	1,014,685	-	-	-	16,179	(1,030,864)	17,608

17 Related party transactions (continued)

Related party unitholdings (continued)

30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
State Street Builder Fund	-	2,947,614	2,940,237	3.29	6,044,826	(3,097,212)	46,562
State Street Provider Fund	-	3,955,420	3,945,521	4.41	4,954,521	(999,101)	58,128
State Street Sustainer Fund	-	1,014,685	1,012,146	1.13	1,014,685	-	15,283

Parties related to State Street Global Fixed Income Index Trust (including State Street Global Advisors, Australia Services Limited, its related parties and other schemes managed by State Street Global Advisors, Australia Services Limited), held no units in the Trust as at 30 June 2019 and 30 June 2018.

Investments

The Funds/Trusts did not hold any investments in State Street Global Advisors, Australia Services Limited, their related parties or other funds managed by State Street Global Advisors, Australia Services Limited during the year (2018: Nil).

18 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact the financial position of the Funds/Trusts disclosed in the Statements of financial position as at 30 June 2019 or the results and cash flows of the Funds/Trusts for the year ended on that date.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 or 30 June 2018.

Directors' report (continued)

Fees paid to and interests held in the Funds/Trusts by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds'/Trusts' properties during the year are disclosed in note 17 to the financial statements.

No fees were paid out of Funds'/Trusts' properties to the directors of the Responsible Entity during the year.

The number of interests in the Funds/Trusts held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 17 to the financial statements.

Interests in the Funds/Trusts

The movements in units on issue in the Funds/Trusts during the year are disclosed in note 10 to the financial statements.

The value of the Funds'/Trusts' assets and liabilities is disclosed on the Statements of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Funds/Trusts are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

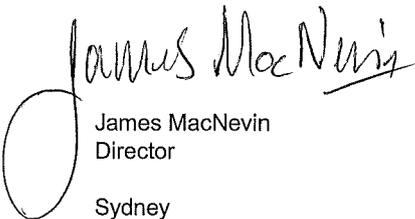
Rounding of amounts to the nearest dollar

The Funds/Trusts are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.



James MacNevin
Director
Sydney
27 August 2019



Independent auditor's report

To the unitholders of:

- State Street Australian Fixed Income Index Trust
- State Street Global Fixed Income Index Trust
- State Street Floating Rate Fund

referred to collectively as State Street Fixed Income Funds

Our opinion

In our opinion:

The accompanying financial report of State Street Fixed Income Funds (the Funds) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statements of financial position as at 30 June 2019
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

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Independence

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, including the Directors' report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity of the Funds are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Joe Sheeran'.

Joe Sheeran
Partner

Sydney
27 August 2019