

DATED 25 SEPTEMBER 2015

Application was made to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 14 September 2001 for permission to list and deal in and for quotation of all the Units of the SPDR[®] STRAITS TIMES INDEX ETF (the "Fund") which may be issued from time to time. Such permission has been granted by SGX-ST and the Fund has been admitted to the Official List of SGX-ST. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus and admission to the Official List is not to be taken as an indication of the merits of the Fund or its Units. If you are in doubt as to the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

SPDR^{®1} STRAITS TIMES INDEX ETF

PROSPECTUS REQUIRED PURSUANT TO DIVISION 2 OF
PART XIII OF THE SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE

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SPDR® STRAITS TIMES INDEX ETF (THE "FUND")

MARKETING SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus. The meanings of terms not defined in this summary can be found in the Glossary at the end of this Prospectus or in the Deed constituting the Fund.

A. Issue Price

The Issue Price of Units in the Fund cannot be ascertained as at the date of this Prospectus, but will vary from day to day in line with the price at which Units are issued in exchange for Deposit Investments and a cash payment (calculated in accordance with paragraph 16 of this Prospectus). This price will be affected by the price, number and type of Deposit Investments which Participating Dealers and Approved Applicants are required to supply in exchange for Units, and the sum of the Cash Equivalent Payment and Dividend Equivalent Payment ascertained in accordance with the provisions of Clause 9(B) of the Deed. The Issue Price can only be determined on the day that a request for creation of Units is made.

Units will not usually be available for cash subscription. Participating Dealers and Approved Applicants can apply to subscribe for Units in exchange for an Index Basket or Index Baskets of Index Shares.

B. Minimum Subscription

Unless investors purchase Units through Participating Dealers in Creation Unit size or whole-number multiples of Creation Units or are accepted as Approved Applicants, they should buy or sell Units in the Fund on the SGX-ST. Creation Requests for issuance of Units must be made through Participating Dealers or by Approved Applicants.

Currently, Creation Requests for Units in the Fund may only be made in a minimum of Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors that choose to subscribe for Units can usually only do so through Participating Dealers, unless they are accepted as Approved Applicants.

Investors are expected to buy Units on the secondary market.

C. Investment Objective

The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index ("STI"). The benchmark for the Fund is the STI. There can be no assurance that the Fund will achieve its investment objective. The Fund will seek to achieve this objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the STI. Within the limits set out in the CPF Investment Guidelines and Code Investment Guidelines, the Fund may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

Investors should note that the Units of the Fund are Excluded Investment Products (as defined in the Notice on the Sale of Investment Products) (“EIPs”) and that the Fund does not and will not invest in any product and does not and will not engage in any transaction which may cause the Units not to be regarded as EIPs. In particular, investors should be aware that the Fund cannot invest in derivative instruments (including futures) except for those that are Permitted Derivatives. The Fund does not and will not engage in any securities lending or repurchase transactions. Investors should refer to the definition of “Permitted Derivatives” in the Glossary section of this Prospectus for further details.

D. Unit Trust Included under CPF Investment Scheme

The Fund is included for investment under the CPF Investment Scheme-Ordinary Account (“CPF-OA”). The risk classification given by the CPF Board for the Fund is Higher Risk - Narrowly-Focused (Singapore-Centred Securities).

The CPF interest rate for the CPF-OA is based on the weighted average of 80% of the average 12-month fixed deposit and 20% of the average savings rates published by the major local banks. Under the CPF Act, the CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate.

Savings in the Special and Medisave Accounts (the “SMA”) are invested in Special Singapore Government Securities (“SSGS”) which earn an interest rate pegged to either the 12-month average yield of 10-year Singapore government securities (“10YSGS”) plus 1%, or 4% per annum whichever is higher, adjusted quarterly.

New Retirement Account (“RA”) savings are invested in SSGS which earn a fixed coupon equal to either the 12-month average yield of the 10YSGS plus 1% at the point of issuance, or 4% per annum, whichever is the higher. The interest credited to the RA is based on the weighted average interest rate of the entire portfolio of these SSGS invested using new and existing RA savings and is computed yearly in January.

As announced on 18 September 2014, the Singapore government will maintain the 4% per annum minimum rate for interest earned on all SMA and RA monies until 31 December 2015. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% per annum.

The first S\$60,000 of a CPF member's combined CPF accounts earns an extra 1% interest per year. To enable members to earn extra interest, only monies in excess of S\$20,000 in the CPF-OA and S\$40,000 in the CPF Special Account can be invested.

In addition, as announced by the Singapore government during the FY2015 Budget Statement, the Government will provide an additional 1% extra interest on the first S\$30,000 of CPF balances of a CPF member from the age of 55 with effect from 1 January 2016.

Investors should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

Subscriptions using CPF monies shall at all times be subject to inter alia the regulations and such directions or requirements imposed by the CPF Board from time to time.

E. Manager

The Manager of the Fund is State Street Global Advisors Singapore Limited.

F. Potential Risks

Before investing in the Fund, investors should consider and satisfy themselves as to the risks associated with such an investment. There can be no assurance that the Fund will achieve its investment objective. The value of the Units in the Fund (and any income from them) is not guaranteed and may go down as well as up. An investment in the Fund involves investment risks, including possible loss of the amount invested. Some of the risk factors that should be considered generally by investors are risks specific to the Fund and the STI, as well as other risk factors such as regional economic and political risks. More details of the potential risks are set out in the "Key Information" section and paragraph 4 of this Prospectus.

