

SPDR S&P/ASX 50 Fund

(ARSN 097 712 420)

ASX Preliminary final report – 30 June 2016

Lodged with the ASX under Listing Rule 4.3A

Previous corresponding period – year ended 30 June 2015

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SPDR S&P/ASX 50 Fund
Year ended 30 June 2016
(Previous corresponding period – year ended 30 June 2015)

Results for Announcement to the Market

	2016 \$	\$ Change on last period	% Change	2015 \$
Total investment income/ (loss) (revenue from ordinary activities)	(8,837,059)	Down by 30,256,740	Down by 141.26%	21,419,681
Operating profit/(loss) for the year	(9,988,541)	30,041,885	149.81%	20,053,344
Profit/(loss) for the year (see explanation below)	-	N/A	N/A	-

Distributions	Amount per unit	Imputation credit per unit
31 December 2015 interim distribution	137.36 cents	55.14 cents
30 June 2016 Final distribution	118.19 cents	23.28 cents

Record dates for determining entitlements to the distribution	31 December 2015
	30 June 2016

Explanation of Investment income/(loss)

The Fund maintains its investment strategy in S&P/ASX 50 Index listed securities, and the investment policy of the Fund continues to be that detailed in the current Product Disclosure Statement and in accordance with the provisions of the governing documents of the Fund.

The Fund earns revenue predominantly from the following elements:

- Net gains/(losses) on financial instruments held at fair value through profit or loss, and
- Investment income such as dividend and interest.

The principal accounting policies applied in the preparation of these financial statements are set out on the following page. These policies have been consistently applied to all years presented, unless otherwise stated in the following text: AASB 132 [*Financial Instruments: Presentation*] and AASB 139 [*Financial instruments: Recognition and Measurement*].

SPDR S&P/ASX 50 Fund
Year ended 30 June 2016
(Previous corresponding period – year ended 30 June 2015)
(continued)

(i) Classification

The Fund's investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments held for trading
These include derivative financial instruments including futures. The Fund does not designate any derivatives as hedges in a hedging relationship.
- Financial instruments designated at fair value through profit or loss upon initial recognition
These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments.

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in 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 the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss.

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement 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 Statement of comprehensive income within net gains / (losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

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

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Fund recognises the difference in the statement of comprehensive income to reflect a change in factors, including time that market participants would consider in setting a price.

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

SPDR S&P/ASX 50 Fund
Year ended 30 June 2016
(Previous corresponding period – year ended 30 June 2015)
(continued)

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement 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.

Explanation of Operating profit/(loss)

Refer to above commentary.

Explanation of Profit/(loss)

Given the adoption of AASB 132 and the recognition of net assets attributable to unitholders as a liability, the (increase)/decrease in net assets attributable to unitholders and distributions to unitholders are reflected as a financing cost.

As a result of this accounting policy, profit/(loss) after financing costs is nil.

Explanation of Distributions

In accordance with the Fund's Constitution, the Fund fully distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the Fund. The distributions are payable at the end of June and December each year, and recognised in profit or loss as finance costs attributable to unitholders.

SPDR S&P/ASX 50 Fund
Preliminary abridged statement of comprehensive income
For the year ended 30 June 2016

	Year ended 30 June 2016	Year ended 30 June 2015
Notes *	\$	\$
Investment income		
Dividend income	21,288,736	19,066,544
Interest income	90,373	151,749
Net gains/(losses) on financial instruments held at fair value through profit or loss	(30,253,797)	2,189,998
Other operating income	37,629	11,390
Total net investment income / (loss)	<u>(8,837,059)</u>	<u>21,419,681</u>
Expenses		
Responsible Entity's fees	45,363	48,614
Investment Manager's fees	1,056,007	1,110,940
Custody and Administrator fees	10,488	164,935
Transaction costs	21,663	17,736
Withholding taxes on dividends	17,961	24,112
Total operating expenses	<u>1,151,482</u>	<u>1,366,337</u>
Operating profit	<u>(9,988,541)</u>	<u>20,053,344</u>
Finance costs attributable to unitholders		
Distributions to unitholders	(22,996,641)	(17,400,850)
(Increase)/decrease in net assets attributable to unitholders	32,985,182	(2,652,494)
Profit/(loss) for the year	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>

* Supporting notes to the statement of comprehensive income will be available in the audited Financial Accounts which will be lodged separately with ASIC.

