

SPDR[®] STRAITS TIMES INDEX ETF

Stock Code: ES3

Website: www.spdrs.com.sg

Annual Report 2019

1st July 2018 to 30th June 2019

STATE STREET GLOBAL
ADVISORS
SPDR[®]

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SPDR® STRAITS TIMES INDEX ETF

Annual Report 2019

MANAGER'S INVESTMENT REPORT

For the financial year ended 30 June 2019

Manager's Notes

About SPDR® STRAITS TIMES INDEX ETF (the "Fund")

SPDR® STRAITS TIMES INDEX ETF (the "Fund"), Singapore's first locally created exchange traded fund, is designed to track the performance of the Straits Times Index ("STI"). Shares of SPDR® STRAITS TIMES INDEX ETF were listed and traded on Singapore Exchange Security Trading Limited ("SGX-ST") since 17 April 2002.

Details of the Fund

| | |
|--|--|
| NAV per share (30 June 2019): | S\$3.378 |
| Net Assets Attributable to Unitholders (30 June 2019): | S\$783.43 million |
| Fund Currency: | Singapore dollar |
| Listing Date on SGX-ST: | 17 April 2002 |
| Stock Code on SGX-ST: | ES3 |
| Board Lot: | 100 shares |
| Price: | Approximately 1/1000th of the STI |
| CPF Usage: | Included in CPF Investment Scheme – Ordinary Account |
| Annual Costs: | 0.3% |

Benefits of investing in the Fund

SPDR® STRAITS TIMES INDEX ETF offers investors the opportunity to gain diversified exposure to the leading companies in Singapore and participate in Singapore's long term growth potential in a single transaction, at relatively low cost.

Just like any share listed on SGX-ST, investors can buy and sell anytime during the trading day, on margin or sell short. Investors can also receive regular dividends. Unlike ordinary unit trusts, there are no sales charges upon purchase. Instead, investors pay brokerage commissions to buy or sell. SPDR® STRAITS TIMES INDEX ETF total annual fees, including management and trustee fees, are also low at 0.3%.

Performance of the Scheme

| | 3-month | 6-month | 1-year | 3-year | 5-year | 10-year | Annualised Since inception |
|-------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| From | 31-Mar-19 | 31-Dec-18 | 30-Jun-18 | 30-Jun-16 | 30-Jun-14 | 30-Jun-09 | 11-Apr-02 |
| To | 30-Jun-19 |
| Fund* | 5.04% | 10.23% | 5.44% | 8.84% | 3.71% | 6.59% | 7.21% |
| STI | 5.15% | 10.52% | 5.78% | 9.33% | 4.08% | 7.08% | 7.22% |

* Includes dividends and net of fees

Notes:

- (i) As stated in the financial statements, units are issued and redeemed through the creation and redemption of an Index Basket in accordance with the Fund's Trust Deed. The Fund does not, therefore, publish a bid price and the Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this return calculation.
- (ii) The benchmark returns are calculated on a total return basis.

MANAGER'S INVESTMENT REPORT *(continued)*

For the financial year ended 30 June 2019

Details of Top 10 Holdings of the Fund

As at 30 June 2019

| | Cost | Market Value/ Fair Value | Percentage of total net assets value | Percentage of free-float adjusted share capital owned | Dividends received | Dividend Cover Ratio |
|--------------------------------------|--------------------|-----------------------------|--|--|-----------------------|-------------------------|
| | (\$) | (\$) | % | % | (\$) | |
| DBS Group Holdings Limited | 89,171,788 | 120,293,889 | 15.35 | 0.25 | 6,518,803 | 1.81 |
| Overseas Chinese Banking Corporation | 83,767,443 | 97,598,626 | 12.46 | 0.25 | 3,396,678 | 2.46 |
| United Overseas Bank Limited | 70,563,726 | 86,427,640 | 11.03 | 0.25 | 3,053,651 | 1.95 |
| Singapore Telecommunications Limited | 68,623,017 | 67,042,917 | 8.56 | 0.25 | 3,034,419 | 1.08 |
| Jardine Matheson Holdings Limited | 45,983,859 | 46,802,666 | 5.97 | 0.25 | 1,183,704 | 3.29 |
| Hong Kong Land Holdings Limited | 27,581,643 | 25,992,884 | 3.32 | 0.25 | 852,086 | 4.79 |
| Keppel Corporation Limited | 25,444,418 | 24,550,438 | 3.13 | 0.25 | 862,493 | 1.74 |
| Jardine Strategic Holdings Limited | 26,971,817 | 24,100,926 | 3.08 | 0.25 | 204,128 | 9.54 |
| CapitaLand Limited | 20,216,751 | 22,708,914 | 2.90 | 0.25 | 758,799 | 3.53 |
| Thai Beverage PCL | 18,577,635 | 20,954,337 | 2.67 | 0.25 | 415,476 | 4.92 |
| | <u>476,902,097</u> | <u>536,473,237</u> | | | | |