G. Creation and Redemption Procedures

Creations and purchases

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index Baskets, plus or minus a cash payment as determined by the Manager. Currently Units may only be issued in Creation Unit size of 500,000 Units, or whole-number multiples of 500,000 Units. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Redemptions and disposals

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating

Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 23 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Listing

The Fund was admitted to the Official List on the SGX-ST on 17 April 2002. Units bought on the SGX-ST will be at prices negotiated on a willing-buyer-willing-seller basis. The majority of trading activity in the Units is expected to occur on the SGX-ST.

Further details

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process **described in detail in paragraphs 16, 23 and 34 of this Prospectus.**

H. Not a Typical Unit Trust

Investors should note that the Fund is not like a typical unit trust offered to the public in Singapore. Among other things, Units may not usually be subscribed for or redeemed for cash (see paragraph 4.1(a) of this Prospectus), and Units may generally only be created and redeemed through Participating Dealers or by Approved Applicants, and in Creation Unit and Redemption Unit size which is presently set at 500,000 Units (see paragraphs 4.1(c) and 4.1(k) of this Prospectus). For so long as Units are listed for quotation on the SGX-ST, investors who are not Participating Dealers or Approved Applicants shall have no right to request the Manager to redeem their Units. These features are not present in a typical unit trust offered to the public in Singapore where units can generally be purchased and redeemed for cash in comparatively smaller multiples of units. Furthermore, most investors will buy and sell Units on the SGX-ST in board lot sizes.

The structure of the Fund is described in full in this Prospectus. Accordingly, investors should read the full text of this Prospectus in order to understand the structural and operational features of the Fund.

I. Fees and charges

Charges and Fees Payable to the Fund on Creation and Redemption by Participating Dealers and Approved Applicants²	
Transaction Fee on each Creation Request:	Currently no more than S\$2,500 per Creation Request. Maximum S\$5,000.
Transaction Fee on each Redemption Request:	Currently no more than S\$2,500 per Redemption Request. Maximum S\$5,000.

² The Transaction Fee may be passed on in whole or in part to the investor applying for creation or redemption of Units through the Participating Dealer.

Fees Payable by Fund to Manager and Trustee	
Annual Management Fee:	Currently no more than 0.3% per annum. Maximum 1.0% per annum.
Annual Trustee Fee:	Currently no more than 0.035% per annum, to be paid by the Manager and not by the Fund. Minimum S\$38,000 per annum. Maximum 0.15% per annum.
Switching Fee:	N.A.
In-kind Service Charges payable to Manager for each Creation Request or Redemption Request:	The aggregate of the In-kind Service Charges payable to the Manager and the Trustee for a particular Creation Request or Redemption Request will not exceed the Transaction Fee paid to the Fund for that request.
In-kind Service Charges payable to Trustee for each Creation Request or Redemption Request:	The aggregate of the In-kind Service Charges payable to the Manager and the Trustee for a particular Creation Request or Redemption Request will not exceed the Transaction Fee paid to the Fund for that request.
Marketing and Promotion Expenses:	All marketing and promotion expenses in relation to the Fund will not be charged to the Deposited Property of the Fund.

J. Cost of Dealing on the SGX-ST

A typical investor dealing on the SGX-ST will not bear any costs related to the creation and redemption of Units. However, investors will need to pay brokers' commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to the investor's individual agreement with, and paid directly by the investor to, the investor's broker, the CDP and other service providers of the investor.

K. Distributions

The amount of income or capital (as the case may be) distributable to investors for each Distribution Period will be determined by the Manager in its absolute discretion. The yield on the Units is anticipated to approximate the yield on the STI. The Manager currently intends to make distributions, less the Fund's expenses, to investors in two payments each year.

On 19 August 2014, the Fund made a dividend distribution of S\$0.045 per Unit, totalling S\$5,962,500. The Fund made a second dividend distribution on 17 February 2015 of S\$0.048 per Unit, totalling S\$6,144,000. These dividend distributions are net of corporate tax at the tax rate of 17% (for the Year of Assessment 2014).

L. Information

No person is authorised to give any information or to make any representation other than as set forth in this Prospectus, and such other information or representation should be disregarded and should not be relied upon. Nothing contained herein is or should be relied upon as a warranty or representation as to future results or events. The delivery of this Prospectus, or the issue of the Units in the Fund, does not, under any circumstances, imply that the information contained herein is correct as of any time subsequent to the date hereof.

SPDR[®] STRAITS TIMES INDEX ETF

MANAGER

State Street Global Advisors Singapore Limited
Company Registration No.: 200002719D
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TRUSTEE

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DIRECTORS OF THE MANAGER

Lochiel Crafter
James MacNevin
Hon Wing Cheung
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SOLICITORS TO THE MANAGER

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State Street Global Advisors Singapore Limited accepts full responsibility for the accuracy of information contained in this Prospectus other than that given under the heading "REPORT OF THE AUDITORS" and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated, all terms not defined herein have the same meanings as used in the Deed relating to the SPDR[®] Straits Times Index ETF.

Subscribers or investors buying Units on the SGX-ST should seek professional advice to ascertain (a) the possible tax consequences or (b) the legal requirements which may be relevant to the subscription, holding or disposal of Units in the Fund and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of their countries of citizenship, residence or domicile which may be relevant to the subscription, holding or disposal of Units in the Fund.

The Fund is a Singapore-authorised standalone unit trust and subscription for Units and redemption of Units may be made on any Business Day as described in paragraphs 16 and 23 of this Prospectus. Subscription for Units (only in Creation Unit size or multiples thereof) must usually only be made by submission of a Creation Request to the Manager by a Participating Dealer or an Approved Applicant. Redemption Requests (only in Redemption Unit size or multiples thereof) must usually only be made in writing to the Manager by a Participating Dealer or an Approved Applicant. The majority of the dealing in Units of the Fund is expected to occur on the SGX-ST.

