

Supplementary Product Disclosure Statement

2 January 2018

SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801)

SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623)

This supplementary product disclosure statement (“**SPDS**”) updates the information in the Product Disclosure Statement for each of the SPDR S&P/ASX Australian Government Bond Fund and the SPDR S&P/ASX Australian Bond Fund (the “**Funds**”) dated 6 July 2012, issued by State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL# 274900) (“**Responsible Entity**”) as supplemented by the supplementary product disclosure statements dated 9 December 2013, 7 March 2016, 11 September 2017 and 29 September 2017 (as so supplemented, the “**PDS**”).

The purpose of this SPDS is to advise that the Responsible Entity has:

- amended the constitution for each of the Funds to facilitate the application of the Attribution Managed Investment Trust (“**AMIT**”) regime to the Funds; and
- determined that it will elect to apply the AMIT regime to the Funds for the financial year ending on 30 June 2018.

The AMIT regime is a new set of rules for the taxation of managed investment trusts and their members. One of the aims of the AMIT regime is to provide greater certainty regarding distributions, by attributing income and capital components on a “fair and reasonable” basis, in contrast to the current proportionate “present entitlement” regime.

Features of the AMIT regime include:

- removal of the potential for double taxation that may arise for Unitholders where there are mismatches between the amount distributed and the taxable income of the AMIT;
- if a variance is discovered between the amounts actually attributed to Unitholders for an income year and the amounts that should have been attributed, the variance can be adjusted in the income year in which it is discovered rather than amending previous years’ tax returns;
- it will be possible to make certain appropriate adjustments to Unitholders’ cost bases.

The statements in section 7 (Taxation) and 8 (Distributions and Distribution Reinvestment Plan) of the PDS and section 2 (Taxation) of the SPDR Fixed Income ETFs Reference Guide dated 11 September 2017 are to be read subject to this change of taxation treatment. Those documents will be updated to describe the application of the AMIT regime in more detail as soon as practicable.

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Supplementary Product Disclosure Statement

29 September 2017

SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801)

SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623)

This supplementary product disclosure statement (“**SPDS**”) updates the information in the Product Disclosure Statement for each of the SPDR S&P/ASX Australian Government Bond Fund and the SPDR S&P/ASX Australian Bond Fund (the “**Funds**”) dated 6 July 2012, issued by State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL# 274900) (“**Responsible Entity**”) as supplemented by the supplementary product disclosure statements dated 9 December 2013 and 7 March 2016 and 11 September 2017 (as so supplemented, the “**PDS**”).

The purpose of this SPDS is to provide additional information on indirect costs (where applicable) and transactional and operational costs associated with the operation of the Funds.

The fee and cost template on pages 18 and 19 of the PDS is deleted and replaced with the following:

Fees and costs

This section lists the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Fund assets as a whole. Read it carefully to understand how they could impact your investment, then read Tax and your investment on page 27 to understand the potential tax implications.

Type of fee or cost	Amount	How and when paid
Fees when money moves in or out of a Fund		
Establishment fee The fee to open your investment	None	Not applicable
Contribution fee The fee on each amount contributed to your investment	None See Additional explanation of fees and costs below for information about Transaction costs .	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	None See Additional explanation of fees and costs below for information about Transaction costs .	Not applicable
Termination fee The fee to close your investment	None	Not applicable
Management costs <i>The fees and costs for managing your investment</i>		
Responsible Entity fee ¹	<ul style="list-style-type: none"> SPDR S&P/ASX Australian Bond Fund – 0.01%p.a. of net asset value SPDR S&P/ASX Australian Government Bond Fund – 0.01%p.a. of net asset value 	These fees are calculated daily and paid out of the relevant Fund monthly in arrears to the Responsible Entity.
Investment management fee ¹	<ul style="list-style-type: none"> SPDR S&P/ASX Australian Bond Fund - Investment management fee capped at 0.23% per annum of net asset value. SPDR S&P/ASX Australian Government Bond Fund - 	The investment management fees are calculated and accrued daily and paid out of the relevant Fund to SSGA monthly in arrears.

Type of fee or cost	Amount	How and when paid
	Investment management fee capped at 0.21% per annum of net asset value. SSGA will pay the normal operating fees and expenses ² of each Fund out of the Investment Management Fee for that Fund.	
Reimbursable expenses	The Responsible Entity may recover from each Fund extraordinary expenses that were not contemplated by the Responsible Entity at the date of this PDS. All normal operating expenses relating to a Fund, including the fees of the custodian, registrar, administrator and advisers, are payable by SSGA.	Payable from the assets of the relevant Fund as incurred by the Responsible Entity or SSGA (as applicable).
Indirect costs	There are no indirect costs.	Not applicable
Services fee		
Investment switching fee The fee for changing investment options	Not applicable	Not applicable

Notes:

¹ Please refer to the explanation of "Management Costs" in the "Additional Explanation of Fees and Costs" section below. These fees may in some cases be negotiated with wholesale clients. For more information please refer to the explanation of "Differential Fees" in the "Additional Explanation of Fees and Costs" section below.

² "Operating fees and expenses" for each Fund are defined in the Investment Manager Alliance Deed for each Fund as including all fees and other costs which are taken into account in calculating the indirect cost ratio for the Fund, excluding the Investment Manager's fee and including the administration, custodial, registrar and licence fees.

In addition, a new section is included after the table headed Transaction Fee on page 20 of the PDS as set out below:

Transactional and operational costs

Transactional and operational costs (as defined in the Corporations Regulations) are all costs of transacting investments for the Funds, such as brokerage, bid-offer spread, settlement costs including custody costs, clearing costs and stamp duty on investment transactions. Transactional and operational costs incurred in effecting applications into and redemptions from a Fund are recovered from the applying or redeeming Stockbroker (see above) however, other transactional and operational costs may be incurred at other times to adjust a Fund's portfolio and these costs will be deducted from the assets of the Fund and reflected in the Unit price. The amount of such costs will depend on the frequency and volume of day-to-day trading. For the year ended 30 June 2017, total costs of the Funds are shown in the table below. The estimated transactional and operational costs may differ over time depending on the conditions of financial markets and the circumstances of the relevant Fund.

Fund	Management Costs (% per annum of net asset value)	Net transactional and operational costs* (% p.a. of net asset value)	Transaction costs recovery** (% of application or redemption) for the year to 30 June 2017
SPDR S&P/ASX Australian Bond Fund	0.24	0.03	0.03
SPDR S&P/ASX Australian Government Bond Fund	0.22	0.02	0.05

* These are estimated amounts for the year to 30 June 2017, and may differ going forward with conditions of financial markets and the circumstances of the relevant Fund.

**The Transaction costs recovery represents an amount charged to applying and redeeming Stockbrokers, as a % of the value of the application or redemption, that is intended to compensate the Fund for the estimated transactional and operational costs incurred when assets are bought and sold by the Funds to reflect the application or redemption.



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Supplementary Product Disclosure Statement

11 September 2017

SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801)

SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623)

This supplementary product disclosure statement (“**SPDS**”) updates the information in the Product Disclosure Statement for the SPDR S&P/ASX Australian Government Bond Fund and the SPDR S&P/ASX Australian Bond Fund (the “**Funds**”) dated 6 July 2012, issued by State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL# 274900) (“**Responsible Entity**”) as supplemented by the supplementary product disclosure statements dated 9 December 2013 and 7 March 2016 (as so supplemented, the “**PDS**”).

The purpose of this SPDS is to advise that with effect from 11 September, all references in the PDS to the Reference Guide is to the Reference Guide dated 11 September 2017.

The Reference Guide deals with the way in which participating Stockbrokers of the Australian Securities Exchange apply for and redeem units in the Funds and the updated Reference Guide notes that in specie applications and redemptions will be available upon request and that details of the Application Parcel and Redemption Parcel will only be published when there is trading conducted to acquire or dispose of securities in respect of an application or redemption.

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Supplementary Product Disclosure Statement

7 March 2016

SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801)

SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623)

This supplementary product disclosure statement (“**SPDS**”) updates the information in the Product Disclosure Statement for the SPDR S&P/ASX Australian Government Bond Fund and the SPDR S&P/ASX Australian Bond Fund (the “**Funds**”) dated 6 July 2012, issued by State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL# 274900) (“**Responsible Entity**”) as supplemented by the supplementary product disclosure statement dated 9 December 2013 (as so supplemented, the “**PDS**”).

The purpose of this SPDS is to advise that with effect from 7 March 2016, trading of units in the Funds on the ASX market is changing from a T+3 settlement cycle, to T+2.

In addition, although it is not mandatory for settlement of applications and redemptions of units in the Funds by Stockbrokers to be settled on a T+2 basis, because they are not on-market transactions, the Responsible Entity has made minor mechanical amendments to the Funds’ constitutions to allow the flexibility for different settlement times.

The settlement time for applications and redemptions by Stockbrokers is now T+2. Accordingly, the PDS (including the information in the Reference Guide, which is incorporated by reference in the PDS) is amended as follows:

- references to T+3 should now be read as T+2,
- references to events related to settlement of application or redemptions referred to as occurring on the third Business Day after a time, are now to be read as referring to the second Business Day after a time; and
- other times in the settlement process, such as transfer to the nominees, are also to be read as shortened by one day.

The Responsible Entity proposes to update the PDS to include the specific wording to reflect these changes as soon as practicable.

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Supplementary Product Disclosure Statement 9 December 2013 State Street Global Advisors, Australia Services Limited SPDR S&P Fixed Income ETF's

This Supplementary Product Disclosure Statement ("SPDS") details additional information relating to the Product Disclosure Statement ("PDS") for the SPDR S&P Fixed Income ETFs, the SPDR S&P/ASX Australian Bond Fund and the SPDR S&P/ASX Australian Government Bond Fund (the "Fund" or "Funds") dated 6 July 2012, issued by State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL# 274900).

This SPDS is dated 9 December 2013 and is to be read together with the PDS dated 6 July 2012.

The purpose of this SPDS is to advise a change to the ASX market disclosure for the Funds which will take effect from 9 December 2013.

The below text on page 11 of the Fund's PDS has been removed.

"The following is available under the company announcements section at www.asx.com.au

- daily information about redemptions;
- copies of announcements made to ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information)."

and is replaced with the following:

"The following is available under the company announcements section at www.asx.com.au

- information about the total number of units on issue for the Fund within 5 business days of the end of each month;
- copies of announcements made to ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information)."

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STATE STREET GLOBAL ADVISORS

Precise in a world that isn't.™

SPDR S&P Fixed Income ETFs

Product Disclosure Statement

dated 6 July 2012

SPDR S&P/ASX Australian Bond Fund

(ASX code: BOND) (ARSN 159 002 623)

SPDR S&P/ASX Australian Government Bond Fund

(ASX code: GOVT) (ARSN 159 002 801)

(To be read in conjunction with the SPDR S&P Fixed Income ETFs Reference Guide dated 6 July 2012)
Issued by State Street Global Advisors, Australia Services Limited ABN 16 108 671 441

Important Information

About this PDS

This product disclosure statement ("PDS") is dated 6 July 2012. A copy of this PDS was lodged with the Australian Securities & Investments Commission ("ASIC") on that date.

Applications for Units in the SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623) and the SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801) (referred to in this PDS as "**SPDR Bond**", and "**SPDR Government Bond**" respectively, and collectively as the "**Funds**") to be traded on the AQUA platform of the ASX has been made to ASX. For personal investors, the only way to invest in a Fund is to buy Units on the ASX. Neither ASIC nor ASX take any responsibility for the contents of this PDS.

State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (Australian financial services licence ("AFSL") number 274900) (referred to in this PDS as the "Responsible Entity" or "SSgA, ASL") is the responsible entity of each Fund. The Responsible Entity is the issuer of this PDS.

State Street Global Advisors, Australia, Limited (ABN 42 003 914 225) (AFSL 238276) (referred to in this PDS as "SSgA" or the "Investment Manager") has been appointed as the Investment Manager for each Fund and distributor of Units for each Fund.

The offer

Each Fund is an exchange traded fund or "ETF", the Units in which trade like shares and provide the diversification of managed funds. Units in each Fund are traded on the AQUA market of ASX and allow you to buy and sell exposure to a diversified portfolio of bonds in one simple transaction.

The offer in this PDS is made only to participating Stockbrokers of the ASX receiving this PDS within Australia. For all other persons, this PDS is for information only.

As a personal investor, the only way to invest in a Fund is to buy Units in the Fund on the ASX. To invest in a Fund consult your stockbroker or financial advisor.

For information concerning a Fund's performance and investment composition please visit www.spdrs.com.au.

This PDS does not constitute an offer or invitation in any jurisdiction other than Australia.

Disclaimer

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An investment in a Fund does not represent a deposit with or a liability of any company in the State Street Corporation group of companies including State Street Bank and Trust Company (ABN 70 062 819 630) (AFSL 239679) and is subject to investment risk including possible delays in repayment and loss of income and principal invested.