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MANAGER'S INVESTMENT REPORT *(continued)*

For the financial year ended 30 June 2019

Details of Top 10 Holdings of the Fund (continued)

As at 30 June 2018

| | Cost (\$) | Market Value/ Fair Value (\$) | Percentage of total net assets value % | Percentage of free-float adjusted share capital owned % | Dividends received (\$) | Dividend Cover Ratio |
|--------------------------------------|--------------------|-------------------------------------|---|---|-------------------------------|-------------------------|
| DBS Group Holdings Limited | 69,971,789 | 104,638,955 | 16.29 | 0.21 | 3,609,303 | 1.20 |
| Overseas Chinese Banking Corporation | 66,478,842 | 83,000,417 | 12.92 | 0.21 | 2,539,020 | 2.64 |
| United Overseas Bank Limited | 57,142,406 | 74,723,447 | 11.63 | 0.21 | 2,197,008 | 1.98 |
| Singapore Telecommunications Limited | 59,805,031 | 49,966,677 | 7.78 | 0.21 | 2,708,404 | 1.63 |
| Jardine Matheson Holdings Limited | 37,669,769 | 38,965,389 | 6.07 | 0.21 | 940,735 | 3.26 |
| Hong Kong Land Holdings Limited | 23,544,385 | 24,824,616 | 3.86 | 0.21 | 665,446 | 12.50 |
| Keppel Corporation Limited | 22,249,915 | 22,313,220 | 3.47 | 0.21 | 683,300 | 0.54 |
| Jardine Strategic Holdings Limited | 23,646,216 | 19,670,161 | 3.06 | 0.21 | 116,264 | 22.39 |
| CapitaLand Limited | 17,160,264 | 17,322,829 | 2.70 | 0.21 | 664,941 | 3.04 |
| Thai Beverage PCL | 15,799,437 | 15,393,390 | 2.40 | 0.21 | 474,672 | 2.05 |
| | <u>393,468,054</u> | <u>450,819,101</u> | | | | |

The industry in which the above companies conduct their business is shown in the Statement of Portfolio on pages 16 to 20.

MANAGER'S INVESTMENT REPORT *(continued)*

For the financial year ended 30 June 2019

Amount of Subscription and Redemption

For the financial year ended 30 June 2019

| | Units | S\$ |
|--------------|-------------|--------------|
| Subscription | 43,600,000 | 139,944,825 |
| Redemption | (5,200,000) | (16,296,596) |

Other Information

During the year ended 30 June 2019, the Fund had no exposure to other unit trusts, mutual funds and collective investment schemes (except for certain listed funds that are included in the Straits Times Index) and did not hold any collateral. During the year ended 30 June 2019, the Fund had no borrowings, securities lending and repurchase transactions. There are no other material information that will adversely impact the valuation of the Fund.

Soft Dollar Practices

The Manager may receive soft dollar commissions/arrangements in respect of the Fund and is subject to the applicable regulatory and industry standards on soft dollars. The soft dollar commissions/arrangements which the Manager may for the time being receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Brokers for the Fund are selected on the basis of the best available terms for execution. As the Manager is a part of the State Street Group which approaches soft dollar on a group wide basis, the benefits received by the Manager through soft dollars may or may not be directly related to the transactions performed for the Fund.

The goods and services received were for the benefit of the Fund. The trades were executed on best available terms, and there was no churning of trades.

Exposure to Financial Derivatives

The Fund had no exposure to derivative for the financial year ended 30 June 2019 and 2018.

MANAGER'S INVESTMENT REPORT *(continued)*

For the financial year ended 30 June 2019

Global Exposure to Financial Derivatives

The global exposure to financial derivatives is computed using the commitment approach which is calculated as the sum of:

- (a) The absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (b) The absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (c) The sum of the values of cash collateral received pursuant to:
 - (i) The reduction of exposure to counterparties of OTC financial derivatives; and
 - (ii) EPM techniques relating to securities lending and repurchase transactions,and that are reinvested.