Subscribers wishing to invest in the Fund should consider the risks which are summarised in paragraph 4 of this Prospectus.

Any holder of Units in the Fund and any depositor named in the Depository Register as having Units in the Fund entered against his name may request all or part of his holding of Units to be redeemed in accordance with and subject to the provisions of the Deed (which are summarised in paragraph 23 of this Prospectus, i.e., in Redemption Unit size or multiples or thereof), which request must generally be made through a Participating Dealer or by an Approved Applicant.

Units in the Fund may be created or redeemed by any person applying through Participating Dealers to the Manager or by Approved Applicants on standard forms or otherwise as permitted by law, as described in this Prospectus. Investors should refer to this Prospectus for more details.

A Glossary containing a list of terms and expressions used in this Prospectus is found at the end of this Prospectus.

All enquiries about the Fund should be directed to the Manager, State Street Global Advisors Singapore Limited.

**KEY INFORMATION
ON
SPDR® STRAITS TIMES INDEX ETF**

The meanings of terms not defined in this section can be found in the Glossary at the end of this Prospectus or in the Deed constituting the Fund.

SPDR® STRAITS TIMES INDEX ETF

SPDR® Straits Times Index ETF (the "**Fund**") is a unit trust which had applied to the SGX-ST on 14 September 2001 for permission to deal in and for quotation of all its Units which may be issued from time to time. The Fund was admitted to the Official List of the SGX-ST on 17 April 2002.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the STI. There can be no assurance that the Fund will achieve its investment objective. The Fund will seek to achieve this objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the STI. Within the limits set out in the CPF Investment Guidelines and the Code Investment Guidelines, the Fund may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

Investors should note that the Units are EIPs and that the Fund does not and will not invest in any product and does not and will not engage in any transaction which may cause the Units not to be regarded as EIPs. In particular, investors should be aware that the Fund cannot invest in derivative instruments (including futures) except for those that are Permitted Derivatives. The Fund does not and will not engage in any securities lending or repurchase transactions. Investors should refer to the definition of "Permitted Derivatives" in the Glossary section of this Prospectus for further details.

The Manager employs an "indexing" approach intended to replicate as closely as possible the performance, before expenses, of the STI.

The STI, Singapore's main market benchmark created by Singapore Press Holdings Ltd. ("**SPH**"), has evolved as part of a new partnership between SPH, FTSE and the SGX-ST. Unlike the original broader STI, the new tradable STI represents the performance of the top 30 eligible companies, and has been designed to provide both domestic and international investors with access to the Singapore market. The index constituents are reviewed semi-annually in March and September and are diversified across all sectors. In June and December, a review is applied for new issues not large enough to qualify as fast entrants since the previous March or September review.

A list of the current STI constituent stocks is set out in Appendix A. Information on the index methodology and latest updates relating to the STI is available at the website <http://www.ftse.com/products/indices/SGX-ST>.

The Manager will generally invest the Fund's assets in all of the stocks comprising the STI in the same approximate proportion as their weightings within that index. However, various circumstances may make it impossible or impracticable to purchase each component stock in such weightings. In those circumstances, the Manager may employ, alone or in combination, other investment techniques in seeking to closely track the STI. In addition, given that stocks may be and are added to or removed

from the STI from time to time, the Manager may sell stocks that are represented in the STI, or purchase stocks that are not yet represented in the STI, in anticipation of their removal from or addition to the STI.

The Fund does not and will not engage in any securities lending or repurchase transactions.

WHO SHOULD INVEST?

The Fund is designed for investors who seek a low-cost "passive" approach to investing in an equity portfolio comprising primarily of the companies in the STI. The Fund is suitable for long-term investment in the Singapore market, as an asset allocation tool, or as a short-term trading instrument. Units in the Fund represent a convenient way for investors to gain diversified exposure to the Singapore stock market with just one transaction on the SGX-ST.

LOW EXPENSES

The total combined management, trustee and other fees for the Fund are currently set at 0.3% per year of its net asset value and will not currently exceed this amount.

LISTING ON THE SGX-ST

The Fund is listed on the SGX-ST and was admitted to the Official List of the SGX-ST on 17 April 2002. A listing on the SGX-ST can provide benefits not available to investors in unlisted unit trusts or investment companies. Unlike conventional unit trusts and investment companies which are typically bought and sold only at closing net asset values (which are unknown at the time of dealing), the Fund's Units will be tradable on the SGX-ST throughout the trading day. Units are quoted and traded on the SGX-ST in board lots of 100 Units.

Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis, and the trading in the Units will be in accordance with SGX-ST's rules and guidelines governing the clearing and settlement of trades in securities.

An investor who acquires Units directly from a Participating Dealer may apply to the Depository for his Units to be entered against his name in the Depository Register in accordance with the Depository's terms and conditions for the entering of off-market acquisitions of securities in its records.

TRADING PRICE OF UNITS INTENDED TO CLOSELY REFLECT NET ASSET VALUE PER UNIT

Creation and redemption of Units occur principally in-kind, in multiples of Creation Units, at each day's next calculated net asset value. These arrangements are designed to protect investors from the adverse effects which arise from frequent cash subscription and redemption transactions which affect the net asset value of typical unit trusts. It is also designed to help keep the trading price of the Units close to the underlying net asset value. Trading strategies employed by investors which involve the STI futures market should also further facilitate the alignment of the trading price of the Units with their net asset value. Please refer to the fuller description below of the creation and redemption process under the heading "Creation And Redemption Of Units".