No company in the State Street Corporation group of companies, including SSgA, State Street Bank and Trust Company, SSgA, ASL and State Street Australia Ltd (ABN 21 002 965 200) guarantees the performance of the Funds or the repayment of capital or any particular rate of return, or makes any representation with respect to income or other taxation consequences of any investment in a Fund.

PDS updates

This PDS may be updated or replaced from time to time. A copy of the current PDS for the Funds is available from SSgA on request at any time, free of charge. You can either call SSgA on (02) 9240 7600 or access www.spdrs.com.au for a copy.

Information that is not materially adverse information is subject to change from time to time and the PDS may not always be updated to reflect the changed information. To find out about any updated information not contained in this PDS, please access www.spdrs.com.au. A paper copy of any updated information will be provided on request free of charge.

Capitalised terms used in this PDS are defined in the Glossary in section 10.

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1 The Funds at a Glance

Fund Names and Codes	<ul style="list-style-type: none"> • SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623) • SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801) 	
About the Funds	<p>Each Fund is an exchange traded fund (“ETF”) that is a registered managed investment scheme. An application has been made to ASX for Units in each Fund to be quoted for trading on the AQUA platform of the ASX. Once quoted, Units may be traded through a stockbroker like any other quoted security (subject to market conditions).</p> <p>Units in each Fund give investors an interest in a diversified portfolio of Australian bonds, reflecting the characteristics of that Fund’s Index.</p>	Section 2.1
Key features of the Funds	<ul style="list-style-type: none"> • Diversified investment • Relatively low cost • Transparency of performance • Flexibility of trading • Quarterly distributions 	Section 2.3
About each Fund’s Index	<p>SPDR Bond: S&P/ASX Australian Fixed Interest Index, which measures the performance of the Australian fixed rate bond market. It is a broad, market value weighted benchmark, split across investable “investment grade”, Australian dollar denominated bonds issued in the Australian market by companies and governments (or semi-government entities), with maturities greater than one year.</p> <p>SPDR Government Bond: S&P/ASX Government Bond Index, which is a sub-set of the S&P/ASX Australian Fixed Interest Index. The Index comprises Australian dollar denominated bonds issued in the local market by the Australian Government (Treasury Bonds) and by the governments of Australian States and Territories and semi-government entities, in each case with maturities greater than one year.</p>	Section 2.2
Trading in Units on the Market	<p>An application has been made to ASX for quotation on ASX of the Units in each Fund. Once quoted, Units in each Fund will be able to be traded like any other quoted security (subject to market conditions). Most investors will acquire Units in a Fund via this secondary market. Generally, the price of Units in a Fund on ASX can be expected to trade close to the underlying net asset value per Unit. The application and redemption feature of the Funds is designed to reduce the probability that Units will trade at a significant premium or discount to the net asset value per Unit over a sustained period. However, during periods of market disruptions or suspensions to applications and redemptions, the Unit price on ASX and net asset value per Unit for the Fund may move further apart.</p> <p>See the following pages for information about timing for the issue of the initial Units in each Fund and commencement of trading.</p>	Section 2.4 and 1.2 of the Reference Guide.
Applications	The offer to issue Units in each Fund made in this PDS is only available to	Sections 2.5,

	<p>Stockbrokers acting as principal. The minimum application parcel in respect of a Fund is 100,000 Units. Units in a Fund issued on the initial application day will be issued at a Unit price of \$25.</p> <p>This eligibility requirement does not apply to purchasing Units in a Fund in the course of trading on ASX, to which a minimum initial marketable parcel of \$500 will apply.</p>	9.1 and the Reference Guide
Redemptions	<p>Unitholders can only redeem Units in a Fund if they are a “Qualifying Australian Resident” and are a Stockbroker acting as principal. However, all investors may sell Units in a Fund by trading on ASX (subject to market conditions).</p>	Section 9.1 and the Reference Guide
Key risks of the Funds	<p>The key risk factors that apply to the Funds include:</p> <ul style="list-style-type: none"> • Units in each Fund are market traded, and their price will fluctuate • The value of the investments that are components of an Index may fall as well as rise, as a result of market fluctuations • The Funds invest in debt securities and deterioration in credit quality of a bond issuer or an increase in interest rates are among key factors that could cause the investment to fall in value. Trading in Units in a Fund may not be highly liquid • Units will trade below, at or above the net asset value per Unit on the secondary market • The level of distributions from a Fund depends on the amount of coupons paid on the bonds as well as the gains or losses on bonds bought and sold by the Fund, and principal repayments and other amounts paid on bonds held by the Fund, and may be affected by large applications or redemptions during a distribution period • Trading in Units in a Fund on ASX, or applications and redemptions of Units in a Fund, may be suspended in certain circumstances • A Fund may use derivatives to manage its liquidity, particularly around distribution dates. Derivatives carry counterparty and other risks. Derivatives will not be used to gear the Funds. <p>For further details on the risks associated with an investment in a Fund (including the risks specific to each Fund) see section 5 of this PDS – “Risks”.</p>	Section 5
Distributions	<p>It is intended that each Fund will normally make distributions quarterly. The Responsible Entity may choose to distribute an amount that exceeds the Taxable Income of a Fund in a quarter in order to maintain the distribution yield of that Fund. Distributions in excess of the taxable income will be classified as a return of capital.</p>	Section 8
Information and Reporting	<p>The following information about each Fund will be generally accessible each day at www.spdrs.com.au: the net asset value per Unit, the level of each Index, the components of the Fund’s portfolio, the Application Parcel and the Redemption Parcel for the day, whether the Responsible Entity intends to accept cash applications and redemptions that day and, if so, the applicable Transaction Fee.</p> <p>Various other information will be available on the website, including periodic performance information and annual reports for each Fund.</p>	Section 3.4

Fees	The fees payable in connection with an investment in Units in each Fund are detailed in section 6 of this PDS – “Fees & Other Costs”.	Section 6
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Indicative timetable for initial quotation

The date Units in each Fund are first quoted is expected to be on or before 27 July 2012.

See section 2.5 for more information about the initial issue of Units in each Fund.

2 The Funds

2.1 About the Funds

Each Fund is an exchange traded fund or ETF which invests in a portfolio of bonds which attempts to reflect the characteristics of the Index for the Fund. The Investment Manager employs a sampling process for each Fund, which means that the Fund will generally hold a sample of the bonds that make up the Index. The sample of bonds held by a Fund is intended to be representative of the characteristics of the relevant Index. The sampling process is described in section 3.2 below. The Index for each Fund is described below (see section 2.2).

Units in each Fund are to be quoted on the AQUA market operated by ASX. Units in each Fund will generally be available for issue each ASX Business Day (but only to a Stockbroker, acting as principal) in exchange either for cash, or for an agreed parcel of bonds which broadly reflects the characteristics of the Fund's Index. There is also a facility that enables Stockbrokers that are Qualifying Australian Residents and are acting as principal, to withdraw from each Fund by redeeming Units and receiving the redemption proceeds, either in cash or in the form of a parcel of bonds. More information about the application and redemption facilities for each Fund is included in Section 9.1 below and in the document titled "SPDR S&P Fixed Income ETFs - Reference Guide Issue 1" dated 6 July 2012 at http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_BOND.pdf and http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_GOVT.pdf

Information about each Fund will regularly be made available at www.spdrs.com.au, including the net asset value per Unit for each Fund, the Index level for each Fund, the components of each day's Application Parcel and each day's Redemption Parcel, and the composition of each Fund's portfolio of investments. Each Fund's financial reports and any continuous disclosure notices about each Fund will be announced to ASX. See section 3.4 for more information.

2.2 The Indices

SPDR S&P/ASX Australian Bond Fund – S&P/ASX Australian Fixed Interest Index

The S&P/ASX Australian Fixed Interest Index is a broad benchmark index designed to measure the performance of the Australian bond market. It is a market value weighted benchmark. This means that each bond's weighting in the Index is

calculated with reference to the aggregate current market value of all bonds in that Index. The total return on the Index is calculated by aggregating the interest return, reflecting the return due to paid and accrued coupon, and the price return, reflecting the gains or losses due to changes in the prices of bonds and principal repayments. The following criteria apply:

- Only bonds that are rated as investment grade are included in the Index. A bond issuer that issues investment grade bonds is generally considered by ratings agencies to have at least adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances could lead to a weakened capacity of the issuer to meet its financial commitments. The bond must be rated by a ratings agency considered to be reputable by the S&P/ASX Fixed Income Index Committee. For a bond rated by more than one qualifying ratings agency, the lowest of the ratings is used as the bond's credit rating. Non-rated bonds are generally not included in the Index although some exceptions apply.
- Only Australian dollar denominated bonds issued in the Australian market and/or traded on ASX are eligible. Bonds issued through private placements are excluded.
- Each bond must have a remaining term of at least one year. Subject to this minimum term requirement, the Index covers eligible bonds across the full range of maturities.
- Bonds must be repaid only on maturity with no callable or extendable structures.
- Only fixed rate coupon bonds are eligible (ie the interest rate is set at the time of issue of the bond and does not vary throughout its term).
- Covered bonds are excluded.
- Bond series must have a minimum par value of A\$100 million or more at each rebalancing (for non-government bonds) and A\$250 million or more (for Australian Commonwealth Government and State Government, Territories or Semi-Government bonds).

Bonds that form part of the Index are priced daily by Yieldbroker (prices are based on institutional or round lot trade size and on the mid-point between bid and ask prices).

The Index is rebalanced each month. Any bond that fails to meet any of the eligibility criteria, or that has a term to maturity of less than 1 year as at a rebalancing date, is removed from the Index on that rebalancing date. Any bond that is

downgraded by a qualifying ratings agency below investment grade between rebalancing dates is removed at the next rebalancing date. Where an Index bond is in default or misses an interest payment, the price reported by Yieldbroker is used in calculating the Index level. However, the S&P/ASX Fixed Income Index Committee may determine that the bond be removed from the Index at a different price and may specify a price of \$0.00.

Eligible issuers for the Index are:

- Australian corporations;
- the Australian Commonwealth Government and Australian State and Territory governments;
- issuers of Australian Government-backed corporate debt (ie issuers of corporate bonds that are guaranteed by the Australian Government or the government of an Australian State or Territory);
- semi-government issuers (ie issuers of bonds that have a direct or implied guarantee from the Australian Government or the government of an Australian State or Territory, eg NSW Treasury Corporation);
- kangaroo bond issuers (a kangaroo bond is an Australian dollar denominated bond issued in the Australian market by a non-Australian issuer);
- sovereign bond issuers (a sovereign bond issuer is a foreign national government);
- supranational bond issuers (a supranational bond issuer is an international organization or union, under which member states share in the decision-making, eg the World Bank or the International Monetary Fund); and
- foreign agency bond issuers (a foreign agency bond issuer can include foreign government agencies as well as certain corporations granted a charter by foreign governments).

The S&P/ASX Fixed Income Index Committee maintains the Index. The Committee oversees the day-to-day management of the Index, including the monthly rebalancing (although the Index Committee reserves the right to make adjustments to the Index at any time that it believes appropriate), determinations of intra-rebalancing changes to the Index, and maintenance and inclusion policies, including additions or deletions of bonds and other matters affecting the maintenance and calculation of the Index.

Further information on the S&P/ASX Australian Fixed Interest Index, including in relation to its past performance can be found at [http://www.standardandpoors.com/indices/sp-asx-](http://www.standardandpoors.com/indices/sp-asx-australian-fixed-interest-index-series/en/au/?indexId=spfi-basxusd----p-----)

[australian-fixed-interest-index-series/en/au/?indexId=spfi-basxusd----p-----](http://www.standardandpoors.com/indices/spfi-basxusd----p-----).

As at 1 June 2012, there were 301 constituents in the S&P/ASX Australian Fixed Interest Index with approximately 69% in government issuers, 21% in supranational and sovereign bonds issuers and 10% in corporate issuers. The number of constituents and relative weightings will change from time to time.

SPDR S&P/ASX Australian Government Bond Fund – S&P/ASX Government Bond Index

The S&P/ASX Government Bond Index is a sector index that forms part of the S&P/ASX Australian Fixed Interest Index. Therefore all of the eligibility criteria described above in relation to the S&P/ASX Australian Fixed Interest Index apply to the S&P/ASX Government Bond Index. The Index comprises Australian dollar denominated bonds issued in the Australian market by the Australian Commonwealth Government (Treasury bonds), an Australian State Government, Territories or Semi-Government entities, with maturities greater than one year.

Further information on the S&P/ASX Government Bond Index including in relation to its past performance can be found at <http://www.standardandpoors.com/indices/sp-asx-australian-fixed-interest-index-series/en/au/?indexId=spfi-basxusd----p----->.