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's Trust Deed. The basis of the Manager's remuneration is set down in the Fund's prospectus dated 16 May 2019. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2019

The Trustee is under a duty to take into custody and hold the assets of SPDR® STRAITS TIMES INDEX ETF (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap.289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best of the knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 13 to 36, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS TRUSTEE LIMITED

JANE LIM
Director
27 September 2019

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT BY THE MANAGER

For the financial year ended 30 June 2019

In the opinion of the directors of State Street Global Advisors Singapore Limited, the accompanying financial statements set out on pages 13 to 36, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of SPDR® STRAITS TIMES INDEX ETF (the "Fund") as at 30 June 2019 and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
STATE STREET GLOBAL ADVISORS
SINGAPORE LIMITED

ONG HWEE YEOW

Director

27 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SPDR® STRAITS TIMES INDEX ETF

(Constituted under a Trust Deed in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of SPDR® STRAITS TIMES INDEX ETF (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2019, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2019;
- the Statement of Financial Position as at 30 June 2019;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2019;
- the Statement of Portfolio as at 30 June 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SPDR® STRAITS TIMES INDEX ETF** *(continued)*

(Constituted under a Trust Deed in the Republic of Singapore)

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SPDR® STRAITS TIMES INDEX ETF** *(continued)*

(Constituted under a Trust Deed in the Republic of Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SSAs 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 these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SPDR® STRAITS TIMES INDEX ETF** *(continued)*

(Constituted under a Trust Deed in the Republic of Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 27 September 2019

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2019

| | Note | 2019 S\$ | 2018 S\$ |
|--|------|--------------------|--------------------|
| Income | | | |
| Dividends | | 28,397,210 | 22,141,732 |
| Interest | | 6,374 | 656 |
| Other income | | 7,026 | – |
| Total income | | 28,410,610 | 22,142,388 |
| Less: Expenses | | | |
| Management fee | 10 | (2,113,393) | (1,922,819) |
| Transaction costs | | (30,876) | (77,220) |
| Total expenses | | (2,144,269) | (2,000,039) |
| Net income | | 26,266,341 | 20,142,349 |
| Net gains or losses on value of investments | | | |
| Net gains on investments | | 16,099,117 | 8,133,380 |
| Net (losses)/gains on foreign exchange | | (8,505) | 19,832 |
| | | 16,090,612 | 8,153,212 |
| Total return for the year before income tax | | 42,356,953 | 28,295,561 |
| Less: Income tax | 3 | (320,270) | (367,278) |
| Total return for the year after income tax | | 42,036,683 | 27,928,283 |

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

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

| | Note | 2019 S\$ | 2018 S\$ |
|--|------|--------------------|-------------|
| Assets | | | |
| Portfolio of investments | | 767,987,823 | 630,324,419 |
| Receivables | 6 | – | 142,001 |
| Cash and bank balances | 5 | 16,017,530 | 12,454,410 |
| Total assets | | 784,005,353 | 642,920,830 |
| Liabilities | | | |
| Payables | 7 | 571,987 | 514,544 |
| Total liabilities | | 571,987 | 514,544 |
| Equity | | | |
| Net assets attributable to unitholders | 8 | 783,433,366 | 642,406,286 |

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2019

| | Note | 2019 S\$ | 2018 S\$ |
|--|------|---------------------|--------------|
| Net assets attributable to unitholders at the beginning of the financial year | | 642,406,286 | 589,239,940 |
| Operations | | | |
| Change in net assets attributable to unitholders resulting from operations | | 42,036,683 | 27,928,283 |
| Unitholders' contributions/(withdrawals) | | | |
| Creation of units | | 139,944,825 | 95,230,045 |
| Cancellation of units | | (16,296,596) | (51,503,982) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | | 123,648,229 | 43,726,063 |
| Distributions | 4 | (24,657,832) | (18,488,000) |
| Total increase in net assets attributable to unitholders | | 141,027,080 | 53,166,346 |
| Net assets attributable to unitholders at the end of the financial year | 8 | 783,433,366 | 642,406,286 |