MANAGING RISK BY DIVERSIFICATION

The Fund provides diversification across a number of sectors and industries, and therefore provides an efficient means for investors to reduce stock specific risk, both in terms of number and size of trade. The relatively small value of each board lot of Units provides investors with a flexible tool to match more closely the risk exposure of their portfolio.

LIQUIDITY

It is likely that there will always be a market for the Units issued by the Fund given the listing of the Fund on SGX-ST and the low fees that are charged to investors in the Fund. In addition, brokers are expected to actively trade the Units in the Fund to take advantage of any differences in value of the index shares of the STI or futures on the STI and that of the Units of the Fund. This will further enhance the likelihood of there being a market for Units. However, investors should note the listing of the Fund on SGX-ST does not guarantee a liquid market for the Units.

THE MANAGER

The Manager, State Street Global Advisors Singapore Limited, is an indirect wholly-owned subsidiary of State Street Corporation. State Street Global Advisors (“SSGA”), the investment division of State Street Corporation, is one of the largest investment managers in the world, managing approximately US\$2.4 trillion³ as of 30 June 2015 in equity, fixed income, currency, real estate and absolute return. State Street Global Advisors has offices in 26 worldwide locations, 9 investment centres and a 24-hour global trading capability with trading desks in Boston, London and Hong Kong. The Manager is licensed and regulated by the Authority.

THE TRUSTEE

The Trustee, DBS Trustee Limited, is an indirect wholly-owned subsidiary of DBS Bank Ltd. DBS Trustee Limited is an active player in the corporate trust business, providing services in respect of share schemes, debt issues, private funds and unit trust funds. The Trustee is licensed and regulated by the Authority.

CREATION AND REDEMPTION PROCEDURES

Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis. **The majority of trading activity in the Units is expected to occur on the SGX-ST.**

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process.

The creation and redemption of Units generally may only be effected through Participating Dealers, unless an investor is accepted as an Approved Applicant. The Manager may from time to time accept certain entities as Approved Applicants. Approved Applicants may apply directly to the Manager and not through Participating Dealers, for the creation and redemption of Units in the Fund pursuant to the terms of the relevant Participation Agreement. If an investor wishes to become an Approved Applicant, it must execute an agreed form of Participation Agreement. The Manager has the absolute discretion to accept or reject any investor who wishes to become an Approved Applicant.

³ Assets under management include approximately US\$26.7 billion (as of June 30, 2015), for which State Street Global Markets, LLC, an affiliate of SSGA, serves as the distribution agent.

Creations and purchases

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index Baskets, plus or minus a cash payment as determined by the Manager. Currently, Units may only be issued in Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors may not apply to the Manager directly for the issue of Units except in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are issued on a forward pricing basis, and therefore the Issue Price of Units shall not be ascertainable at the time of a Creation Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Redemptions and disposals

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently, Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors may not apply to redeem their Units in the Fund directly except in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 23 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are redeemed on a forward pricing basis, and therefore the Redemption Value of Units shall not be ascertainable at the time of a Redemption Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though

Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Issue Price and Redemption Value

The Issue Price and Redemption Value are available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Owing to the nature of the Fund, it is subject to additional risks not usually present in traditional unit trusts. Some of the principal risks include the following:

- The value of the Units in the Fund (and any income from them) is not guaranteed and may go down as well as go up. An investment in the Fund is not a deposit with a bank, and you could lose money by investing in the Fund's Units. Stock values could decline generally or could underperform other types of investments.
- Unlike many unit trusts where the investment management role involves considerable discretion and ongoing active selection of investments (based on economic, financial, market and other analyses), the Fund is not actively managed. The role of the Manager is essentially passive with the responsibility being to closely replicate the composition of the STI. The Manager therefore does not actively manage stock selections, and would not sell a stock because, for example, the stock's issuer was thought to be in financial trouble unless that stock is removed from the STI.
- An investment in the Fund involves risks similar to those of investing in any fund of equity securities traded on an exchange, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. A decline in the value of the STI can therefore be expected to result in a similar decline in the net asset value of the Units.
- The Fund may not achieve its investment objective. At any time the Fund's return may not match the return of the STI for many reasons. For example, the Fund incurs a number of operating expenses not applicable to the STI, and incurs costs in buying and selling securities, especially when rebalancing the Fund's holdings to reflect changes in the composition of the STI. If the Fund employs a sampling approach, or holds Permitted Derivatives, its return may not correlate as well with the return on the STI as would be the case if the Fund purchased all of the stocks comprising the STI in precisely their index weights.
- Although the Fund is listed on the SGX-ST, the trading price of the Units may differ to some degree from the Units' net asset value. The Value of the Units will generally fluctuate with changes in the market value of the Index Shares. The market price of the Units will generally fluctuate in accordance with changes in the Value of the Units, as well as supply of and demand for Units of the Fund on the SGX-ST. It is impossible to predict whether Units will trade at, above or below their Value at any given time. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary market for Units will

be closely related to, but not identical to, the same forces influencing the market prices of the index Shares. However, given that the Units can be created and redeemed in Creation and Redemption Unit sizes by Participating Dealers and Approved Applicants, as applicable, it is not anticipated that large discounts or premiums will be sustained.

- The Fund only issues Units in multiples of a specified number, referred to as a "Creation Unit" (currently 500,000 Units), in exchange, principally, for the securities which comprise the STI at the time of issuance. Units are not individually redeemable. EXCEPT WHEN AGGREGATED IN MULTIPLES OF A REDEMPTION UNIT (currently also 500,000 Units), THE UNITS ARE NOT REDEEMABLE.

Potential investors are urged to consider the additional risk factors set out in paragraph 4 of this Prospectus.