SPDR S&P/ASX 50 Fund
Preliminary abridged statement of financial position
As at 30 June 2016

	As at 30 June 2016 \$	As at 30 June 2015 \$
Notes*		
Assets		
Cash and cash equivalents	4,567,119	946,998
Margin accounts	665,725	1,035,905
Receivables	4,620,905	3,983,718
Financial assets held at fair value through profit or loss	<u>436,091,693</u>	<u>428,195,720</u>
Total assets	<u>445,945,442</u>	<u>434,162,341</u>
Liabilities		
Due to brokers - payable for securities purchased	45,900	
Payables	150,110	318,359
Financial liabilities held at fair value through profit or loss	36,875	-
Distributions payable	<u>10,460,118</u>	<u>6,687,975</u>
Total liabilities (excluding net assets attributable to unitholders)	<u>10,693,003</u>	<u>7,006,334</u>
Net assets attributable to unitholders - liability	<u>435,252,439</u>	<u>427,156,007</u>

* Supporting notes to the statement of financial position will be available in the audited Financial Accounts which will be lodged separately with ASIC.

SPDR S&P/ASX 50 Fund
Preliminary abridged statement of changes in equity
For the year ended 30 June 2016

	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
Total equity at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning or end of the year.

SPDR S&P/ASX 50 Fund
Preliminary abridged statement of cash flows
For the year ended 30 June 2016

	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
Notes*		
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	18,617,943	9,250,202
Purchase of financial instruments held at fair value through profit or loss	(17,476,156)	(22,031,385)
Amounts received from/(paid to) brokers for margin accounts	370,180	(154,361)
Dividends received	20,220,859	19,038,060
Interest received	86,685	162,491
Other income received	42,049	9,169
Responsible Entity's fees paid	(50,322)	(43,502)
Investment Manager's fees paid	(1,152,489)	(989,337)
Custody and Administrator fees paid	(40,032)	(150,533)
Payment of other operating expenses	(58,927)	(26,657)
Net cash inflow/(outflow) from operating activities	<u>20,559,790</u>	<u>5,064,147</u>
Cash flows from financing activities		
Proceeds from applications by unitholders	448,974	-
Payments for redemptions by unitholders	(14,456)	-
Distributions paid	(17,374,187)	(22,283,492)
Net cash inflow/(outflow) from financing activities	<u>(16,939,669)</u>	<u>(22,283,492)</u>
Net increase/(decrease) in cash and cash equivalents	3,620,121	(17,219,345)
Cash and cash equivalents at the beginning of the year	<u>946,998</u>	<u>18,166,343</u>
Cash and cash equivalents at the end of the year	<u>4,567,119</u>	<u>946,998</u>

* Supporting notes to the statement of cash flows will be available in the audited Financial Accounts which will be lodged separately with ASIC.

SPDR S&P/ASX 50 Fund
Notes to the preliminary abridged financial statements
For the year ended 30 June 2016

Material factors affecting the revenues and expenses of the economic entity for the current period

The revenues are largely driven by the underlying performance of the constituent stocks of the S&P/ASX 50 Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 28.6 basis points per annum of the net asset value on a daily basis. Certain transaction costs are expensed in addition to the aforementioned expense accruals.

Material factors affecting the assets, liabilities and equity of the economic entity for the current period

The assets of the Fund comprise the constituent stocks, cash proceeds for open sell trades not yet received, accrued dividends not yet received and other sundry receivables. Liabilities consist of open buy trades not yet paid, accrued expenses not yet paid, the unpaid distribution based on the taxable income of the Fund and sundry items.

Material factors affecting the cash flows of the economic entity for the current period

No material factors outside of the normal operational process of investment affect the cash flows.

Correction of errors, changes in accounting policies and revision of accounting estimates

N/A.