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

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT OF PORTFOLIO

As at 30 June 2019

| | Holdings at 30 June 2019 | Fair value at 30 June 2019 S\$ | Percentage of total net assets attributable to unitholders at 30 June 2019 % |
|--|-----------------------------|--------------------------------------|---|
| Primary – by Industry | | | |
| Quoted Equities | | | |
| Aerospace & Defence | | | |
| Singapore Technologies Engineering Ltd | 3,928,346 | 16,263,353 | 2.08 |
| | | <u>16,263,353</u> | <u>2.08</u> |
| Bank & Financial Services | | | |
| DBS Group Holdings Limited | 4,633,817 | 120,293,889 | 15.35 |
| Overseas Chinese Banking Corporation | 8,561,283 | 97,598,626 | 12.46 |
| Singapore Exchange Ltd | 2,114,329 | 16,745,486 | 2.14 |
| United Overseas Bank Limited | 3,307,602 | 86,427,640 | 11.03 |
| | | <u>321,065,641</u> | <u>40.98</u> |
| Beverages | | | |
| Thai Beverage PCL | 25,246,189 | 20,954,337 | 2.67 |
| | | <u>20,954,337</u> | <u>2.67</u> |
| Electronic & Electrical Equipment | | | |
| Venture Corp Limited | 667,907 | 10,880,205 | 1.39 |
| | | <u>10,880,205</u> | <u>1.39</u> |
| Food & Drug Retailers | | | |
| Dairy Farm International Holdings Limited | 774,020 | 7,484,510 | 0.96 |
| | | <u>7,484,510</u> | <u>0.96</u> |
| Food Producers | | | |
| Golden Agri-Resources Limited | 16,412,848 | 4,759,726 | 0.61 |
| Wilmar International Limited | 5,006,402 | 18,523,687 | 2.36 |
| | | <u>23,283,413</u> | <u>2.97</u> |

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

STATEMENT OF PORTFOLIO *(continued)*

As at 30 June 2019

Primary – by Industry *(continued)*

| | Holdings at 30 June 2019 | Fair value at 30 June 2019 S\$ | Percentage of total net assets attributable to unitholders at 30 June 2019 % |
|---|-----------------------------|--------------------------------------|---|
| Quoted Equities <i>(continued)</i> | | | |
| Gas, Water & Multi-utilities | | | |
| Sembcorp Industries Ltd | 2,340,444 | 5,640,470 | 0.72 |
| | | <u>5,640,470</u> | <u>0.72</u> |
| General Industrials | | | |
| Jardine Matheson Holdings Limited | 549,145 | 46,802,666 | 5.97 |
| Jardine Strategic Holdings Limited | 467,371 | 24,100,926 | 3.08 |
| | | <u>70,903,592</u> | <u>9.05</u> |
| General Retailers | | | |
| Jardine Cycle & Carriage Limited | 254,690 | 9,227,419 | 1.18 |
| | | <u>9,227,419</u> | <u>1.18</u> |
| Industrial Engineering | | | |
| Yangzijiang Shipbuilding Holdings Limited | 5,444,279 | 8,329,747 | 1.06 |
| | | <u>8,329,747</u> | <u>1.06</u> |
| Industrial Transportation | | | |
| Hutchison Port Holdings Limited | 13,014,407 | 4,048,157 | 0.52 |
| SATS Limited | 1,628,340 | 8,499,935 | 1.08 |
| | | <u>12,548,092</u> | <u>1.60</u> |
| Media | | | |
| Singapore Press Holdings Ltd | 4,104,485 | 10,014,943 | 1.28 |
| | | <u>10,014,943</u> | <u>1.28</u> |

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

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT OF PORTFOLIO *(continued)*

As at 30 June 2019

Primary – by Industry *(continued)*

| | Holdings at 30 June 2019 | Fair value at 30 June 2019 S\$ | Percentage of total net assets attributable to unitholders at 30 June 2019 % |
|--|-----------------------------|--------------------------------------|---|
| Quoted Equities <i>(continued)</i> | | | |
| Mobile Telecommunications | | | |
| Singapore Telecommunications Limited | 19,155,119 | 67,042,917 | 8.56 |
| | | 67,042,917 | 8.56 |
| Oil Equipment Services & Distribution | | | |
| Keppel Corporation Limited | 3,686,252 | 24,550,438 | 3.13 |
| | | 24,550,438 | 3.13 |
| Real Estate Investments | | | |
| Ascendas Real Estate Investment Trust* | 6,510,643 | 20,313,206 | 2.59 |
| CapitaLand Commercial Trust* | 6,288,429 | 13,645,891 | 1.74 |
| CapitaLand Limited | 6,433,120 | 22,708,914 | 2.90 |
| CapitaLand Mall Trust* | 6,173,617 | 16,236,613 | 2.07 |
| City Developments Ltd | 1,205,671 | 11,417,704 | 1.46 |
| Hong Kong Land Holdings Limited | 2,984,444 | 25,992,884 | 3.32 |
| UOL Group Limited | 1,267,009 | 9,565,918 | 1.22 |
| | | 119,881,130 | 15.30 |
| Travel & Leisure | | | |
| ComfortDelGro Corporation Limited | 5,282,367 | 14,051,096 | 1.80 |
| Genting Singapore Limited | 14,905,690 | 13,713,235 | 1.75 |
| Singapore Airlines Limited | 1,311,034 | 12,153,285 | 1.55 |
| | | 39,917,616 | 5.10 |
| Portfolio of investments | | 767,987,823 | 98.03 |
| Cash and other net assets | | 15,445,543 | 1.97 |
| Net assets attributable to unitholders | | 783,433,366 | 100.00 |