THE INDEX SPONSOR

The Units are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (FTSE), the London Stock Exchange Group companies, SPH Data Services Pte Ltd (SPH Data) or Singapore Press Holdings Ltd (SPH) or the SGX-ST (collectively hereinafter referred to as the "**Index Sponsor**"). The Index Sponsor makes no warranty or representation whatsoever, either expressly or impliedly, either as to the results to be obtained from the STI and / or the figure at which the STI stands at any particular time on any particular day or otherwise. The Index Sponsor further does not warrant nor represent nor guarantee to any broker or holder of any Units sold or marketed by State Street Global Advisors Singapore Limited or any member of the public as to the accuracy or completeness of the STI and its computation or any information related thereto. No warranty or representation or guarantee of any kind whatsoever relating to the STI or the Units is given by the Index Sponsor. The Units are not issued, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor bears no liability in connection with the administration, marketing or trading of the Units.

The STI is calculated by FTSE. The Index Sponsor accepts no liability (whether in negligence or otherwise) towards any person for any error in the STI and shall not be under any obligation to advise any person of any error therein. The compilation or composition of the STI or the constituent stocks and factors may be altered or changed by the Index Sponsor without notice.

Singapore Press Holdings Ltd (or SPH) is entitled to all relevant intellectual property rights in the STI.

REPORTS

A copy of the annual report of the Fund for the financial period ended 30 June 2014 and a copy of the semi-annual report of the Fund for the six-month period 1 July 2014 to 31 December 2014 are attached as Appendix B.

**PROSPECTUS REQUIRED PURSUANT TO
DIVISION 2 OF PART XIII OF THE
SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE**

*The SPDR[®] Straits Times Index ETF offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). This Prospectus has been prepared in accordance with the requirements of the SFA. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of the various terms and expressions used in this Prospectus, if not defined here or in the Glossary at the end of this Prospectus can be found in the deed of trust (as amended) constituting the Fund ("**Deed**").*

**BASIC INFORMATION AND DATE OF REGISTRATION AND EXPIRY OF
PROSPECTUS**

- 1.1 The Fund is a Singapore-constituted authorised standalone unit trust.
- 1.2 The date of registration of this Prospectus by the Authority is 25 September 2015. This Prospectus shall be valid for a period of 12 months after the date of registration of this Prospectus (i.e., up to and including 24 September 2016) and shall expire on 25 September 2016.

THE DEED

- 2.1 The deed of trust setting up the Fund and relating to the interests being offered to the public for subscription (the "**Principal Deed**") is dated 26 March 2002, and the parties to the Deed are State Street Global Advisors Singapore Limited (the "**Manager**") and DBS Trustee Limited (the "**Trustee**"). The Fund is known as the SPDR[®] Straits Times Index ETF (formerly known as streetTRACKS[®] Straits Times Index Fund) and came into existence on the date of the Principal Deed in Singapore.
- 2.2 The Principal Deed has been amended by an Amending and Restating Deed dated 10 April 2003 (the "**Amending and Restating Deed**"), a Second Amending and Restating Deed dated 8 April 2005 (the "**Second Amending and Restating Deed**"), a Third Amending and Restating Deed dated 7 April 2006 (the "**Third Amending and Restating Deed**"), a Fourth Amending and Restating Deed dated 5 April 2007 (the "**Fourth Amending and Restating Deed**"), a Fifth Amending and Restating Deed dated 16 January 2008 (the "**Fifth Amending and Restating Deed**"), a Sixth Amending and Restating Deed dated 31 March 2011 (the "**Sixth Amending and Restating Deed**"), a Seventh Amending and Restating Deed dated 30 September 2011 (the "**Seventh Amending and Restating Deed**") and an Eighth Amending and Restating Deed dated 27 September 2013 (the "**Eighth Amending and Restating Deed**"). The Principal Deed as amended by the Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed, the Sixth Amending and Restating Deed, the Seventh Amending and Restating Deed and the Eighth Amending and Restating Deed shall hereinafter be referred to as the "**Deed**".

2.3 Under the Deed, the Fund is established as a unit trust, with the investment objective as described in paragraph 3 below.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

3.1 The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the STI. There can be no assurance that the Fund will achieve its investment objective. The Fund will seek to achieve this objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the STI. Within the limits set out in the CPF Investment Guidelines and the Code Investment Guidelines, the Fund may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

Investors should note that the Units are EIPs and that the Fund does not and will not invest in any product and does not and will not engage in any transaction which may cause the Units not to be regarded as EIPs. In particular, investors should be aware that the Fund cannot invest in derivative instruments (including futures) except for those that are Permitted Derivatives. The Fund does not and will not engage in any securities lending or repurchase transactions. Investors should refer to the definition of "Permitted Derivatives" in the Glossary section of this Prospectus for further details.

3.2 The Manager employs an "indexing" approach intended to replicate as closely as possible the performance, before expenses, of the STI. The STI, Singapore's main market benchmark created by SPH, has evolved as part of a new partnership between SPH, FTSE and the SGX-ST. Unlike the original broader STI, the new tradable STI represents the performance of the top 30 eligible companies, and has been designed to provide both domestic and international investors with access to the Singapore market. A list of the current STI constituent stocks is set out in Appendix A.

The Manager will generally invest the Fund's assets in all of the stocks comprising the STI in the same approximate proportion as their weightings within that index. However, various circumstances may make it impossible or impracticable to purchase each component stock in such weightings. In those circumstances, the Manager may employ, alone or in combination, other investment techniques in seeking to closely track the STI. In addition, given that stocks may be and are added to or removed from the STI from time to time, the Manager may sell stocks that are represented in the STI, or purchase stocks that are not yet represented in the STI, in anticipation of their removal from or addition to the STI.