As at 1 June 2012, there were 74 constituents in the S&P/ASX Government Bond Index with approximately 53% in Australian government bonds and 47% state government bonds. The number of constituents and relative weightings will change from time to time.

Change of an Index

Subject to the contractual arrangements with the Index provider, it is possible that the Responsible Entity could change the Index for a Fund in the future (for example, if the Index provider substantially changes the Index, or stops providing the Index). The Responsible Entity has no such intention in relation to any Fund at the date of this PDS. If the Index for a Fund ceases to be available or it is otherwise necessary to replace it, the Responsible Entity will try to find an alternative index for the Fund with similar guidelines, with the aim of minimising the impact on investors of the Index change. In these circumstances, the Responsible Entity would make an announcement to ASX and take such other steps required by law or the AQUA Rules, including, if required, holding a meeting of Unitholders in the affected Fund to pass a special resolution to approve a change in the Index for the Fund (see section 3.3).

2.3 Features of the Funds

Diversified Investment

Each Fund provides investors with a cost efficient way of gaining exposure to a sample of bonds reflecting the characteristics of the relevant Index.

Relatively Low Cost

Each Fund is designed to be cost efficient. Index-tracking, passively managed funds are generally less expensive to operate than actively managed funds, and therefore usually have lower management costs. For further information on fees, see section 6 of this PDS - "Fees and Other Costs".

Transparency of Performance

Each Fund is designed to broadly track the performance (before fees) of its Index. Each Fund generally achieves this by holding a portfolio of bonds that is representative of the Index. For more on performance information, see section 3 of this PDS - "Investment Objective, Strategy and Performance of the Funds".

Flexibility of Trading

Traditional unlisted managed funds do not have the facility to allow investors to trade at quoted prices. Instead, applications and redemptions are processed at a closing price. In contrast, investors in each Fund can normally trade Units on ASX during trading hours, subject to market conditions.

Deutsche Securities Australia Limited undertakes to make a market in each of the Funds and to continuously quote prices for Units in each Fund during normal trading hours as prescribed by the ASX under the ASX Rules (other than during a market disruption). The ASX Rules do not require this arrangement to continue where a Fund has at least 1,000 unitholders and a net asset value of at least \$10 million.

Distributions Each Fund will receive coupons and other payments on the underlying securities in its portfolio. Coupon payments and net profits on bonds bought and sold (including on principal repayments), will, after deduction of fees and expenses and certain amounts paid to Unitholders of the Fund who have redeemed during the relevant distribution period, be distributed to Unitholders of the Fund, normally quarterly. The Responsible Entity may choose to distribute more than this amount in any given quarter in order to maintain the distribution yield of the Fund. Any such excess amounts will normally be classified as a return of capital. Nonetheless, the amount of the distributions for a Fund may not necessarily be the same as the yield on the Fund's Index. For further information on distributions, see section 8 of this PDS - "Distributions and Distribution Reinvestment Plan".

2.4 The AQUA market

The AQUA market was established by ASX as a more suitable platform for ETFs, structured products and managed funds than listing on ASX's main board, because features of these types of products such as the redemption facility do not fit well with the normal Listing Rules, and significant modifications are required.

Units in a fund which are quoted on the AQUA market can be traded like other securities listed on ASX, but the fund is not a "listed entity" and so is regulated differently. For the units to be quoted, both the product and the issuer must be approved by ASX, and the fund and issuer must comply with requirements including the following:

- the fund must be an open-ended scheme which continuously issues and redeems units based on net asset value;
- the responsible entity must disclose information about the fund's net asset value, distributions and any continuous disclosure notices; and
- until a suitable spread of holders is achieved, the responsible entity must appoint a market maker to make reasonable bids for trading in the units. The Responsible Entity has appointed Deutsche Securities Australia Limited to provide this service in respect of each Fund. The Responsible Entity is satisfied that Deutsche Securities Australia Limited has the financial capacity and competency to ensure that the Responsible Entity meets its market making obligations under the AQUA Rules. The Responsible Entity may appoint additional or replacement market makers in relation to a Fund from time to time.

Transfers of AQUA products are carried out in accordance with ASX Clearing Rules and ASX Settlement Rules, and holding statements and registers must be administered as if the fund was a listed entity.

The AQUA Rules are accessible at www.asx.com.au under "ASX Compliance".

Section 9.4 summarises some of the differences between the ASX Listing Rules and the AQUA Rules.

2.5 Initial issue of Units

Under the Corporations Act, the Responsible Entity may not process applications for Units in the Fund until 7 days after the lodgement of this PDS (which may be extended by ASIC for a further 7 days). This period is an exposure period to enable the PDS to be examined by market participants prior to the raising of funds. Applications for each Fund received during the exposure period will not be processed until after the expiry of that period.

The Responsible Entity will not issue any Units in SPDR Bond until valid applications for at least \$10 million worth of Units in have been received and, for SPDR Government Bond, until applications for \$5 million worth of Units have been received. There could be a different initial application day for each Fund.

More information about application for and issue of Units in each Fund may be found in the Reference Guide, which is available at http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_BOND.pdf and http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_GOVT.pdf

3 Investment Objective, Strategy and Performance of the Funds

3.1 Investment Mandate

For each Fund, the Investment Manager aims to provide investment returns (before fees and other costs), that closely correspond to the performance of the Fund's Index (on an accumulation basis, i.e. as if all payments received on the constituents of the Index were reinvested).

There is no assurance that a Fund will meet this objective. For each Fund, neither the return of capital nor the performance of the Fund is guaranteed. In this context performance refers to the potential appreciation/depreciation in the price of Units in a Fund as well as distributions which may be paid by the Fund.

3.2 Investment Strategy

In order to seek to achieve this investment objective, the Investment Manager, on behalf of each Fund, will employ a passive management approach based on sampling methodology.

The sampling strategy used by the Investment Manager seeks to build a representative portfolio that provides a return comparable to that of the Index. A sampling strategy is most often used for fixed interest funds tracking an index that is too broad to efficiently purchase all of the index's securities or where some of the securities included in the index may be difficult to purchase in the secondary market.

Consequently, each Fund will typically hold only a subset of the securities included in the relevant Index. The securities held by the Fund, representing a subset of all the securities in the Index will generally have the characteristics of the Index and are chosen with the intention of closely tracking the performance of the Index. In this way, the Fund may hold exposures to individual

securities that are either above or below that security's actual weighting in the Fund's index.

In building each Fund's portfolio using a sampling strategy, the Investment Manager will select certain securities within the Index rather than all securities. In selecting each security, the Investment Manager pays close attention to the impact this security has on overall portfolio weights and exposures, including, but not limited to, sector weights, individual issuer weights, and interest rate risk in order to avoid unintended biases. The sampling process seeks to create a portfolio whose overall characteristics closely match the Index's primary characteristics. These characteristics include, but are not limited to, modified duration, yield to maturity, maturity structure, sector exposure and overall credit exposure. In implementing the sampling process, the Investment Manager may consider individual security factors including, but not limited to, liquidity of the bond, credit rating, coupon level, discount/premium, term to maturity, industry sector and issuer capitalisation. All of the securities in which the Fund invests will, at the time of purchase, be part of the mandated investible universe pending their disposal. However, the Fund may continue to hold securities that fall out of the investible universe of the Index pending their disposal.

From time to time, the Investment Manager, on behalf of a Fund, may use derivative contracts (e.g. futures contracts and options over securities within the relevant Index) to ensure the Fund has adequate market exposures. This may occur where the Investment Manager believes that this would better achieve the Fund's investment objective. For example, derivatives may be used to manage a Fund's exposure to the market during distribution periods, or where direct investment in a particular security is not possible or practical. Derivative instruments will only be used in limited circumstances and will not be used to gear a Fund.

3.3 Varying the Investment Objective and Strategy

The Responsible Entity does not expect to vary the investment mandate and strategy for any Fund in the foreseeable future, but reserves the right to do so. In making any decision the Responsible Entity will obtain recommendations from the Investment Manager. If any significant change to the Investment Mandate for a Fund is proposed and if the AQUA Rules require it to do so, the Responsible Entity will call a meeting of Unitholders in the relevant Fund to seek approval by at least 75% of votes cast at the meeting.

3.4 Information about Value and Performance

Each trading day, SSgA will publish for each Fund on its website at www.spdrs.com.au the net asset value of the Fund, the net asset value per Unit, the level of the Index, the assets in the Fund's portfolio, the Application Parcel and Redemption Parcel for that day, whether the Responsible Entity intends to accept cash applications and redemptions that day and, if so, the Transaction Fee that will apply.

The following will also be available in respect of each Fund on the website at www.spdrs.com.au:

- information about distributions as soon as possible after they are declared or paid;
- information describing the Fund's historical performance from the date the Fund's Units are first quoted on ASX (when available);
- a copy of the latest PDS and Reference Guide; and
- copies of annual reports and financial statements.

The following is available under the company announcements section at www.asx.com.au:

- **daily information about redemptions;**
- copies of announcements made to ASX via the ASX Company Announcements Platform (including continuous disclosure notices and distribution information).

The Responsible Entity will send you an annual tax statement and quarterly distribution statements (if applicable) for each Fund in which you are a Unitholder.

Information relating to past performance is not a reliable indicator of future performance. The performance of a Fund is not guaranteed and can be volatile, particularly in the short term. Distributions from a Fund may not match the income yield on the bonds in the Fund's Index. See section 5 of this PDS.

The value of Units in each Fund can fall as well as rise. You can obtain information on the current performance of a Fund by contacting SSgA or visiting the website www.spdrs.com.au.

Ethical and Environmental Considerations

Each Fund's investment selections are based on the Fund's Index and the sampling strategy described above and therefore decisions about the selection, retention or realisation of investments in the Fund are primarily based on economic factors, and the Responsible Entity does not take into account labour standards, environmental, social or ethical considerations when making those decisions.

4 About the State Street Group

4.1 State Street Group

The Responsible Entity, SSgA, the Administrator and Custodian and State Street Bank and Trust Company are all members of the State Street group of companies. State Street Corporation, the ultimate parent of the State Street group of companies, traces its heritage to 1792. It provides investment research and management, information processing, fund accounting and administration and capital market and other investment services to business and financial institutions worldwide.

None of the Responsible Entity, SSgA, the Administrator and Custodian, State Street Bank and Trust or any other State Street group entity guarantees the performance of any Fund or the Responsible Entity's obligations in relation to any Fund.

4.2 State Street Global Advisors (SSgA) - the Investment Manager

State Street Global Advisors, the institutional asset management arm of State Street Corporation, has been providing comprehensive investment management services to investors in world markets for over 33 years. As at 31 December 2011, State Street Global Advisors had funds under management of approximately A\$1.8 trillion across a range of investment strategies and markets. State Street Global Advisors, Australia, Limited, the investment manager for the Fund, is the Australian affiliate of the State Street Global Advisors group and had funds under management of A\$75 billion as at 31 December 2011.

SSgA manages the assets of each Fund in accordance with the investment objectives and strategies for that Fund and acts as distributor of the Units in each Fund. The duties and obligations of SSgA are set out in the Investment Manager Alliance Deed between SSgA and the Responsible Entity. The Investment Manager is appointed to undertake promotional activities for each Fund, provide investment management services and administrative services to each Fund, and any other services in relation to each Fund which it agrees with the Responsible Entity. Under the Alliance Deed, the Responsible Entity must retire as responsible entity upon a request by the Investment Manager, provided:

- the Responsible Entity considers its retirement is appropriate having regard to its duties under the Fund's Constitution or under the Corporations Act, trust law or any other law; and

- the retirement takes place in accordance with the procedure set out in the Corporations Act.

The Responsible Entity may terminate the Investment Manager Alliance Deed at any time by notice to the Investment Manager if:

- the Investment Manager becomes insolvent;
- the Investment Manager breaches any material provision of the Investment Manager Alliance Deed or fails to observe or perform any material representation, warranty or undertaken given by it under the deed that results or is likely to result in the Responsible Entity breaching its legal duty as Responsible Entity or the ASX Operating Rules and the Investment Manager fails to remedy the breach within a reasonable time after being requested to do so by the Responsible Entity;
- the Investment Manager sells or transfers or makes an agreement for the sale or transfer of a main business or undertaking of the Investment Manager or of its beneficial ownership, other than to a related body corporate for purpose of corporate reconstruction on terms previously approved in writing by the parties;
- the Investment Manager ceases to carry on business in relation to its activities as an investment manager or promoter, or ceases to be a member of the State Street group.

If the Responsible Entity terminates the Investment Manager Alliance Deed, the Investment Manager must pay all costs and expenses of the Responsible Entity which it does not recover from each Fund.