* This is a collective investment scheme

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

STATEMENT OF PORTFOLIO *(continued)*

As at 30 June 2019

Primary – by Industry (Summary)

| | Percentage of total net assets attributable to unitholders at 30 June 2019 | Percentage of total net assets attributable to unitholders at 30 June 2018 |
|---|---|---|
| | % | % |
| Quoted Equities | | |
| Aerospace & Defence | 2.08 | 1.70 |
| Bank & Financial Services | 40.98 | 42.84 |
| Beverages | 2.67 | 2.40 |
| Electronic & Electrical Equipment | 1.39 | 1.57 |
| Food & Drug Retailers | 0.96 | – |
| Food Producers | 2.97 | 2.68 |
| Gas, Water & Multi-utilities | 0.72 | – |
| General Industrials | 9.05 | 9.13 |
| General Retailers | 1.18 | 1.07 |
| Industrial Engineering | 1.06 | 0.65 |
| Industrial Transportation | 1.60 | 1.73 |
| Media | 1.28 | 1.41 |
| Mobile Telecommunications | 8.56 | 8.10 |
| Oil Equipment Services & Distribution | 3.13 | 4.32 |
| Real Estate Investments | 15.30 | 14.65 |
| Travel & Leisure | 5.10 | 5.87 |
| | <hr/> | <hr/> |
| Portfolio of investments | 98.03 | 98.12 |
| Cash and other net assets | 1.97 | 1.88 |
| | <hr/> | <hr/> |
| Net assets attributable to unitholders | 100.00 | 100.00 |

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

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT OF PORTFOLIO *(continued)*

As at 30 June 2019

Secondary – By Geography

| | Fair value at 30 June 2019 S\$ | Percentage of total net assets attributable to unitholders at 30 June 2019 % | Percentage of total net assets attributable to unitholders at 30 June 2018 % |
|---|--------------------------------------|---|---|
| Quoted Equities | | | |
| By Country of Incorporation | | | |
| Bermuda | 104,380,986 | 13.33 | 12.99 |
| Mauritius | 4,759,726 | 0.61 | 0.66 |
| Singapore | 637,892,774 | 81.42 | 82.07 |
| Thailand | 20,954,337 | 2.67 | 2.40 |
| | <hr/> | <hr/> | <hr/> |
| Portfolio of investments | 767,987,823 | 98.03 | 98.12 |
| Cash and other net assets | 15,445,543 | 1.97 | 1.88 |
| | <hr/> | <hr/> | <hr/> |
| Net assets attributable to unitholders | 783,433,366 | 100.00 | 100.00 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL

SPDR® STRAITS TIMES INDEX ETF (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental Deeds") is amended and restated by a Ninth Amending and Restating Deed dated 23 September 2016. The Deed is between State Street Global Advisors Singapore Limited (the "Manager") and DBS Trustee Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore. The Fund is also listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is included under the Central Provident Fund ("CPF") Investment Scheme.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. The Straits Times Index ("STI") comprises 30 eligible companies on the SGX Main Board ("Index Shares") that pass the relevant investability screens. The index sponsor of the STI is FTSE International Limited ("FTSE").

Based on FTSE's international methodology, these companies have been included based on the following criteria:

- (i) Free Float. The free float of a listed company must be greater than 15%. The definition of "free float" includes portfolio investments, nominee holdings, and holdings by investment companies and ETFs.
- (ii) Liquidity. Securities must turnover at least 0.10% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in ten of the twelve months prior to the March or September review. For existing constituents, securities must trade at least 0.08% of its shares in issue in at least eight of the twelve months.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
For the financial year ended 30 June 2019

2 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 the year presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recorded gross in the financial statements in the accounting period in which the security is quoted ex-dividend. Bank interest and other income are recognised on a time proportion basis using the effective interest method.