3.3 The Manager may invest in unlisted securities to the extent allowed by the CPF Investment Guidelines and any other applicable laws and regulations.

3.4 To the extent allowed under the Notice on the Sale of Investment Products, Permitted Derivatives may be used for the purposes of hedging, efficient portfolio management and/or optimising returns. The Manager has the necessary expertise to control and manage the risks relating to the use of the Permitted Derivatives where applicable, and will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented. Where applicable, the Manager will use the commitment approach as set out in the Code Investment Guidelines to determine the Fund's exposure to such Permitted Derivatives (if any). The Fund does not currently intend to invest in options, warrants and futures contracts, and should the Fund invest in any of the foregoing which is a derivative instrument, such instrument shall be a Permitted Derivative. The Fund does not currently intend to and will not invest in commodities and precious metals.

3.5 The Fund does not have a foreign exchange policy, and there are no relevant foreign exchange controls or restrictions.

RISK FACTORS

4.1 Investors in the Fund should consider and satisfy themselves as to the risks of investing in the Fund generally, and in securities and, in particular, securities quoted or listed in the SGX-ST. Some of the general risk factors that should be considered by the investors in the Fund include those set out under the heading "Principal Risks Of Investing In The Fund" in the "Key Information" section of this Prospectus. In addition, investors should be mindful of the specific risks set out below:

- (a) Units will not be usually be redeemed for cash. Units may generally only be redeemed in kind by investors in Redemption Unit size (currently 500,000 Units), or whole-number multiples thereof through Participating Dealers or by Approved Applicants. Redeeming investors will receive Index Shares (plus or minus a cash payment (being the sum of the Cash Equivalent Payment and Dividend Equivalent Payment)). Redeeming investors may not be able to realise the value of Index Shares received on a redemption of Units in a timely manner or at any particular price if there is no liquid trading market for the Index Shares. However, if the Manager determines in its sole discretion that an Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by an investor, then the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming investor. **It is expected that most investors will dispose of their Units by selling them on the SGX-ST.**
- (b) Trading market in the Units. Although the Units are listed on the SGX-ST, investors should be aware that there may be no liquid trading market for the Units. There can be no assurance that active trading markets for Units will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Liquidity in the secondary market for the Units may also be adversely affected if there is no market maker for the Fund. A market maker is a broker or dealer registered by the SGX-ST as a designated market maker to act as such by making a market for the units in the secondary market on the SGX-ST. A market maker's obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid and offer prices for units on the SGX-ST. Market makers accordingly facilitate the efficient trading of units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SGX-ST. For so long as the Units are listed on the SGX-ST, the Manager intends to appoint at least one designated market maker for the Fund. The current designated market makers of the Units of the Fund as at the date of this Prospectus are BNP Arbitrage SNC, Commerzbank AG and Macquarie Securities. The Manager may from time to time make changes to the designated market maker(s) of the Units of the Fund. The latest list of market maker(s) of the Fund is available at <http://www.sgx.com>. Any change to the

designated market makers of the Units of the Fund will be announced on SGXNET.

- (c) Minimum creation and redemption size. Units will normally only be issued or redeemed in Creation Unit or Redemption Unit size aggregates (currently 500,000 Units). Investors who do not hold Redemption Unit size aggregates may only be able to realise the value of their Units by selling their Units on the SGX-ST (see also "Trading market in the Units" in sub-paragraph (b) above).
- (d) Units may trade at a discount or premium to Net Asset Value. The nature of the Fund is such that the Value of the Fund may differ from the trading price of the Units on the SGX-ST. Whilst the Value of Units will reflect the market value of the Deposited Property, trading prices of the Units on the SGX-ST may be lower or higher than the Value per Unit. Trading prices will be dependent upon a number of factors, including, without limitation, economic conditions in Singapore, investor confidence in the Singapore stock market and the level of supply and demand for Units. Creations or redemptions of Units are expected to reduce any significant discount or premium of the Units' traded price to the Fund's Value.
- (e) Value will not track STI exactly. Changes in the Value of the Fund are unlikely to replicate exactly changes in the STI. This is due to, amongst other things, the fees and expenses payable by the Fund, transaction fees and stamp duty incurred in adjusting the composition of the Fund's portfolio to reflect changes in the STI and dividends received, but not distributed, by the Fund. In addition, as a result of the unavailability of Index Shares, the transaction costs in making an adjustment outweighing the anticipated benefits of such adjustment, or for certain other reasons, there may be timing differences between changes in the STI and a corresponding adjustment to the composition of the Fund's portfolio. During times when Index Shares are unavailable or when the Manager determines it is in the best interests of the Fund to do so, the Fund may maintain a small cash position or invest in other permitted contracts or investments until Index Shares become available. The Fund may also hold Future Index Shares and/or Former Index Shares. Such costs, expenses, cash balances, timing differences or holdings could cause the Fund's Value to be lower or higher than the relative level of the STI. Investors should note that there is no assurance that the Fund will be able to fully track the performance of the STI.
- (f) Distributions are contingent on dividends paid on Index Shares. The ability of the Fund to pay distributions on the Units is dependent on the dividends declared and paid by the companies whose shares are held by the Fund and the level of fees and expenses payable by the Fund. Dividend payment rates of these companies are based on numerous factors, including their current financial condition, general economic conditions and their dividend policies. There can be no assurance that such companies will declare dividends or make other distributions. In addition, changes to the composition of the STI (for example, the substitution of one constituent stock in the STI with another paying higher or lower dividends) will affect the level of dividends received by

the Fund as a percentage of Value. To the extent possible, the Fund's fees and expenses will be paid out of the dividends the Fund receives. To the extent dividends received by the Fund are insufficient to meet its fees and expenses, the excess will be met by disposing of part of the Fund's portfolio of Index Shares and/or by short-term borrowing. Any such disposition of Index Shares or borrowing may cause the Fund's Value to fall, and may adversely affect the trading price of the Units. Investors may not therefore receive any distributions. Investors will not receive any dividends or other distributions directly from the companies in which the Fund invests.