4.3 The Responsible Entity

The Responsible Entity, State Street Global Advisors, Australia Services Limited, is a wholly owned subsidiary of SSgA. It offers responsible entity services exclusively in relation to funds for which SSgA acts as Investment Manager. The Responsible Entity's duties to Unitholders in each Fund are primarily set out in the Corporations Act and the Fund's Constitution.

4.4 Other Service Providers

The Responsible Entity may use the services of related companies in the administration and management of each Fund and pay fees for those services. The Responsible Entity currently uses the services of the following companies.

Administrator and Custodian: The Administrator and Custodian, which is a related company of the Responsible Entity, has been appointed to provide custodial and accounting administration services to each Fund. As custodian, it has appointed State Street Bank and

Trust Company (another related company of the Responsible Entity) as subcustodian. The subcustodian may appoint further subcustodians in respect of a Fund. The Administrator and Custodian also has the principal obligation to act as nominee for applicants for Units in each Fund under cash applications.

Under the Administrative Services Agreement, either party may terminate the agreement by giving notice to the other. A similar termination clause exists in relation to the Custodian Agreement.

The Responsible Entity has arrangements in place to manage any actual or potential conflicts of interest which may arise in respect of its dealings with its related entities, including:

- ensuring that the dealings are documented in a manner consistent with standard market practice between unrelated parties;
- checking that the pricing reflects standard market rates and ensuring that all costs to unitholders are fully disclosed;
- ensuring that the dealings are negotiated by separate teams within the State Street group on an arms' length basis.

These arrangements are consistent with the requirements of ASIC Regulatory Guide 181 Licensing; Managing conflicts of interest and are designed to avoid, control or disclose all conflicts existing in the operation of the Funds.

Reviews are undertaken periodically to ensure that all conflicts have been appropriately identified, documented and managed. These reviews are reported on to the Compliance Committee and the board of directors of the Responsible Entity.

Registrar: Link Market Services Limited maintains the register of Unitholders for each Fund under a Registry Deed. The Registry Deed can be terminated by either party giving notice to the other.

Other members of the State Street Group may also provide foreign exchange services and broking services to the Responsible Entity in relation to a Fund.

Where the Responsible Entity uses the services of a related company, it does so on terms that would be reasonable in the circumstances if the two entities were dealing at arm's length, or on terms that are less favourable to the related party.

S&P

S&P has granted the Investment Manager a licence allowing it to use the Indices in the operation of the Funds.

The Index licence agreement may be terminated by S&P in certain circumstances, including:

- breach of the licence agreement; or
- if there is a change of law that impairs S&P's ability to licence the indices; or
- if the Investment Manager causes material damage to S&P's reputation or goodwill.

5 Risks

General Risks of Investing

All investing involves risk. Generally, higher risk or volatility is incurred where there are higher expected returns. In an investment context, risk can be thought of as the likelihood that an individual's investment needs will not be met.

As with most investing, it is not guaranteed that you will earn a positive return from investing in a Fund. You may receive back less than you invested and there is no guarantee that you will receive any income. The value of your investment in a Fund can go up or down with the value of the assets of the Fund, and the value of any security quoted on ASX is affected by market forces. The investment risks may result in loss of income, principal invested and possible delays in payment.

While there are many factors that may impact on the performance of any investment, the summary below sets out some of the major risks that an investor should be aware of when investing in units in a Fund.

Market Risk: Market risk is the risk that the value of a Fund's investment portfolio will fluctuate as a result of changes in market prices. Market risk is influenced by economic, technological, political and legal conditions, and even sentiment, all of which can and do change.

Interest rate risk: The bonds held by each Fund are subject to interest rate risk. An increase of interest rates will generally cause the values of bonds (in particular fixed rate coupon bonds, held by each Fund), and thus the value of Units, to decline. Interest rate risk is generally higher for longer term investments.

Coupon risk: Falling interest rates can lead to a decline in income yield for a Fund.

Issuer risk: The value of a Fund is subject to issuer risk for its underlying investments. A corporate issuer may default on its obligation to make interest and principal payments. Issuer risk also includes sovereign risk, which is the risk that the government or semi-government issuer does not comply with its obligations under the bond, eg during economically difficult or politically volatile times. A default by a bond issuer will likely decrease the value of the bond held by the Fund and may also lead the Fund to incur additional costs. This could decrease the value of Units.

Corporate bonds risk: SPDR S&P/ASX Australian Bond Fund may invest in corporate bonds issued by companies with different levels of credit worthiness. Corporate bonds may be upgraded or downgraded from time to time due to

an increase or reduction in the company's credit worthiness. The Fund may hold sub investment grade bonds, until the Fund is able to liquidate these bonds after the next Index rebalance date. A default by a bond issuer will likely decrease the value of the bond held by the Fund and may also lead the Fund to incur additional costs. This could decrease the value of Units.

Liquidity Risk: Certain investments and types of investments are subject to restrictions on resale, may trade in the over the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for the Responsible Entity to value illiquid securities accurately. Also, the Responsible Entity may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favourable time or price or at prices approximating those at which the Responsible Entity currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities.

Government bonds risk: Each Fund will invest in debt securities issued by governments or by agencies, instrumentalities and sponsored enterprises of governments. The value of these securities may be affected by the creditworthiness of the relevant government, including any default or potential default by the relevant government. In addition, issuer payment obligations relating to securities issued by government agencies, instrumentalities and sponsored enterprises of governments may have limited or no support of the relevant government.

There is a risk to a Fund that the Australian Treasury may not continue to issue government debt securities, or may close the Commonwealth Government bonds market.

Investment ratings risk: Credit rating agencies assign ratings to the individual bonds that form part of a Fund's portfolio. These ratings vary based on the perceived quality of those bonds.

The term "investment grade" suggests a certain level of quality of a bond. However, no guarantee of investment performance can be derived from this rating.

A rating of a bond by a ratings agency is only one view of the bond and may not reflect all of the current information about the bond or its issuer. A bond rating should not be relied upon in isolation. Careful review of other information relating to the issuer and its industry should also be undertaken to assess the value of a bond. Conflicts of interests exist for ratings agencies, which are generally paid for giving a rating.

Risks of rating decreases: Generally when a bond's rating is downgraded or is perceived to be at risk of downgrade, its value decreases. This can decrease the value of Units.

Non-Diversification Risk: Non-diversification risk is the risk that a Fund may invest a larger percentage of its assets in bonds of a few issuers than that of a diversified fund. As a result, the Fund's performance may be disproportionately impacted by the performance of a relatively few bonds.

Strategic Risk: Each Fund is managed passively to replicate a representative sample of bonds from its Index. The Investment Manager therefore does not actively manage investment risk.

Failure to meet Investment Mandate: There is no assurance that a Fund will meet its investment objective. For each Fund neither the return of capital nor the performance of the Fund is guaranteed.

While the Investment Manager seeks to track the performance of the Index for each Fund as closely as possible (i.e., achieve a high degree of correlation with the Index on an accumulation basis, that is, as if all coupons and other payments on the constituents of the Index were reinvested), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements, operational inefficiencies and the sampling strategy employed.

Sampling Risk: The sampling process is not guaranteed to avoid the impact on the Fund of liquidity issues that underlying bonds in the Fund's portfolio may experience and the sampling process does not guarantee the performance of the Fund.

Risks of a change in the Index: It is possible that the Responsible Entity could change the index applicable to a Fund in the future (for example, if the Index provider substantially changes the Index for a Fund, or stops providing the Index for a Fund) or if the Index licence agreement is terminated.

If this happens, the Responsible Entity will first try to find an alternative index for the relevant Fund with similar guidelines, with the aim of minimising the impact on investors of the Fund of the index change. If a proposed alternative index for the relevant Fund is significantly different to the Index for the Fund so that the AQUA Rules require approval at a meeting of investors as described in paragraph 3.3, the impacts of the proposed index change will be explained at that time. If the Responsible Entity considers that no appropriate

alternative index for the relevant Fund is available, the Responsible Entity will consider winding up the relevant Fund.

Trading in Units on ASX may be suspended: Investors are not able to purchase or sell Units in a Fund on ASX during any period that ASX suspends trading of Units in the Fund. The application and redemption facility for a Fund is also likely to be suspended by the Responsible Entity in the event that the trading of Units in the Fund is suspended.

Cash Applications or Redemptions May Close: The Responsible Entity may, from time to time, suspend the cash application and redemption facility for a Fund. For example, the Responsible Entity might do this if the market for the assets in which the Fund invests becomes illiquid or difficult to price, or in periods of market stress.

There is a risk that if the Responsible Entity closes the cash application and redemption facility for a Fund, the spread for trading in Units in the Fund on ASX will increase. This spread is a cost you bear when you buy or sell Units on ASX. The Responsible Entity considers that there is a higher likelihood that it might close the cash application and redemption facility for SPDR Bond rather than for SPDR Government Bond.

Units may trade at a discount or premium to net asset value: The issue price and withdrawal amount for each Fund (calculated based on the net asset value per Unit of the Fund) may differ from the trading price of a Unit in the Fund on ASX at any particular time. It cannot be predicted whether Units will trade below, at, or above the net asset value per Unit.

Trading prices are dependent on a number of factors. These may include investor confidence and the level of supply and demand for Units in the Fund. Losses may be incurred, or profits reduced, if Units are purchased at a time when the market price is at a premium to the net asset value per Unit or sold at a time when the market price is at a discount to the net asset value per Unit. The application and redemption facility is designed to reduce the likelihood of Units in a Fund trading at a significant discount or premium to the relevant issue price and withdrawal amount.

If Units in a Fund are trading at a premium to the withdrawal amount of the Fund at a particular time, this may encourage Unitholders of the Fund to redeem Units and by doing so, reduce the size of the Fund.

The Net Asset Value per Unit of the Fund is calculated as at a time that is later than the ASX market close. As a consequence, there is an

increased risk of a divergence between the last trade price for Units and the Net Asset Value per Unit for that day.

A Fund may be removed from quotation by the ASX or terminated: ASX imposes certain requirements for the continued quotation of securities, such as the Units in each Fund, under the AQUA Rules, on ASX. Investors cannot be assured that each Fund will continue to meet the requirements necessary to maintain quotation on ASX. In addition, ASX may change the quotation requirements. The Responsible Entity may elect, in accordance with the Constitution governing a Fund, to terminate that Fund for any reason on 60 days' notice, including if Units cease to be quoted. Information about the AQUA Rules applicable to quotation of Units in each Fund on ASX is set out in section 2.4 of this PDS.

Suspension or rejection of application and redemption of Units: Each Fund's Constitution provides that the Responsible Entity may suspend applications for Units and, in certain circumstances, suspend the satisfaction of, or reject, redemption requests. For example, on the few days around each ex-distribution date and the end of financial year, application and redemption requests in relation to each Fund might not be accepted. Although it should be possible for investors to trade in Units in each Fund on ASX at such times, the suspension may affect the relationship between the market price of Units and their underlying value. See "Restricted Dates" and "Liquidity" in sections 1.2 and 1.7 of the Reference Guide.

Inflation Risk: While fixed income securities may deliver a nominal return when held to maturity, inflation may reduce the real return earned by investors.

Valuation Risk: A Fund's investments will typically be valued at the relevant market value, based on information provided by S&P. There can be no assurance that such prices will accurately reflect the price a Fund would receive upon sale of a bond.

Effect of applications on distributions
There is no assurance that the yield on a Fund's Units will be same as the yield on the bonds in the Fund's underlying Index. In particular, the issue of Units in a Fund during a distribution period might reduce the amount of per-Unit distributions. However, this should not impact on the total performance of your Units. The Responsible Entity may choose to distribute an amount that exceeds the Taxable Income of a Fund in a quarter in order to maintain the distribution yield of that Fund.

Portfolio Turnover Risk: Portfolio turnover generally involves a number of direct and indirect costs and expenses to the relevant Fund, including, for example, brokerage commissions, dealer mark-ups and bid/offer spreads, and transaction costs on the sale of securities and reinvestment in other securities. Nonetheless, a Fund may engage in frequent trading of investments in furtherance of its investment objective. The costs related to increased portfolio turnover have the effect of reducing a Fund's investment return, and the sale of securities by a Fund may result in the realisation of taxable capital gains.

Operational Risk: Operational risk includes those risks which arise from carrying on a complex business. The operation of each Fund requires the Responsible Entity, Investment Manager, Administrator and Custodian and other service providers to implement sophisticated systems and procedures. Some of these systems and procedures are specific to the operation of ETFs. Inadequacies with these system or procedures, or the people operating them, could lead to a problem with a Fund's operation and result in a decrease in value of Units. The Responsible Entity, Investment Manager and Administrator and Custodian have systems in place designed to minimise these risks, such as compliance and disaster recovery plans.