Reconciliation of income tax expense

Under current income tax legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

SPDR S&P/ASX 50 Fund
Supplementary Appendix 4E information
For the year ended 30 June 2016
(continued)

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

	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
(a) Reconciliation of profit/loss to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(32,985,182)	2,652,494
Distribution to unitholders	22,996,641	17,400,850
Proceeds from sale of financial instruments held at fair value through profit or loss	18,617,943	9,250,202
Purchase of financial instruments held at fair value through profit or loss	(17,476,156)	(22,031,385)
Net (gains)/losses on financial instruments held at fair value through profit or loss	30,253,797	(2,189,998)
Distribution income reinvested	(414,884)	-
Net change in receivables	(634,300)	(19,963)
Net change in payables	(168,249)	156,308
Amount received from/(paid to) brokers for margin accounts	370,180	(154,361)
Net cash inflow/(outflow) from operating activities	20,559,790	5,064,147
(b) Non cash financing activities		
During the year, the following applications were satisfied by in specie asset transfers	64,191,048	76,505,683
During the year, the following redemptions were satisfied by in specie asset transfers	25,394,262	27,296,093
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1,850,311	2,468,637

SPDR S&P/ASX 50 Fund
Supplementary Appendix 4E information
For the year ended 30 June 2016
(continued)

Segment note

The Fund is organised into one main segment which operates solely in the business of investment management within Australia.

The Fund operates solely in Australia and holds investments in Australia.

Discontinuing operations

N/A.

Events occurring after reporting date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2016 or on the results and cash flows of the Fund for the year ended on that date.

Additional distribution information

Details of distributions declared or paid during or subsequent to the year ended 30 June 2016 are as follows:

Record date	Payment date	Type	Amount per unit in cents	Total distribution \$	Imputation credit per unit in cents	Foreign sourced distribution amount per unit in cents
31 December 2015	11 January 2016	Interim	137.36	12,536,523	55.14	3.12
30 June 2016	11 July 2016	Final	118.19	10,460,118	23.28	1.25

Under current legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund. As a result the Fund does not have a franking account and therefore the distributions are not franked. Unitholders receive imputation credits (if any) attached to distributions.

Distribution reinvestment plans

Investors can elect to reinvest at the net asset value of the Fund under the terms of the current Distribution Reinvestment Plan. No discount applies to the issue of units under the Distribution Reinvestment Plan. An application to participate in the plan will be effective in respect of the first Distribution after receipt of the application form provided it is received on or before the books closing date for that Distribution.

Retained Earnings

N/A.

NTA Backing

	2016	2015
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SPDR S&P/ASX 50 Fund
Supplementary Appendix 4E information
For the year ended 30 June 2016
(continued)

	\$	\$
Net tangible asset backing per ordinary share	49.18	53.30

Controlled entities acquired or disposed of

N/A.

Associates and Joint Venture entities

N/A.

Other significant information

N/A

Foreign Accounting standards

N/A

Commentary on results

Operating loss per unit attributable to unitholders

Operating loss was (112.86) cents per unit.

The Fund allocates net operating loss to unitholders on a daily basis for the purpose of determining daily unit prices. Net operating loss per unit is represented by the movement in the Fund's daily unit redemption price for the year plus distributions per unit.

Because net operating loss has been allocated to unitholders on a daily basis, the actual daily number of units on issue has been used in the calculation of earnings per unit. This approach does not require the calculation of a weighted average number of units on issue for the year.

Returns to unitholders

In accordance with the Fund Constitution, the Fund distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestments. Distributable income is determined by reference to the taxable income of the Fund. The distributions are payable at the end of June and December each year.

Significant features of operating performance

N/A.

Results of segments

The Fund operates solely in the business of investment management within Australia and the Fund operates in Australia and holds investments in Australia.

Trends in performance

Investment performance has tracked to the performance of the S&P/ASX 50 Index.

Other factors that affected results in the period or which are likely to affect results in the future

No other factors affect the current year's results.

**SPDR S&P/ASX 50 Fund
Supplementary Appendix 4E information
For the year ended 30 June 2016
(continued)**


Foreign Accounting standards

N/A.

Audit

This report is based on accounts which are currently being audited. The audit report will be made available with the Fund's financial statements.

Approved by the directors of State Street Global Advisors, Australia Services Limited on 24 August 2016.


James MacNevin
Director