(c) Distribution policy

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. This amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and term deposits, which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the first-in-first-out (FIFO) cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(f) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for equities securities held by the Fund is the last traded price for both financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask price spread that is most representative of fair value.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
For the financial year ended 30 June 2019

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Foreign currency translation

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Singapore Dollar (“S\$”), which is the Fund’s functional and presentation currency.

Foreign currency monetary assets and liabilities are translated into Singapore Dollar at the rates of exchange prevailing at the date of the Statement of Financial Position date. The net unrealised gain and loss is taken to the Statement of Total Return. Transactions in foreign currencies during the year are translated into Singapore Dollar at the rates of exchange prevailing at transaction dates. All realised gains or losses are recognised in the Statement of Total Return.

(i) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(j) Expenses

As agreed between the Manager and the Trustee, the management fee for the Fund are set at 0.3% per annum of its net asset value. Trustee and other fees, excluding transaction costs are borne by the Manager.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

3 INCOME TAX

The Fund has been granted the status of Designated Unit Trust (DUT) and is included in the Central Provident Fund Investment Scheme. The Manager and Trustee of the Fund will ensure that the Fund fulfils its reporting obligations under the DUT Scheme. Therefore, the following income is exempted from tax in accordance with Section 35(12) and (12A) of the Income Tax Act (Cap 134) of Singapore, subject to certain conditions.

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions; and
- (v) distribution from foreign unit trusts derived from outside Singapore and received in Singapore.

Income tax for the financial year ended 30 June 2019 and 2018 comprises:

| | 2019 | 2018 |
|----------------------|----------------|---------|
| | S\$ | S\$ |
| Singapore income tax | 278,722 | 314,537 |
| Overseas income tax | 41,548 | 52,741 |
| Total income tax | 320,270 | 367,278 |

The Singapore income tax represents tax deducted at source for Singapore-sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore, and received in Singapore.

SPDR® STRAITS TIMES INDEX ETF
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

4 DISTRIBUTIONS

| | 2019 | 2018 |
|---|--------------------------|-------------------|
| | S\$ | S\$ |
| Interim distribution | | |
| – S\$0.056 on 225,500,000 units paid on 21 February 2019 | 12,627,832 | – |
| – S\$0.053 on 184,000,000 units paid on 20 February 2018 | – | 9,752,000 |
| Final distribution | | |
| – S\$0.060 on 200,500,000 units paid on 21 August 2018 | 12,030,000 | – |
| – S\$0.048 on 182,000,000 units paid on 16 August 2017 | – | 8,736,000 |
| Total distributions | <u>24,657,832</u> | <u>18,488,000</u> |

5 CASH AND BANK BALANCES

The cash and bank balances are placed with State Street Bank and Trust Company, a related party of the Manager.

6 RECEIVABLES

| | 2019 | 2018 |
|----------------------|-------------|----------------|
| | S\$ | S\$ |
| Dividends receivable | – | 142,001 |
| | <u>–</u> | <u>142,001</u> |

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

7 PAYABLES

| | 2019 | 2018 |
|---------------------------|----------------|---------|
| | S\$ | S\$ |
| Accruals for expenses | 8,336 | 12,640 |
| Amount due to the Manager | 563,651 | 501,904 |
| | 571,987 | 514,544 |

Management fee is payable by the Fund to the Manager based on terms set out in the Trust Deed.

8 UNITS IN ISSUE

During the year ended 30 June 2019 and 30 June 2018, the number of units issued, redeemed and outstanding were as follows:

| | 2019 | 2018 |
|--|--------------------|--------------|
| Units at the beginning of the financial year | 193,500,000 | 180,000,000 |
| Units created | 43,600,000 | 28,000,000 |
| Units cancelled | (5,200,000) | (14,500,000) |
| Units at the end of the financial year | 231,900,000 | 193,500,000 |
| Net assets attributable to unitholders – S\$ | 783,433,366 | 642,406,286 |
| Net assets value per unit – S\$ | 3.378 | 3.320 |

SPDR® STRAITS TIMES INDEX ETF
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

8 UNITS IN ISSUE *(continued)*

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purpose of processing unit subscription and redemption is provided below:

| | 2019 | 2018 |
|---|--------------|----------|
| | S\$ | S\$ |
| Net assets attributable to unitholders per financial statements per unit | 3.378 | 3.320 |
| Effect of movement in the net asset value between the last dealing date and the end of the reporting period* | <u>—</u> | <u>—</u> |
| Net assets attributable to unitholders for issuing/redeeming per unit | 3.378 | 3.320 |

* The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between the last dealing date and the end of the reporting period due to accrual of operating expenses. In 2019 and 2018, the effect is less than 0.001.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk.