Application and redemption procedures – settlement risks: The application and redemption facility offered by each Fund utilises the ASX settlement system known as CHESS. Under CHESS a delivery versus payment system ("DvP") will be used in relation to applications and redemptions. Under DvP transactions Units are delivered in return for a payment obligation. The transfer of the application parcel and redemption parcel under in specie applications and redemptions will settle through Euroclear and/or Austraclear. The DvP nature of the transactions means that the issue or redemption of Units in a Fund can proceed independently of the receipt or transfer of the relevant parcel of securities.

If a Fund receives a cash application, the Responsible Entity may enter into transactions to acquire assets in anticipation of receiving the application moneys. If the applicant fails to comply with its obligation to pay the application moneys, the Fund could suffer loss. Similarly, if the Fund receives a cash redemption request, the Responsible Entity may enter into transactions to liquidate assets to meet its obligation to pay the redemption proceeds. If the redeeming unitholder fails to deliver the Units, the Fund could suffer loss.

Applications and redemptions may not be covered

by the National Guarantee Fund (“NGF”). In very general terms, the NGF guarantees the obligations of Stockbrokers trading on ASX. This means that there will be no claim against the NGF by a Fund in the event of a Stockbroker’s default under an application or redemption.

Each Fund is therefore exposed to some risk if a Stockbroker fails to comply with its settlement obligations under the application and redemption facility.

Also, there are timing differences between when transactions in Units settle (through CHESS) and when transfers of assets within a Fund’s portfolio settle through Austraclear or Euroclear. The Fund has entered into short term financing arrangements with State Street Bank and Trust Company, to address the timing mismatch for redemptions. There is a risk that the Fund could incur interest charges and other costs and expenses, if an applicant or redeeming unitholder does not meet their obligations.

There are, however, a number of factors which are designed to mitigate this risk, including the following:

- The sub-custodian carries out a “pre-matching” procedure in CHESS, which assists in assessing the likelihood of settlement failure;
- Stockbrokers that fail to comply with settlement obligations are subject to ASX fail fees; and
- if a Stockbroker fails to comply with a settlement obligation, the relevant Fund should still be put in funds due to the net cash settlement system which operates under CHESS on a daily basis.

See the end of section 1 in the Reference Guide for more information about what happens if there is a settlement failure.

Responsible Entity Risk: In certain circumstances the Responsible Entity may retire or may be removed as the responsible entity of a Fund. If the RE retires or is replaced, the index may no longer be available for the Fund, which might affect the Fund’s ability to continue to operate. Also, ASX may suspend quotation of Units which could affect their liquidity. This may lead to termination of the Fund.

Tax Risks: Unitholders should have regard to the taxation matters dealt with in this PDS in section 7 and the Reference Guide in section 2. This is particularly important for unitholders holding their Units on revenue account (other than as trading stock) as there are potentially adverse tax implications in relation to redemption and income distributions.

Unitholders should seek tax advice in relation to

their particular circumstances.

The use of derivatives: The investment strategy of each Fund allows for limited use of derivatives, such as exchange-traded futures and options.

Investing in derivatives poses certain investment risks. Such risks may include:
(i) the inability to close out a futures contract or option caused by an illiquid secondary market; and
(ii) an imperfect correlation between price movements of the futures contracts or options with price movements of the subject portfolio bonds or Index. Further, the risk of loss in trading futures contracts is potentially great, due to the low margin deposits required which give an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss to a Fund. In order to reduce risk, the Investment Manager has implemented an internal control framework governing the usage of futures contracts, options and other derivatives, which is subject to regular review and monitoring by the Investment Manager.

Regulatory Risk: Regulatory risk is the risk that a Fund may be adversely affected by future changes in applicable laws, including tax laws.

6 Fees and Other Costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Fund assets as a whole. Information on tax appears in section 7 of this PDS.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial advisor.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australia Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment calculator to help check out different fee options.

Type of Fee or Cost	Amount	How & when paid
Fees when money moves in or out of a Fund		
Establishment fee The fee to open your investment.	Not applicable.	Not applicable.
Contribution fee The fee on each amount contributed to your investment.	Not applicable. However please refer to the "Additional Explanation of Fees and Costs" section below for information about Transaction Fees.	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment.	Not applicable. However please refer to the "Additional Explanation of Fees and Costs" section below for information about Transaction Fees.	Not applicable.
Termination fee The fee to close your investment.	Not applicable.	Not applicable.
Management Costs		
The fees and costs for managing your investment.		
Responsible Entity fee¹	<ul style="list-style-type: none"> • SPDR S&P/ASX Australian Bond Fund – 0.01%p.a. of net asset value • SPDR S&P/ASX Australian Government Bond Fund – 0.01%p.a. of net asset value 	These fees are calculated daily and paid out of the relevant Fund monthly in arrears to the Responsible Entity.
Investment management fee¹	<ul style="list-style-type: none"> • SPDR S&P/ASX Australian Bond Fund - Investment management fee capped at 0.23% per annum of net asset value. • SPDR S&P/ASX Australian Government Bond Fund - Investment management fee capped at 0.21% per annum of net asset value. <p>SSgA will pay the normal operating fees and expenses² of each Fund out of the Investment Management Fee for that Fund.</p>	The investment management fees are calculated and accrued daily and paid out of the relevant Fund to SSgA monthly in arrears.
Reimbursable expenses	The Responsible Entity may recover from each Fund extraordinary expenses that were not contemplated by the Responsible Entity at the date of this PDS. All normal operating expenses relating to a Fund, including the fees of the custodian, registrar, administrator and advisers, are payable by SSgA.	Payable from the assets of the relevant Fund as incurred by the Responsible Entity or SSgA (as applicable).
Service Fees		
Investment Switching fee The fee for changing investment options.	Not applicable.	Not applicable.
Notes: 1 Please refer to the explanation of "Management Costs" in the "Additional Explanation of Fees and Costs" section below. These fees may in some cases be negotiated with wholesale clients. For more information please refer to the explanation of "Differential Fees" in the "Additional Explanation of Fees and Costs" section below. 2 "Operating fees and expenses" for each Fund are defined in the Investment Manager Alliance Deed for each Fund as including all fees and other costs which are taken into account in calculating the indirect cost ratio for the Fund, excluding the Investment Manager's fee and including the administration, custodial, registrar and licence fees.		

Additional explanation of fees and costs

Unless otherwise noted, all fees and costs for each Fund specified in this PDS (including in the worked example below) are GST inclusive, net of any input tax credits (including reduced input tax credits) available to the Fund. However if an expense is recovered from a Fund, and the Responsible Entity is required to pay GST in respect of that expense, the Responsible Entity may recover an additional amount equal to the GST from the assets of the relevant Fund.

Management Costs

As at the date of this PDS, it is intended that Management Costs will be capped at 0.24% of net asset value p.a. for the SPDR S&P/ASX Australian Bond Fund and 0.22% of net asset value p.a. for the SPDR S&P/ASX Australian Government Bond Fund. The Management Costs cap for each Fund includes the Responsible Entity's fee and the Investment Manager's fee for the Fund (which covers normal operating fees and expenses of the Fund).

The Management Costs cap includes GST (after taking into account the benefit of input tax credits (including) reduced input tax credits).

The cap does not apply to extraordinary expenses of a Fund that are not contemplated by the Responsible Entity at the date of this PDS. The cap also excludes transactional fees incurred by a Fund, such as ordinary brokerage and transactional fees charged by custodians for settling trades of the Fund's assets. If the cap for a Fund is exceeded because of the payment of extraordinary and unanticipated expenses, Unitholders of the Fund will be notified.

Fees payable under the Custodian Agreement and Administrative Services Agreement for each Fund are reviewed on an annual basis. However, if they were to increase for a Fund, they would continue to be paid by SSgA out of the Investment Manager's fee and not out of the relevant Fund.

Stockbroker Fees

Investors will incur customary brokerage fees and commissions when buying and selling Units in a Fund on ASX. Investors should familiarise themselves with these fees prior to investing.

Differential Fees

Both SSgA and the Responsible Entity may agree with investors who are wholesale clients (as defined in the Corporations Act) to rebate some of the management costs for a Fund on a case by case basis. Please contact SSgA for more information.

Transaction Fee

Under the Constitution for each Fund, the Responsible Entity is permitted to charge a Transaction Fee in connection with applications and redemptions. The purpose of the Transaction Fee is to ensure that continuing investors are not affected by the costs incurred when other investors apply for or redeem Units. The Transaction Fee for a Fund can be an amount up to the Responsible Entity's estimate of the total costs incurred in connection with processing the application or redemption (as relevant) for that Fund, including any fees charged by a custodian or sub-custodian.

This fee will only be charged to applicants for, and redeemers of, Units in a Fund (restricted to Stockbrokers acting as principal). The fee will be added to the amount payable by an applicant for Units in a Fund, and deducted from the amount payable to a redeemer of Units in a Fund. Transaction Fees will be retained as an asset of the relevant Fund, and are not paid to the Responsible Entity or the Investment Manager.

In specie transactions

The Transaction Fee for in specie applications and redemptions is different to the Transaction Fee for cash applications and redemptions.

The current Transaction Fee per in specie application or in specie redemption for each Fund is set out below:

Transaction Fee for in specie applications and redemptions	
SPDR Bond	SPDR Government Bond
\$1,750	\$1,250

In some circumstances, the Responsible Entity may agree to amend the Application Parcel or Redemption Parcel for an in specie application or redemption. Any parcel amendment and amendments to the Transaction Fee will be agreed on a case by case basis. Depending on the amendments, the Transaction Fee for an amended parcel may exceed the amount set out above.

Cash transactions

The Transaction Fee for cash applications and cash redemptions will comprise two components:

- a fixed amount (which reflects the expenses expected to be outlaid by the Fund in acquiring or disposing of the relevant securities in connection with the transaction). The fixed amount should correspond to the Transaction Fee for an in specie application or redemption for the Fund; and
- a variable amount that reflects the bid-ask spread costs the Fund will face in acquiring or

disposing of the relevant securities in connection with the transaction. Broadly, the higher the bid ask spread for the portfolio of bonds held by the Fund, the higher the variable component of the Transaction Fee.

additional amount on account of GST, and that additional amount may be recovered from the assets of the relevant Fund.

Each day that the Responsible Entity intends to permit cash applications or redemptions for a Fund, it will publish the Transaction Fee that will apply to cash applications and redemptions for that day (for multiples of the Creation Unit Amount).

Where the Fund receives both cash applications and cash redemptions on an ASX Business Day, the Transaction Fee will be reduced (or waived) for both applications and redemptions to reflect the reduced trading level required to deal with the transactions. The reduction will be shared pro-rata among both subscribers and redeemers.

Increases or alterations to fees

The Responsible Entity has no current intention to increase any of the fees or costs of each Fund from their current rates. If the Responsible Entity incurs or expects to incur unforeseen extra costs in relation to a Fund, it may increase the cap on Management Costs, or the Transaction Fee, for that Fund up to the maximum allowed under the Constitution.

The Responsible Entity is entitled under the Constitution of each Fund to a fee of up to 1% p.a. of the net asset value of the Fund. This maximum fee cannot be increased for a Fund without amending the Constitution of that Fund, which would require a special resolution of Unitholders in the Fund.

The Transaction Fee can be an amount up to the Responsible Entity's estimate of the total costs incurred in connection with processing the application or redemption (as relevant), including any fees charged by a custodian or sub-custodian. There is no cap specified.

If the Responsible Entity does determine to increase the cap or a fee for a Fund, it will give Unitholders of that Fund not less than 30 days' prior notice in an announcement to ASX, and comply with any other disclosure requirements of the Corporations Act or ASX Rules in relation to the change.

The Responsible Entity's maximum fee for each Fund specified in the Constitutions for the Funds does not include any amount referable to GST. If the Responsible Entity is required to pay GST in respect of any supply made in connection with a Fund, then in addition to any fee or other amount, the Responsible Entity is entitled to be paid an

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE : SPDR S&P/ASX Australian Bond Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
<i>Contribution Fees</i>	Nil	For every additional \$5,000 you put in you will not be charged a contribution fee.
<i>PLUS Management Costs</i>	0.24% p.a.	And, for every \$50,000 you have in the SPDR S&P/ASX Australian Bond Fund you will be charged \$120 each year.
<i>EQUALS Cost of Fund</i>		For the SPDR S&P/ASX Australian Bond Fund, if you put \$5,000 into the Fund during the year and your balance in the Fund was \$50,000, then for that year you would be charged fees of: \$120 What it costs you will depend on the Fund you choose and the fees you negotiate with your financial adviser or your service provider.

*Additional fees may apply. Please refer to the above explanation of "Transaction Fees" and "Stockbroker Fees". For illustrative purposes, the above example assumes that Management Costs were calculated on a balance of \$50,000. It does not take account of Management Costs that would be charged on the additional \$5,000 contributed during the year.