- (g) Dependence upon trading market for Index Shares, Future Index Shares and Former Index Shares. All of the Index Shares are listed on the SGX-ST. The existence of a liquid trading market for the Index Shares may depend on whether there is supply of, and demand for, such Index Shares. There can be no assurance that there will be active trading in any of the Index Shares. The price at which the Index Shares may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the Value of the Fund may be adversely affected if trading markets for the Index Shares, Future Index Shares and Former Index Shares are limited or absent.
- (h) Lack of discretion by Manager to adapt to market changes. The Index Shares held by the Fund will passively reflect the distribution of companies whose shares comprise the STI. Therefore, adverse changes in the financial condition or share performance of any company included in the STI will not result in the sale of the shares of such company, and will be likely to affect adversely the Fund's Value and the trading price of the Units. The Manager will have limited discretion to remove the shares of such company from the Fund.
- (i) Trading in Units on SGX-ST may be suspended. Investors will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Units will also be suspended in the event that the trading of Units on the SGX-ST is suspended.
- (j) Units may be delisted from SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change its listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST.
- (k) Reliance on Participating Dealers. The creation and redemption of Units can only be effected through Participating Dealers, except for Approved Applicants and in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. The number of Participating Dealers at any given time may be limited. Participating Dealers are under no obligation to accept instructions to create or redeem Units on

behalf of investors. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities in the central clearing and settlement system established by the Depository is disrupted or clearing and settlement of in-kind transactions on the system established by the SGX-ST is disrupted or the STI is not compiled or published. In addition, Participating Dealers will not be able to create or redeem Units if some other event occurs which impedes the calculation of the Value of the Fund by the Manager or during which delivery of Index Shares or disposal of the Fund's investments cannot be effected normally.

- (l) Suspension of Creations and Redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended in the event that the creation and redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.
- (m) Investing in Permitted Derivatives. As the Fund may, to the extent allowed under the Notice on the Sale of Investment Products, invest in Permitted Derivatives (provided that such instruments are Authorised Investments), it may be subject to risks associated with such investments. Investments in Permitted Derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in Permitted Derivatives (where applicable) be monitored closely. The Manager has the necessary controls for investment in Permitted Derivatives and will put in place systems to monitor such derivative positions for the Fund where applicable.
- (n) Use of Permitted Derivatives which are Futures Contracts and options contracts involves certain risks. To the extent allowed under the Notice on the Sale of Investment Products and provided they are Permitted Derivatives, the Manager may use Futures Contracts and options for the purpose of hedging, efficient portfolio management and/or optimising returns to achieve the Fund's Investment Objective. In particular, the Manager may invest the Fund's assets in Futures Contracts and options for so long as they are Permitted Derivatives in order to try to minimise tracking error between the STI and the Value of the Fund. There is no guarantee that such techniques will achieve their desired result.

There are certain investment risks in using Futures Contracts and options in general. Such risks may include: (i) the inability to close out a Futures Contract or option caused by the non-existence of a liquid secondary market; and (ii) an imperfect correlation between price movements of the Futures Contracts or options with price movements of the subject portfolio securities or subject securities index. Further, the risk of loss in trading Futures Contracts is potentially great, due to both the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a

result, a relatively small price movement in a Futures Contract may result in immediate and substantial loss (or gain) to the Fund. Further, the purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results in either a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see above). If the option expires worthless, investment in such option which will consist of the option premium plus transaction costs will be a total loss.

- (o) Changes in the STI. The STI is subject to regular review and revisions. Announcements that are made with respect to potential deletions from and additions to the STI can affect the price of affected companies as well as other companies and the STI as a whole. The Fund will, typically, hold securities issued by companies that may be deleted from the STI and will, typically, begin to acquire securities issued by companies that may be added to the STI. The relative performance of these two groups of stocks can have an adverse impact on the Fund.
- (p) Termination of Fund. The commercial success of the Fund is dependent on attracting assets under management significantly larger than a traditional unit trust. In the event that the size of the Fund falls below S\$100,000,000 on any day falling 2 years or more after the date of the Deed, the Manager may terminate the Fund. Please see paragraph 12 of this Prospectus for full details as to the circumstances under which the Fund may be terminated.
- (q) Licence to use STI may be terminated. The Manager has been granted a licence (the "**Licence**") under the Licence Agreement to use the STI as a basis for the composition of the Fund, and to use certain trade names and trademarks associated with the STI. The Manager is unlikely to be able to fulfil the Investment Objective in the event that the Licence is terminated. The Licence is valid for a period of 2 years from 14 September 2001 (the "**Fixed Term**"), and will be renewed automatically thereafter for 2 year periods (each a "**Renewal Term**") subject to the Manager and the Index Sponsor reaching agreement on the licence fee. The Licence/Licence Agreement may be terminated in certain circumstances, including the following:
 - (i) prior to the end of each Renewal Term, the Manager or the Index Sponsor has the option to terminate the Licence Agreement by giving no less than 3 months' prior notice in writing to the other party of such intention to terminate with such notice to take effect at the end of the then Renewal Term;
 - (ii) by the Index Sponsor upon written notice to the Manager in the event of any change in the applicable laws or regulations that materially impacts upon the Index Sponsor's ability to grant the Licence, or materially increases the Index Sponsor's costs in connection with the granting of the Licence and the Manager does not reimburse the Index Sponsor for such increased costs;