The Manager continually monitors the Fund's exposure to risk and appropriate procedures are in place to manage the risks.

(a) Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments and/or their derivatives because of changes in market conditions like interest and currency rate movements and volatility in commodity or security prices. The Manager manages the Fund's exposure to market risk through the use of risk management strategies that evaluate the effect of cash instruments and/or derivative contracts.

(i) Price risk

Although the Fund is listed on the Singapore Exchange, the trading price of the units may differ to some degree from the units' net asset value. The value of the units will generally fluctuate with changes in the market value of the Index Shares. The market price of the units will generally fluctuate in accordance with changes in the value of the units, as well as supply of and demand for units of the Fund on the Singapore Exchange. It is impossible to predict whether units will trade at, above or below their value at any given time. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary market for units will be closely related to, but not identical to, the same forces influencing the market prices of the Index Shares. However, given that the units can be created and redeemed in creation and redemption unit sizes by participating dealers, as applicable, it is not anticipated that large discounts or premiums will be sustained.

The Manager is of the view that the market risk of the Fund is best reflected by movements in its benchmark of Straits Times Index.

At 30 June 2019, the Fund's market risk is affected by changes in actual market prices of the securities held by the Fund. If the Straits Times Index at 30 June 2019 had increased or decreased by 9.0% (2018: 7.0%) with all other variables held constant in the next 12 months, this would have increased or decreased net assets attributable to unitholders by approximately 9.0% (2018: 7.0%).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rate.

The majority of the Fund's financial assets and liabilities are non-interest bearing. Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate changes may affect the equity risk premium at varying degrees. However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of the securities is indirect.

Hence, no sensitivity analysis has been presented separately.

(iii) Currency risk

Due to the nature of the Fund's business activities and the nature of its financial assets and financial liabilities, there is minimal foreign exchange risk to the Fund.

The table below summarises the Fund's exposure to currency risk.

| | USD S\$ | HKD S\$ | SGD S\$ | Total S\$ |
|------------------------------|--------------------|----------------|--------------------|--------------------|
| As at 30 June 2019 | | | | |
| Assets | | | | |
| Portfolio of investments | 108,429,143 | – | 659,558,680 | 767,987,823 |
| Cash and bank balances | 2,112,800 | 369,977 | 13,534,753 | 16,017,530 |
| Total assets | 110,541,943 | 369,977 | 673,093,433 | 784,005,353 |
| Liabilities | | | | |
| Payables | – | – | 571,987 | 571,987 |
| Total liabilities | – | – | 571,987 | 571,987 |
| Net currency exposure | 110,541,943 | 369,977 | 672,521,446 | |

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk* (continued)

(iii) *Currency risk* (continued)

| | USD S\$ | HKD S\$ | SGD S\$ | Total S\$ |
|------------------------------|-------------------|---------------|--------------------|--------------------|
| As at 30 June 2018 | | | | |
| Assets | | | | |
| Portfolio of investments | 87,658,133 | – | 542,666,286 | 630,324,419 |
| Receivables | – | – | 142,001 | 142,001 |
| Cash and bank balances | 247,184 | 15,943 | 12,191,283 | 12,454,410 |
| Total assets | <u>87,905,317</u> | <u>15,943</u> | <u>554,999,570</u> | <u>642,920,830</u> |
| Liabilities | | | | |
| Payables | – | – | 514,544 | 514,544 |
| Total liabilities | <u>–</u> | <u>–</u> | <u>514,544</u> | <u>514,544</u> |
| Net currency exposure | <u>87,905,317</u> | <u>15,943</u> | <u>554,485,026</u> | |

Portfolio of investments, which is a significant item in the Statement of Financial Position, is exposed to currency risk and other price risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets as part of the price risk sensitivity analysis.

Monetary liabilities/assets are due to be settled within 3 days after the year end. Changes in foreign exchange rates on monetary liabilities/assets will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units, which are redeemable at the holders' option. It may seek to invest its assets in financial instruments that are traded in an active market which is easily realisable and/or financial instruments where the issuer stands ready to unwind.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The Fund is allowed to borrow in the short term for the purpose of meeting redemptions and short term bridging requirements.