7 Taxation

The taxation information provided below is intended only to provide general information about any significant taxation implications of an investor holding units in a Fund. It is also intended to apply only to Unitholders who have not made the fair value or reliance on financial reports election under the Taxation of Financial Arrangements (“TOFA”) provisions. The taxation of a unit trust investment such as a Fund can be complex and may change over time. Unitholders in each Fund are recommended to seek professional tax advice in relation to their own position.

Taxation of each Fund

Under existing taxation legislation, a Fund will not have to pay Australian income tax, provided Unitholders in the Fund are presently entitled to all of the income of the Fund in each year of income, which is intended to be the case. Unitholders will be liable to pay tax, as set out below.

It is not expected that the taxable income of the Fund will include capital gains. Rather, having regard to the investments held by the Fund, it is expected all taxable income of the Fund will be on revenue account.

Taxation of Australian Resident Unitholders

Distributions

Unitholders in a Fund are liable to pay tax on the full amount of their share of the taxable income of the Fund which corresponds to their share of income distributions from the Fund, in the year in which that entitlement arises. A Unitholder’s share of the taxable income of a Fund for the year ended 30 June must therefore be included as assessable income for the financial year ended on that date. This applies irrespective of whether distributions from the Fund are paid in a subsequent year or reinvested in further units in the Fund.

Although distributable income of the Fund is based on taxable income (or estimates of taxable income in respect of quarterly distribution periods), a Unitholder’s share of taxable income might be more or less than their share of distributions from the Fund. For example this can arise if there are losses of the Fund in a financial year or as a result of distributions made to Unitholders who redeem Units during a distribution period,

Two classes of Units in each Fund may be offered, a class that is quoted on ASX (offered under this PDS) and an unquoted class that is available only to wholesale investors (not offered under this PDS).

It is generally expected that an unquoted class will bear lower fees and expenses than your quoted class. The distributable income of each Fund (net of fees and expenses charged to all classes) will be allocated between each class, pro rata based on the value of each class at the end of the distribution period. This allocation will not be adjusted to reflect the different levels of fees and expenses charged to each class. The Responsible Entity considers that this is the fairest way to allocate income between the classes as it applies across all classes any distortions that could arise due to sizable applications for Units late in a distribution period, or due to reclassifications of Units between classes late in a distribution period. However, this method of allocating income could cause your class of Units to be distributed a higher proportion of the Fund’s net income than is reflected by the fees charged to the class. This could have the effect of reducing the Unit price for your class, which could, in essence, in circumstances where you hold your Units on capital account, convert capital in your Units to income. This could have adverse tax consequences for you.

Distributions from a Fund may include various components, the taxation treatment of which may differ. For example, in addition to investment income such as coupons, a distribution from a Fund to a Unitholder of the Fund may include a tax deferred component.

Tax deferred distributions are primarily returns of capital.. Tax deferred distributions are generally not assessable when received unless the total tax deferred amounts received by the Unitholder exceed the cost base of the units, at which point the excess is treated as a capital gain. For capital gains tax purposes, amounts of tax deferred distributions received from a Fund reduce the cost base of the units in that Fund for the Unitholder and therefore affect the Unitholder’s capital gain or loss on disposal of those units.

In the case of Unitholders holding their units in a Fund on revenue account (eg as part of a securities trading business or a business of investing for profit), distributions from the Fund including tax deferred amounts may be taxable in full as ordinary income, depending on the Unitholder’s circumstances.

The TOFA provisions may apply to some Unitholders. However, units in a trust are generally excluded from TOFA unless the Unitholder has made a fair value election or an election to rely on financial reports. For Unitholders that are subject to TOFA and have made either the fair value or reliance on financial reports election, the tax implications of holding units in the Fund may differ

to those set out in this PDS. As the TOFA provisions are complex, it is recommended that Unitholders seek their own professional advice, specific to their own circumstances, should TOFA apply to them.

Disposal of Units

If you redeem or transfer Units in the Fund this will constitute a disposal for tax purposes. The tax consequences of a disposal depend on your particular circumstances.

If you hold your units in the Fund on capital account, any profit you make on disposal will be subject to capital gains tax. If you make a capital loss, it can only be used to offset against capital gains derived in the current or a future tax year.

A discount may be available on the capital gain on units in a Fund held for 12 months or more by individuals, trusts or complying superannuation entities. The discount is one half for individuals and trusts, and one third for complying superannuation entities. However, the discount may be denied in relation to units in a Fund in certain circumstances where a Unitholder (together with associates) holds 10% or more of the issued units in the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Unitholders who together with associates are likely to hold more than 10% of the units in a Fund should seek their own advice on this issue. Companies are not eligible for the capital gains tax discount.

If you hold your units in a Fund on revenue account (eg as part of a securities trading business or a business investing for profit), any profits may be taxed as ordinary income and no CGT discount concession will be available.

A design feature of each Fund is that a Unitholder's level of distributions from the Fund is not affected by gains realised by the Fund in meeting redemptions by other Unitholders. This is done by attributing those gains to the redeeming Unitholders.

On redemption, part of the amount received will include a share of the income of the Fund. The share of income will depend on the gains (or losses) to the Fund in relation to the realisation of investments to fund the redemption, income of the fund in the distribution period in which the redemption occurs and any losses incurred by the Fund in the financial year in which the redemption occurs. Income allocated to a Unitholder on redemption will be taken into account in working out the Unitholder's share of taxable income for the financial year. The share of taxable income will be

taxed as income, whether or not the Unitholder held the units on revenue or capital account.

Applications and Redemptions

Applications and redemptions in each Fund are limited to Stockbrokers acting as principal and, in the case of redemptions, by "Qualifying Australian Residents" using a Stockbroker. The tax consequences of applications and redemptions in each Fund are summarised in section 2 of the Reference Guide.

Taxation Reform

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to the taxation legislation as announced by the Government. However, it should be noted that the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, reform is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

Current reforms in progress include the new tax system for MITs (Regime MITs) and the proposed reforms to the taxation of trust income. These reforms may impact on the tax position of a Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in a Fund.

Taxation of Non-Resident Unitholders

Australian tax will be withheld at appropriate rates from the distribution of Australian sourced income and gains to non-resident Unitholders of each Fund. Please note that there will be an increase to the rate of withholding tax on some components of the distribution from 1 July 2012.

If you are a non-resident Unitholder of a Fund, hold the units in the Fund on capital account and do not hold the units as part of a business carried on in Australia, you should not be subject to Australian Capital Gains Tax on disposal of your units in the Fund as it is expected that the units will not be taxable Australian property. However, if you hold your units on revenue account, any profits on disposal of units in the Fund may be subject to Australian tax as ordinary income, subject to any available treaty relief.

Tax File Numbers and Australian Business Numbers

An investor need not quote a Tax File Number ("TFN") when applying for units in a Fund. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided, tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 46.5 per cent).

Unitholders that hold units in a Fund in the course or furtherance of an enterprise may quote their Australian Business Number ("ABN") instead of their TFN.

GST

Each Fund is generally "input taxed" for GST purposes. This means that each Fund does not charge GST on the application for or redemption of Units, but is denied certain input tax credits for the GST on the fees and expenses charged to it (ie they represent a real cost to the Fund).

The Responsible Entity charges each Fund GST on its operating fees and expenses. Presently each Fund is generally only entitled to claim back 75% of the GST as a "reduced input tax credit" on most expenses. The remaining 25% of the GST that the Fund is not entitled to claim back is a real cost to the Fund. However, from 1 July 2012, the reduced input tax credit rules may change and the Fund may only be entitled to 55% of the GST charged as a "reduced input tax credit" in respect of some services acquired. The remaining 45% of the GST that the Fund is not entitled to claim back is a real cost to the Fund.

If the Responsible Entity is required to pay GST on the supply of any goods or services made in connection with a Fund or in relation to its fee for a Fund, it may recover an amount equal to the GST from the assets of the relevant Fund to the extent allowable under the Constitution of the Fund.

Please note:

1. The above review of the taxation issues affecting an investment in each Fund should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. The laws governing taxation are complex. Potential investors should seek their own independent tax advice before investing in a Fund.
2. All taxation information provided in this PDS was correct as at the date of this PDS.

8 Distributions and Distribution Reinvestment Plan

Periodic Distributions

Each Fund generally has four quarterly distribution periods, ending on 31 March, 30 June, 30 September and 31 December each year. Unitholders on the register of a Fund at the end of a distribution period are entitled to a pro-rata share of the proportion of the distributable income (if any) for the Fund for that period that the Responsible Entity determines.

The number of Units in a Fund on issue at the end of a distribution period includes Units in the Fund which are to be issued and excludes Units in the Fund which are to be redeemed under valid application forms and redemption forms received by the Administrator and Custodian in relation to the Fund before the cut-off time on the ASX Business Day immediately preceding the end of the distribution period.

The fact that distributions in each Fund are pro rata according to the number of Units in the relevant Fund held at the end of the distribution period means that distributions for a Fund for a period may be diluted if new parcels of Units in the relevant Fund are issued during the period. The Responsible Entity may choose to distribute an amount that exceeds the taxable income of a Fund in a quarter in order to maintain the distribution yield of that Fund. Distributions in excess of the taxable income will be classified as a return of capital.

The distributable income for a Fund for a period ending other than on 30 June is the Responsible Entity's estimate of the taxable income of the Fund less so much of the taxable income of the Fund for the period attributable to the disposal of or dealing with the assets of the Fund, or such lesser or greater amount as the Responsible Entity determines.

The distributable income of a Fund for a distribution period ending on 30 June is the balance of the taxable income of the Fund for the financial year together with any additional amounts the Responsible Entity considers appropriate (excluding the gains allocated to redeeming Unitholders of the Fund as discussed below), less the amounts distributed by the Fund in the previous distribution periods in the financial year.

The Responsible Entity will provide a preliminary classification of distributable income into taxable income and return of capital for each quarterly distribution. However the Responsible Entity reserves the right to amend any such classifications at the end of a financial year.

Distributions for each Fund are generally paid to Unitholders within 10 Business Days of the end of the distribution period, and must be paid within 60 days of the end of the period. The Responsible Entity may vary the distribution periods for each Fund if it is in the interests of Unitholders of the relevant Fund to do so.

Distributions may be reinvested under the Distribution Reinvestment Plan as described below. If you have not elected to receive distributions in cash (which will require you to provide us account details for us to transfer cash distributions to you) at least 5 Business Days prior to the end of a distribution period, your distribution will automatically be reinvested under the Distribution Re-investment Plan.

Distribution Reinvestment Plan

The Responsible Entity has established a distribution reinvestment plan for each Fund which provides Unitholders of the applicable Fund with the option of reinvesting distributions in Units in the relevant Fund rather than receiving payment from the Fund for a distribution period. Each plan is on the same terms.

Copies of the plan for each Fund and forms to apply for participation in the plan are available and may be obtained by contacting the Registrar or accessing the Registrar's website www.linkmarketservices.com.au.

Distribution History

Detailed distribution history for each Fund will be posted, when available, on the SPDR website at www.spdrs.com.au

Information about distributions on redemption

The Constitution governing each Fund contains provisions which, in broad terms, allocate capital gains and other taxable gains realised by the relevant Fund when redeeming Units in the Fund to redeeming Unitholders of the Fund. This is because certain gains may arise from the transfer of Redemption Parcels of a Fund to redeeming Unitholders of the Fund. These provisions are summarised in section 1.6 of the Reference Guide.

9 Additional Information

9.1 Applications and redemptions - further information in the Reference Guide

The Responsible Entity operates facilities for applications for, and redemptions of, Units in each Fund, normally each ASX Business Day. Applications in respect of a Fund may be made in cash, or on an in-specie basis. The consideration for an application in respect of each Fund will be either a cash payment, or a parcel of bonds that resembles the relevant Fund's portfolio.

Applications in respect of each Fund may only be made in lots of 100,000 Units in the relevant Fund and only Stockbrokers acting as principal may apply. Other investors may acquire Units in a Fund only by trading on ASX. For in specie applications, a relatively small cash balancing component will also be payable by or to the applicant. As part of the process for cash applications, SSAL may be appointed as nominee to acquire Units on behalf of the applicant.

Consideration for redemption of Units in a Fund will be either a payment in cash or an in specie transfer of securities. In the case of an in specie redemption, a cash balancing component will also be payable by or to the redeeming Unitholder. Unitholders can only redeem Units in a Fund if they are a Stockbroker and are a Qualifying Australian Resident. Redemptions may only be made in whole multiples of 100,000 Units.

For both applications and redemptions in relation to a Fund, a Transaction Fee is payable. See section 6.

Detailed information about the procedures for applications and redemptions for each Fund is mainly relevant to Stockbrokers, rather than individuals who trade in Units in the Funds on ASX, so it is set out in a separate document titled "SPDR S&P Fixed Income ETFs - Reference Guide Issue 1" dated 6 July 2012. The material in the Reference Guide is incorporated by reference in this PDS. The Reference Guide is available at http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_BOND.pdf and http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_GOVT.pdf. You can also obtain a free printed copy at any time by contacting SSgA, whose contact details are at the back of this PDS.

