

# **SPDR S&P/ASX 200 Fund**

(ARSN 097 712 377)

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 200 Fund**  
**Year ended 30 June 2016**  
**(Previous corresponding period – year ended 30 June 2015)**

**Results for Announcement to the Market**

	<b>2016 \$</b>	<b>\$ Change on last period</b>	<b>% Change</b>	<b>2015 \$</b>
<b>Total investment income/(loss)</b> (revenue from ordinary activities)	<b>15,585,634</b>	Down by 107,024,539	Down by 87.29%	122,610,173
<b>Operating profit/(loss) for the year</b>	<b>9,066,903</b>	Down by 105,488,895	Down by 92.09%	114,555,798
<b>Profit/(loss) for the year</b> (see explanation below)	-	N/A	N/A	-

<b>Distributions</b>	Amount per unit	Imputation credit per unit
31 December 2015 interim distribution	119.26 cents	46.78 cents
30 June 2016 final distribution	84.18 cents	23.16 cents

<b>Record date</b> 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 200 Index 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 200 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**

The carrying amounts of the Fund's assets and liabilities at the end of the reporting period approximate their fair value.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit and loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

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

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

**(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.

**SPDR S&P/ASX 200 Fund**  
**Year ended 30 June 2016**  
**(Previous corresponding period – year ended 30 June 2015)**  
**(continued)**

**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 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 and recognised in profit or loss as finance costs attributable to unitholders.

**SPDR S&P/ASX 200 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 *		
<b>Investment income</b>		
Dividend income	136,698,595	111,660,123
Interest income	528,856	545,260
Net gains/(losses) on financial instruments held at fair value through profit or loss	(122,239,778)	10,343,552
Other operating income	597,961	61,238
<b>Total net investment income / (loss)</b>	<u>15,585,634</u>	<u>122,610,173</u>
<b>Expenses</b>		
Responsible Entity's fees	301,313	284,639
Investment Manager's fees	5,790,604	6,783,268
Custody and Administrator fees	672,076	691,098
Transaction costs	(481,424)	48,028
Withholding taxes on dividends	236,162	247,342
<b>Total operating expenses</b>	<u>6,518,731</u>	<u>8,054,375</u>
<b>Operating profit</b>	<u>9,066,903</u>	<u>114,555,798</u>
<b>Finance costs attributable to unitholders</b>		
Distributions to unitholders	(127,584,409)	(100,696,251)
(Increase)/decrease in net assets attributable to unitholders	<u>118,517,506</u>	<u>(13,859,547)</u>
<b>Profit/(loss) for the year</b>	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<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 200 Fund**  
**Preliminary abridged statement of financial position**  
**As at 30 June 2016**

	As at 30 June 2016 \$	As at 30 June 2015 \$
Notes *		
<b>Assets</b>		
Cash and cash equivalents	29,842,492	10,405,909
Margin accounts	6,041,228	4,078,830
Receivables	26,760,026	22,196,225
Financial assets held at fair value through profit or loss	<u>2,918,146,385</u>	<u>2,930,096,662</u>
<b>Total assets</b>	<u>2,980,790,131</u>	<u>2,966,777,626</u>
<b>Liabilities</b>		
Due to brokers – payable for securities purchased	1,500,303	59,042
Payables	705,301	2,053,297
Distributions payable	<u>50,267,597</u>	<u>39,978,771</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<u>52,473,201</u>	<u>42,091,110</u>
<b>Net assets attributable to unitholders - liability</b>	<u>2,928,316,930</u>	<u>2,924,686,516</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 200 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 \$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial year</b>	-	-

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 200 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*		
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	140,850,637	67,826,620
Purchase of financial instruments held at fair value through profit or loss	(138,596,807)	(103,295,291)
Amounts received from/(paid to) brokers for margin accounts	(1,962,398)	(56,694)
Dividends received	127,556,514	110,808,194
Interest received	509,696	593,658
Other income received	634,067	12,235
Responsible Entity's fees paid	(323,137)	(261,932)
Investment Manager's fees paid	(6,449,487)	(6,206,758)
Custody and Administrator fees paid	(783,009)	(661,022)
Payment of other operating expenses	(74,932)	(213,882)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>121,361,144</u>	<u>68,545,128</u>
<b>Cash flows from financing activities</b>		
Distributions paid	(101,924,561)	(92,021,593)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(101,924,561)</u>	<u>(92,021,593)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	19,436,583	(23,476,465)
Cash and cash equivalents at the beginning of the year	<u>10,405,909</u>	<u>33,882,374</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>29,842,492</u>	<u>10,405,909</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 200 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 200 Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 19 basis points per annum of the net asset value on a daily basis. Since 1 December 2015, the total annual operating fees and expenses for the Fund (the Indirect Cost Ratio) was capped at 19 basis points p.a. (2015 and up to 30 November 2015: 28.6 basis points). 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 200 Fund**  
**Notes to the preliminary abridged financial statements**  
**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 \$
<b>(a) Reconciliation of profit/loss to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year/period	-	-
Increase/(decrease) in net assets attributable to unitholders	<b>(118,517,506)</b>	13,859,547
Distribution to unitholders	<b>127,584,409</b>	100,696,251
Proceeds from sale of financial instruments held at fair value through profit or loss	<b>140,850,637</b>	67,826,620
Purchase of financial instruments held at fair value through profit or loss	<b>(138,596,807)</b>	(103,295,291)
Net (gains)/losses on financial instruments held at fair value through profit or loss	<b>122,239,778</b>	(10,343,552)
Dividend income reinvested	<b>(4,325,172)</b>	(358,300)
Net change in receivables	<b>(4,563,801)</b>	(494,234)
Net change in payables	<b>(1,347,996)</b>	710,781
Amounts received from/(paid to) brokers for margin accounts	<b>(1,962,398)</b>	(56,694)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>121,361,144</u></b>	<b><u>68,545,128</u></b>
<b>(b) Non cash financing activities</b>		
During the year, the following applications were satisfied by in specie asset transfer	<b>643,633,242</b>	663,090,950
During the year, the following redemptions were satisfied by in specie asset transfer	<b>536,856,344</b>	78,874,244
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	<b><u>15,371,022</u></b>	<b><u>14,033,612</u></b>

**SPDR S&P/ASX 200 Fund**  
**Notes to the preliminary abridged financial statements**  
**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.

**SPDR S&P/ASX 200 Fund  
Supplementary Appendix 4E information  
For the year ended 30 June 2016**

**Additional distribution information**

Details of distributions declared or paid during or subsequent to the half-year ended 31 December 2015 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	119.26	77,316,812	46.78	3.06
30 June 2016	11 July 2016	Final	84.18	50,267,597	23.16	1.88

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 \$
Net tangible asset backing per ordinary share	49.04	50.95

**Controlled entities acquired or disposed of**

N/A.

**Associates and Joint Venture entities**

N/A

**SPDR S&P/ASX 200 Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2016**  
**(continued)**

**Other significant information**

N/A.

**Foreign Accounting standards**

N/A.

**SPDR S&P/ASX 200 Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2016**  
**(continued)**

**Commentary on results**

***Operating profit per unit attributable to unitholders***

Operating profit per unit was 15.18 cents per unit.

The Fund allocates net operating profit to unitholders on a daily basis for the purpose of determining daily unit prices. Net operating profit 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 profit 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. 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 200 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.

**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