To ensure continuity of funding, dedicated personnel are responsible for ensuring that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. At the year end, all liabilities are either payable on demand or due in less than 3 months. Thus, the impact of discounting is not significant.

| | Less than 3 months S\$ | 3 months to 1 year S\$ | Over 1 year S\$ |
|----------------------------------|---------------------------------------|---------------------------------------|----------------------------|
| As at 30 June 2019 | | | |
| Liabilities | | | |
| Payables | 571,987 | - | - |
| Contractual cash outflows | 571,987 | - | - |
| | | | |
| | Less than 3 months S\$ | 3 months to 1 year S\$ | Over 1 year S\$ |
| As at 30 June 2018 | | | |
| Liabilities | | | |
| Payables | 514,544 | - | - |
| Contractual cash outflows | 514,544 | - | - |

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT *(continued)*

(c) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either whole or part, under a contract.

The Fund takes on exposure to credit risk, which is the risk that counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, participating dealers, custodians and banks.

Impairment provisions are provided for losses that have been incurred by the Statement of Financial Position date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk.

Credit risk also arises from cash and cash equivalents held with financial institutions. The table below summarises the credit ratings of banks and sub-custodian in which the Fund's assets are held as at 30 June 2019 and 30 June 2018.

| | Credit rating | Source of credit rating |
|-------------------------------------|---------------|-------------------------|
| As at 30 June 2019 | | |
| Bank and custodian | | |
| State Street Bank and Trust Company | aa- | Fitch |
| Sub-custodian | | |
| Citibank N.A. | a | Fitch |
| As at 30 June 2018 | | |
| Bank and custodian | | |
| State Street Bank and Trust Company | aa- | Fitch |
| Sub-custodian | | |
| Citibank N.A. | a+ | Fitch |

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value estimation

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the reporting date. The fund utilises the last traded market price for financial assets.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2019 and 2018:

| | Level 1 S\$ | Level 2 S\$ | Level 3 S\$ | Total S\$ |
|--|--------------------|----------------|----------------|--------------------|
| As at 30 June 2019 | | | | |
| Assets | | | | |
| Financial assets designated at fair value through profit or loss at inception: | | | | |
| – Quoted equities | <u>767,987,823</u> | – | – | <u>767,987,823</u> |
| Total | <u>767,987,823</u> | – | – | <u>767,987,823</u> |
| As at 30 June 2018 | | | | |
| Assets | | | | |
| Financial assets designated at fair value through profit or loss at inception: | | | | |
| – Quoted equities | <u>630,324,419</u> | – | – | <u>630,324,419</u> |
| Total | <u>630,324,419</u> | – | – | <u>630,324,419</u> |

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

9 FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value estimation (continued)

Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Except for cash and bank balances which as classified as Level 1, the Fund's assets and liabilities not measured at fair value on 30 June 2019 and 2018 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

10 RELATED PARTY DISCLOSURES

- (a) The Manager and the Trustee of the Fund are State Street Global Advisors Singapore Limited and DBS Trustee Limited, respectively. State Street Global Advisors Singapore Limited is an indirect wholly-owned subsidiary of State Street Corporation. DBS Trustee Limited is a wholly-owned subsidiary of DBS Group Holding Ltd. ("DBS").

State Street Bank and Trust Company ("SSB") is the custodian of the Fund and is a subsidiary of State Street Corporation.

- (b) The cash balance of the Fund is held in current accounts as follows:

| | 2019 | 2018 |
|--|--------------------------|-------------------|
| | S\$ | S\$ |
| State Street Bank and Trust Company, Singapore Branch | | |
| Cash and bank balances | <u>16,017,530</u> | <u>12,454,410</u> |

SPDR® STRAITS TIMES INDEX ETF
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the financial year ended 30 June 2019

11 FINANCIAL RATIOS

| | 2019 | 2018 |
|--|--------------------|-------------|
| | S\$ | S\$ |
| Total operating expenses | 2,113,393 | 1,922,819 |
| Average daily net asset value | 704,850,581 | 641,085,225 |
| Total expense ratio ¹ | 0.30% | 0.30% |
| Lower of total value of purchases or sales | 19,905,947 | 35,201,579 |
| Average daily net assets value | 704,850,581 | 641,085,225 |
| Total turnover ratio ² | 2.82% | 5.49% |

¹ *The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Fund's expense ratio at financial year end was based on total operating expenses divided by the average net asset value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.*

² *The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 500,000 units), the Fund receives an Index Basket consisting of Index Shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value.*

12 EVENT OCCURRING AFTER BALANCE SHEET DATE

On 29 July 2019, the Fund announced a final distribution of S\$0.064 per unit totalling S\$14,854,402. The final dividend was paid on 21 August 2019.