The Reference Guide includes:

- Information about who can apply for and redeem Units, and how the issue and

- redemption prices of Units in each Fund are calculated;
- the execution and settlement procedures for the issue and redemption of Units in each Fund, including what may happen if there is a settlement failure;
- further information about the Application Parcel and Redemption Parcel for each Fund;
- information about the appointment of SSAL as nominee for applicants in connection with cash applications for each Fund; and
- the treatment of dealings by Stockbrokers in Units in each Fund for which they have applied but which have not yet been issued.

Copies of the forms for applications and redemptions in relation to each Fund, and information about how to complete them, are also available at www.spdrs.com.au.

Units are issued and redeemed at an issue price or withdrawal amount (as applicable) calculated as

Net Asset Value of the Class Number of Units in the Class in issue

The Net Asset Value for a Class is calculated by deducting from the aggregate value of the assets of the Fund attributable to the Class all accrued fees and other costs, liabilities and provisions relating to the Class. Also:

- the Transaction Fee will be added to the amount payable by an applicant for Units, and deducted from the amount payable to a redeemer of Units; and
- an applicant must also pay, and a redeeming Unitholder is also entitled to receive, the Coupon Accrual Adjustment, which reflects the income or interest attributable to the relevant parcel of securities for the period between the time the issue price or withdrawal amount is calculated and the time the transaction settles.

To calculate the Unit price, the assets of each Fund will be valued at their market value. In calculating the market value of the assets of a Fund, the Administrator will use valuations provided by S&P.

9.2 CHESS and transfer or transmission of Units

The Responsible Entity has been admitted to participate in the Securities Clearing House Electronic Sub register System, known as CHESS, in accordance with the ASX Listing Rules and the ASX Clear Operating Rules. The Registrar maintains an electronic CHESS sub register on behalf of each Fund. Unitholders have the option to hold Units in a Fund either on the CHESS sub

register for the Fund under sponsorship of a broker or non-broker participant of ASX, or on the issuer sponsored sub-registers for the Fund operated by the Responsible Entity. The CHESS sub registers and the issuer sponsored sub registers for a Fund together make up the registers of Units for that Fund.

For Unitholders who elect to hold their Units in a Fund on the CHESS sub register for that Fund, the Registrar, on allotment or transfer, issues an advice that sets out the number of Units in the Fund allocated to them and at the end of the month of allocation, ASX Settlement Corporation provides each Unitholder with a holding statement that confirms the number of Units in the Fund allotted or transferred.

The Responsible Entity does not issue certificates to investors in a Fund. Instead, upon allotment, Unitholders in each Fund receive holding statements (similar to bank account statements) which set out the number of Units in the relevant Fund allotted to the Unitholder under this PDS. The statements also set out each Unitholder's unique Holder Identification Number in the case of a holding on the CHESS sub register of a Fund or Security Holder Reference Number in the case of a holding on the issuer sponsored sub register of a Fund. Unitholders receive an explanation of sale and purchase procedures under CHESS with the statement, and receive subsequent statements showing any change to their holding and may request statements at any other time, although the Responsible Entity may charge for additional statements.

Unitholders may also be able to transfer Units in a Fund off market. The transfer must be delivered to the Registrar and must be in a form approved by the Responsible Entity. The transfer becomes effective when the Responsible Entity (or the Registrar) enters the particulars of the transfer in the register of Unitholders for the relevant Fund.

Subject to the ASX Rules, the Responsible Entity may decline to register a transfer of an officially quoted Unit.

If a Unitholder of a Fund dies or becomes subject to a legal disability, the Responsible Entity may only recognise the survivor (in the case of joint holders) or the legal personal representative (in any other case) or any other person determined by the Responsible Entity in accordance with the Constitution of the relevant Fund as having any claim to the Units in the Fund registered in the Unitholder's name.

9.3 Rules Governing each Fund

Each Fund is governed by its Constitution. Together with the Corporations Act and the general law, each Fund's Constitution sets out the conditions under which the Fund operates, and the rights, responsibilities and duties of the Responsible Entity and Unitholders of the Fund. While the Units in each Fund are quoted on the ASX, the Responsible Entity is also subject to the AQUA Rules in relation to each Fund (see section 2.4 and the table comparing the AQUA Rules and the ASX Listing Rules in section 9.4 below).

Each Fund's Constitution contains provisions dealing with a broad range of matters relevant to the operation of the Fund. The following summarises some of those provisions. It does not include details of fees permitted under each Fund's Constitution. Information about fees for each Fund is set out in section 6 of this PDS.

Fund Constitutions – Summary of provisions

Each Fund's Constitution includes provisions dealing with:

- How the assets of the Fund must be held (the Responsible Entity holds the assets of each Fund on trust for Unitholders in the Fund but may appoint a suitable custodian);
- The nature of Units and the rights attaching to them. (A Unit confers an undivided interest in the assets of the Fund attributable to the relevant class, subject to its liabilities. A Unit does not confer an interest in a particular asset);
- Voting rights of members. While each Fund is a registered managed investment scheme, on a show of hands, each Unitholder has one vote, or on a poll, each Unitholder has one vote for each dollar of the value of their Units in the Fund. A special or extraordinary resolution put to the vote at a meeting of Unitholders must be decided on a poll;
- Transferring Units (the Responsible Entity can refuse a transfer, subject to the ASX Rules);
- Calculation of the issue price, withdrawal amount, redemption price, withdrawal unit income entitlement, coupon accrual adjustment and application and redemption procedures;

- The ability to suspend applications and reject or delay satisfying redemption requests;
- Valuation of the assets of the Fund and calculation of net asset value;
- Unitholders' rights to share any Fund income and allocation of Fund income to redeeming Unitholders;
- The Responsible Entity's powers and how and when those powers can be exercised. (The Responsible Entity's powers are very broad. For example, it has the power to borrow and raise money, to grant security and to incur all types of obligations and liabilities, to make all types of investments and to appoint delegates and agents);
- The circumstances in which the Responsible Entity may or must retire as responsible entity of the Fund (the Responsible Entity may retire as permitted by law and must retire when required by law);
- Unitholder meetings;
- The rights and liabilities of the Responsible Entity in relation to the Fund;
- Limitations on the Responsible Entity's liability in relation to the Fund and the Responsible Entity's right of indemnity in relation to the Fund;
- The liability of Unitholders;
- The maximum fees that the Responsible Entity is entitled to charge and the expenses payable from the Fund;
- The termination of the Fund and Unitholders' rights to participate in the distribution of assets on termination;
- Compliance with the ASX Rules while the Fund is quoted on ASX;
- The right to offer multiple classes of Units in each Fund, including unquoted classes that are available only to wholesale investors;
- The right of Compliance Committee members to be indemnified from the assets of the Fund;

- Handling of complaints in relation to the administration of the Fund.

For a detailed understanding of a Fund's Constitution, you should consult the Constitution, a copy of which is available from the Investment Manager, free of charge, to any person on request.

Changes to the Constitutions

Each Fund's Constitution may be amended if the Responsible Entity reasonably considers that the amendment will not adversely affect the rights of Unitholders of the relevant Fund. Otherwise, the Corporations Act requires approval from the Unitholders of the Fund to be obtained by special resolution at a meeting of Unitholders of the Fund.

Each Fund's Constitution binds the Responsible Entity and each present and future Unitholder of the relevant Fund and any person claiming through any of them.

ASIC Relief

The ASIC relief described in this section has been obtained in relation to each Fund.

Equal Treatment Relief

ASIC has granted relief in relation to each Fund under section 601QA of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units in the Fund to those who are Qualifying Australian Residents as defined in the Constitution of the Fund and are Stockbrokers.

Note: Investors in each Fund should be aware of the Responsible Entity's ability to withhold Australian withholding tax at appropriate rates from the redemption proceeds of non-resident Unitholders in the Fund where required under the Tax Act. However, as only "Qualifying Australian Residents" may currently redeem Units in each Fund, the Responsible Entity does not currently expect to have to deduct withholding tax from the redemption proceeds of Unitholders in a Fund.

PDS and Issue of Units Requirements

ASIC has granted relief in relation to each Fund under section 1020F(1)(c) of the Corporations Act from sections 1016D and 1016E, to reflect the continuous offering of Units in the Fund. For the purposes of this relief:

- an application for quotation of the Units in a Fund on the AQUA market of ASX must be made within 7 days of the date of each new issue of Units in a Fund,

- the Responsible Entity must notify ASX of the total number of Units in each Fund on issue by no later than 5 business days after the last business day of each calendar month; and
- the maximum time for which application moneys will be held before the issue of relevant Units in a Fund will generally not exceed 7 days. In certain circumstances, this period may be extended to one month from the date of receipt of the application money. Generally, for cash applications Units will be issued to the nominee on the first Business Day after receipt of the application, and will be transferred to the Stockbroker on the third Business Day after receipt of the application (see section 1.11 of the Reference Guide). For in specie applications Units will generally only be issued once the application property and money has been received by the Custodian.

to vote on the resolution. Some of the other differences between schemes listed under the ASX Listing Rules and units quoted under the AQUA Rules are set out in the following table.

Ongoing disclosure requirements

ASIC has also granted the Responsible Entity relief in relation to each Fund under section 1020F(1)(a) of the Corporations Act from ongoing disclosure requirements in section 1017B on the condition that the Responsible Entity complies with the provisions of the Corporations Act that apply to unlisted disclosing entities as if each Fund were an unlisted disclosing entity.

No cooling off

Because Units in each Fund are to be quoted for trading on ASX, and all applicants for issue of Units will be wholesale clients, investors do not have any cooling off rights in respect of an investment in a Fund.

9.4 AQUA Rules vs Listing Rules

As noted above, an application has been made to ASX for Units in each Fund to be quoted for trading on the AQUA platform of ASX. The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

There are some differences between quotation under the AQUA Rules and ordinary listing under the ASX Listing Rules. For example, in contrast to a listed registered managed investment scheme, for AQUA quoted units, the takeover and substantial holder provisions of the Corporations Act will not apply and the Responsible Entity may only be removed as responsible entity of a Fund by a resolution passed by at least 50% of the total votes that may be cast by members of the Fund entitled

ASX Listing Rules	ASX AQUA Rules
Continuous disclosure	
<p>Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of AQUA quoted products are not subject to the continuous disclosure requirements under Listing Rule 3.1 or section 674 of the Corporations Act. However, the Responsible Entity intends to comply with section 675 of the Corporations Act as if the Fund was a disclosing entity.</p> <p>AQUA product issuers are required to disclose any information the non-disclosure of which may lead to the establishment of a false market for the products. AQUA ETF issuers must also disclose to ASX information including:</p> <ul style="list-style-type: none"> (a) the net asset value of the ETF; (b) distributions paid in relation to the ETF; (c) any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act.
Periodic Disclosure	
<p>Issuers are required to disclose half-yearly and annual financial information and reports.</p>	<p>Issuers are not required to disclose half-yearly and annual financial information or reports. However, the Responsible Entity will be required to lodge financial reports with ASIC under the Corporations Act.</p>
Corporate Control	
<p>Requirements under the Corporations Act and the ASX Listing Rules relating to takeovers, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes.</p>	<p>Certain requirements in the Corporations Act and the ASX Listing Rules relating to takeovers, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings do not apply to AQUA quoted units. The Responsible Entity is subject to general Corporations Act requirements in respect of some of these matters.</p>
Related party transactions	
<p>Chapter 10 of the ASX Listing Rules relates to transactions between an entity and persons in a position to influence the entity and sets out controls over related party transactions.</p>	<p>Chapter 10 of the ASX Listing Rules does not apply to AQUA quoted products. Related party transactions for AQUA quoted schemes will be subject to the requirements in the Corporations Act.</p>
Auditor rotation obligations	
<p>Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and registered schemes.</p>	<p>Issuers of AQUA Products are not subject to the rotation requirements in Chapter 2M.4 of the Corporations Act. The Responsible Entity must ensure that an auditor is appointed to audit compliance with the scheme's compliance plan. The auditor of the scheme's compliance plan must not be the same person who audits the scheme's financial statements, although they may be employed by the same firm.</p>

9.5 Governance and operation of the Fund

Directors of the Responsible Entity

The directors of the Responsible Entity at the date of this PDS are:

Robert Goodlad: Robert is Chairman of the board of State Street Global Advisors, Australia Services Limited. He is also a Senior Vice President of State Street Global Advisors, Australia, Limited. Robert holds a Bachelor of Arts (Economics) from Monash University. Robert joined State Street in 1999 and has had 28 continuous years' experience in the financial markets and Fund management industry.

Jonathan Shead: Jonathan is a Director of State Street Global Advisors, Australia Services Limited and a Head of Portfolio Strategists for the Asia Pacific region. He holds a Bachelors of Economics Degree from Macquarie University and is a Fellow of the Institute of Actuaries of Australia. Jonathan joined State Street in 2000. He has more than 20 years' experience in the financial services industry.

Michael Nairn: Michael is a Director of State Street Global Advisors, Australia Services Limited and Head of Investment Operations, Asia Pacific. He holds a Bachelor of Commerce Degree from the University of Canberra and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. Michael joined State Street in 2002. He has 12 years' experience in the financial services industry.

The directors of the Responsible Entity have consented to the lodgement of this PDS with ASIC.

Compliance Plan

The Responsible Entity has a formal compliance plan in place for each Fund. The purpose of the plans is to detail the measures that the Responsible Entity will apply in operating each Fund to ensure compliance with the Fund's Constitution and the Corporations Act.

Compliance Committee

To satisfy the requirements of the Corporations Act, a three member Compliance Committee has been formed to act for each Fund, which includes two committee members who are independent of the State Street Group. The primary role of the Compliance Committee is to monitor the Responsible Entity's compliance with each Fund's compliance plan, to monitor the adequacy of the compliance plan for each Fund and to report certain breaches of the Corporations Act and a Fund's Constitution to the Responsible Entity or ASIC.

Complaints

The Responsible Entity has established procedures to deal promptly with complaints in relation to the management or administration of each Fund. Complaints can be made in writing to:

Link Market Services Limited
680 George St
SYDNEY NSW 2000

Unitholders may lodge complaints with Link Market Services Limited. In the event of continued dissatisfaction, Unitholders can also contact the Financial Ombudsman Service, an independent body approved by the ASIC to deal with such complaints as follows:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001
info@fos.org.au
Freecall: 1300 780 808
Fax: (03) 9613 6399

Privacy

The Responsible Entity, SSgA and Registrar may collect, hold and use personal information about investors received in relation to a Fund in order to process applications for the Fund, administer Unitholders' investments in the Fund and provide Unitholders of the Fund with services related to their investment. They may also use that information for providing information about other products and services offered by or through the State Street Group. We may disclose Investors' personal information to companies in the State Street group, related entities, agents, contractors or third party service providers to whom we outsource services such as mailing functions, fraud monitoring systems, registry and accounting (the Service Providers) on the basis that they deal with such information in accordance with the State Street Group's privacy policy. You can access your personal information in connection with a Fund by logging in to the Registrar's website www.linkmarketservices.com.au or by request to the Responsible Entity or SSgA.

If you believe your records are out of date – particularly your address, email address or adviser details, please contact SSgA or update your details by logging in on the Registrar's website www.linkmarketservices.com.au.

Related Party Service Providers

The Responsible Entity will use the services of related companies as described in section 4.2 and 4.4 in the administration and management of each Fund and pay fees for their services. All such

arrangements with related parties are on terms that would be reasonable in the circumstances if the two entities were dealing at arm's length, or on terms that are less favourable to the related party.

9.6 Further information

Continuous disclosure

The Responsible Entity will elect to meet reporting and disclosure obligations as if each Fund were an "unlisted disclosing entity" under the Corporations Act. Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at, an ASIC office. The Responsible Entity will meet its obligations by disclosing material information regarding each Fund on its website at www.spdrs.com.au.

Unitholders in a Fund may obtain the following documents from the Responsible Entity:

- The annual report most recently lodged with ASIC in respect of the Fund;
- Any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the most recent annual report and before the date of this PDS; and
- Any continuous disclosure notices given in respect of the Fund after the lodgement of the most recent annual report and before the date of this PDS.

The Responsible Entity will arrange for a requesting Unitholder of a Fund to be sent a printed or electronic copy of any of the above documents free of charge within 5 business days of the request.

Unit Pricing Discretionary Policy

A copy of the Responsible Entity's Unit Pricing Discretionary Policy is available from SSgA on request at any time, free of charge, by calling (02) 9240 7600.

Unitholder Reporting

A statement of holdings and transactions is provided to Unitholders of each Fund when they acquire Units in a Fund under this PDS or via ASX or redeem Units in a Fund, and then subsequently on a monthly basis when further Units in the Fund have been acquired or disposed of. In addition, a statement is provided after the end of each distribution period detailing distribution information. An annual tax statement is also issued.

Financial Statements available upon request

Copies of each Fund's audited financial statements (when available) will be provided by Investment Manager, free of charge to Unitholders of each Fund on request or can be accessed at www.spdrs.com.au.

9.7 Consents and disclaimers

The following have given their consent to be named in this PDS and to the issue of this PDS including the statements noted next to their names, in the form and context in which they are included:

- State Street Global Advisors, Australia, Limited as Investment Manager and distributor of each Fund, in connection with the statements said in this PDS to be attributed to it; and
- S&P as provider of each Fund's Index in respect of the details of each Fund's Index as stated in section 2.2.

Each party referred to above in this Section 9.7 does not make, or purport to make, any statement in this PDS other than the statements referred to above, and to the maximum extent permitted by law, disclaims any liability and takes no responsibility for any other part of this PDS.

Further, except for the statements and parties referred to above in this section 9.7, each party referred to elsewhere in this PDS (other than the Responsible Entity) does not make, or purport to make, any statement in this PDS, and to the maximum extent permitted by law, disclaims any liability and takes no responsibility for any other part of this PDS.

S&P disclaimer

Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), and ASX® is a registered trademark of the ASX Operations Pty Ltd ("ASX"). These trademarks have been licensed for use by the Responsible Entity and the Investment Manager. The SPDR S&P/ASX Australian Bond Fund and the SPDR S&P/ASX Australian Government Bond Fund are not sponsored, endorsed, sold or promoted by S&P, ASX or their respective affiliates, and S&P, ASX and their respective affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding Units in the SPDR S&P/ASX Australian Bond Fund or the SPDR S&P/ASX Australian Government Bond Fund.

These Funds are not sponsored, endorsed, sold or promoted by Standard & Poor's Financial Services LLC and its affiliates ("S&P") or by the ASX Operations Pty Ltd and its affiliates ("ASX"). S&P and ASX make no representation, condition or warranty, express or implied, to the owners of the Funds or any member of the public regarding the advisability of investing in securities generally or in the fund particularly or the ability of the SPDR

S&P/ASX Australian Bond Fund or the SPDR S&P/ASX Government Bond Fund to track market performance and/or to achieve its stated objective and/or to form the basis of a successful investment strategy, as applicable. S&P's and ASX's only relationship to the Responsible Entity and the Investment Manager ("State Street") is the licensing of certain trademarks and trade names and of the S&P/ASX Australian Fixed Interest Index and the S&P/ASX Government Bond Index which is determined, composed and calculated by S&P without regard to State Street or the Fund. S&P and ASX have no obligation to take the needs of State Street or the investors in the Fund into consideration in determining, composing or calculating the S&P/ASX Australian Fixed Interest Index or the S&P/ASX Government Bond Index or any data included therein or used to calculate the S&P/ASX Australian Fixed Interest Index or the S&P/ASX Government Bond Index. S&P and ASX are not advisors to the Funds and are not responsible for and have not participated in the determination of the prices and amount of the Fund or the timing of the issuance or sale of the Fund or in the determination or calculation of the equation by which the fund units are to be converted into cash. S&P and ASX have no obligation or liability in connection with the administration, marketing, or trading of the Fund.

S&P and ASX do not guarantee the accuracy and/or the completeness of the S&P/ASX Australian Fixed Interest Index or the SPDR S&P/ASX Government Bond Index or any data included therein or used to calculate the S&P/ASX Australian Fixed Interest Index and the S&P/ASX Government Bond Index and S&P and ASX shall have no liability for any errors, omissions, or interruptions therein. S&P and ASX make no representation, warranty or condition, express or implied, as to results to be obtained by State Street, owners of or investors in the Fund, or any other person or entity from the use of the S&P/ASX Australian Fixed Interest Index and the S&P/ASX Government Bond Index or any data included therein or used to calculate the S&P/ASX Australian Fixed Interest Index and the S&P/ASX Government Bond Index. S&P and ASX make no express or implied representations, warranties or conditions, and expressly disclaim all warranties or conditions of merchantability or fitness for a particular purpose or use and any other express or implied warranty or condition with respect to the S&P/ASX Australian Fixed Interest Index and the S&P/ASX Government Bond Index or any data included therein. Without limiting any of the foregoing, in no event shall S&P or ASX have any liability for any special, punitive, indirect, or consequential damages (including, but not limited to, lost profits) resulting from the use of the S&P/ASX Australian Fixed Income Index and

the S&P/ASX Government Bond Index or any data included therein, even if notified of the possibility of such damages.

Not personal advice

The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should consider whether the information in this PDS is appropriate for you in light of your objectives, financial situation and needs. To obtain advice or more information about each Fund, you should speak to an Australian financial services licensee or an authorised representative.

10 Glossary of terms

Administrator and Custodian: for each Fund, State Street Australia Ltd (SSAL)

Application Parcel: has the meaning it is given in section 4 of the Reference Guide.

AQUA Rules: the rules for operation of the AQUA Trading Market in schedule 10A to the ASX Operating Rules.

ASX: ASX Limited or the market operated by it.

ASX Business Day: has the same meaning as in the ASX Listing Rules.

ASX Rules: ASX Listing Rules, ASX Operating Rules, ASX Clear Operating Rules, ASX Settlement Operating Rules.

CHESS: Clearing House Electronic Subregister System.

Close of Trading: the time at which trading closes on ASX on an ASX Business Day.

Constitution: the constitution of a Fund, as amended from time to time.

Fund: SPDR S&P/ASX Australian Bond Fund (ASX code: BOND) (ARSN 159 002 623) or SPDR S&P/ASX Australian Government Bond Fund (ASX code: GOVT) (ARSN 159 002 801) (as applicable) and “Funds” is a reference to all of them.

Index: S&P/ASX Australian Fixed Interest Index or the S&P/ASX Government Bond Index (as applicable) and “Indices” is a reference to all of them.

Investment Manager: for each Fund, State Street Global Advisors, Australia, Limited ACN 003 914 225.

Investment Mandate: for each Fund, has the meaning given in section 3.1.

PDS: this product disclosure statement.

Qualifying Australian Resident: has the same meaning as in the Constitution of each Fund, but generally includes a person who the Responsible Entity is satisfied is an Australian resident for tax purposes, and has not given an address outside Australia or requested payments to be made outside Australia.

Redemption Parcel: has the meaning it is given in section 4 of the Reference Guide.

Reference Guide: the document titled “SPDR S&P Fixed Income ETFs - Reference Guide Issue 1” dated 6 July 2012. The Reference Guide is available at http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_BOND.pdf and http://spdrs.com.au/etf/fund/ref_doc/Reference_Guide_GOVT.pdf.

Registrar: for each Fund, Link Market Services Limited.

Responsible Entity: for each Fund, State Street Global Advisors, Australia Services Limited ACN 108 671 441.

SSAL: State Street Australia Ltd, the Administrator and Custodian for each Fund.

SSgA: State Street Global Advisors, Australia, Limited, the Investment Manager for each Fund.

SSgA, ASL: State Street Global Advisors, Australia Services Limited, the Responsible Entity for each Fund.

Stockbroker: a trading participant stockbroker of ASX.

Tax Act: the Income Tax Assessment Act 1936 (“1936 Act”), the Income Tax Assessment Act 1997 (“1997 Act”) or both the 1936 Act and the 1997 Act, as appropriate.

Unit: means a unit in a Fund quoted on the ASX.

11 Contact Details and Directory

Contact Details

Investment Manager and Distributor	State Street Global Advisors, Australia, Limited (ABN 42 003 914 225) Level 17 420 George St Sydney NSW 2000 Tel : (02) 9240 7600 Fax : (02) 9240 7611 www.ssga.com.au
Responsible Entity	State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) Level 17 420 George St Sydney NSW 2000 Tel : (02) 9240 7600 Fax : (02) 9240 7611 www.ssga.com.au
Administrator	State Street Australia Ltd (ABN 21 002 965 200) 420 George Street Sydney NSW 2000 Tel : (02) 9323 6000 Fax : (02) 9323 6666
Website	www.spdrs.com.au
Registrar	Link Market Services Limited (ABN 54 083 214 537) 680 George St Sydney NSW 2000 Locked bag A14, Sydney South NSW 1235 Tel : (02) 8280 7140 or 1300 554 474 Fax : (02) 9287 0303 www.linkmarketservices.com.au
Directory	
Auditors	Pricewaterhouse Coopers (ABN 54 003 311 617) 201 Sussex St Sydney NSW 1171
Custodian	State Street Australia Ltd (see Administrator)
Legal Advisers	King & Wood Mallesons
Tax Advisers	PricewaterhouseCoopers