- (iii) if the Index Sponsor ceases to publish the STI, and the Index Sponsor does not intend to publish a replacement or substitute index, or if the Manager elects not to use the replacement or substitute index, the Licence Agreement will terminate on the last day of publication of the STI;
- (iv) in the event that the Manager is in material breach of the Licence Agreement, and does not, in the case of a remediable breach, remedy the breach within 30 days of receiving notice in writing from the Index Sponsor specifying the breach and requiring the same to be remedied;
- (v) in the event that the Manager is in material breach of any laws of the relevant jurisdiction or jurisdictions or is convicted of any offence relating to the Units or to the trading thereof;
- (vi) in the event the Manager is found by any relevant exchange or self-regulating organisation or authority or government body to be in material breach of any of the laws, by-laws, rules and codes of practice of that exchange or organisation or authority or government body applicable from time to time to the Manager; or
- (vii) in the event the Manager:-
 - (1) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due or fails to satisfy a statutory demand served on it;
 - (2) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (3) institutes or has instituted against it proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or judicial management or any similar corporate administration;
 - (4) has a resolution passed for its winding-up or judicial management or any similar corporate administration;
 - (5) seeks or becomes subject to the appointment of a judicial manager, provisional liquidator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; or
 - (6) has a mortgagee, chargee or other secured party take possession of all or any part of its undertaking or assets or has a distress, execution, attachment, sequestration or other

legal process levied, enforced or sued on or against all or any part of its assets.

- (r) Foreign Exchange Risks. All or substantially all of the Fund's assets will be invested in instruments denominated in Singapore dollars. Investors whose base currency is other than the Singapore dollar will be subject to the risk of fluctuations in the value of their base currency vis-à-vis the Singapore dollar. The Fund may also have listed investments that are denominated in United States dollars. As at the date of this Prospectus, the Manager does not intend to hedge the foreign currency exposure of the Fund.
- (s) Errors or inaccuracies in the STI. There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the STI, which may result in significant deviations between the Value of the Units and the value of Deposited Property. The accuracy and completeness in the calculation of the STI may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation. The Manager and the Trustee are not responsible or involved in the compilation or calculation of the STI, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.
- (t) Concentration of the STI in the Singapore market. The STI and the investments of the Fund will be concentrated in securities issued by companies connected to a single country, namely Singapore. Changes in the economic or political conditions of Singapore can affect the value of the securities of Singapore listed companies, and may accordingly have an impact on the securities held by the Fund. Concentration of investments in a single market could also increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility.
- (u) Risks relating to FATCA and US tax withholding and reporting requirements. The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act of 2010 which apply to certain payments are essentially designed to require reporting of US person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service ("**IRS**"), with any failure to provide the required information resulting in a 30% US withholding tax on certain investments. The Fund will seek to satisfy the requirements imposed on the Fund to avoid the imposition of FATCA withholding tax. However, there can be no assurance that the Fund will be able to comply with all these requirements. In the event that the Trust becomes subject to such withholding tax as a result of FATCA, the net asset value of the Units may suffer significant losses as a result.

SEMI-ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS

5.1 Copies of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Fund may be obtained from the Manager upon request.

THE TRUSTEE

6.1 DBS Trustee Limited (the "**Trustee**") is a company incorporated in Singapore and registered under the Trust Companies Act (Cap. 336) of Singapore, with a share capital of S\$2.5 million. The Trustee is regulated by the Authority. Its registered address is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982. The Trustee does not have any material conflict of interest with its position as trustee of the Fund. DBS Trustee Limited is a member of the DBS Bank Group.

6.2 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Trustee:-

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee.

In the event of the Trustee desiring to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Fund in the place of the retiring Trustee upon and subject to such corporation entering into a deed supplemental to the Deed providing for such appointment.

If no new trustee is appointed by the Manager as aforesaid within a period of three months after the date of receipt by the Manager of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new trustee of the Fund constituted by the Deed on the same basis as aforesaid.

The Trustee may be removed by notice in writing to the Trustee by the Manager in any of the following events:-

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
- (b) if the Trustee ceases to carry on business;
- (c) if the Trustee fails or neglects after reasonable written notice from the Manager to carry out or satisfy any duty imposed on the Trustee by the Deed;
- (d) if the Holders or (as the case may be) the Depositors by Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors, held in accordance with the provisions contained in the First Schedule to the Deed and of which not less than 21 days' written notice has been given to the Trustee and the Manager shall so decide; or

- (e) if the Authority directs the removal of the Trustee.

In any of such events the Manager shall appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Fund and the Trustee shall upon receipt of notice by the Manager execute such deed as the Manager shall require under the common seal of the Trustee appointing the new trustee to be trustee of the Fund and shall thereafter ipso facto cease to be the Trustee.

THE MANAGER

7.1 The Manager of the Fund is State Street Global Advisors Singapore Limited whose registered office and principal place of business is at 168 Robinson Road, #33-01 Capital Tower, Singapore 068912. The Manager was incorporated on 31 March 2000, in Singapore. The Manager is an indirectly wholly owned subsidiary of State Street Corporation, a bank holding company in the United States of America whose shares are traded on the New York Stock Exchange. The Manager was formed to offer investment management services to clients in the South East Asian region and is licensed with the Monetary Authority of Singapore under the SFA. The Manager converted from a private company limited by shares to a public company limited by shares on 29 March 2001. The issued and paid-up share capital of the Manager is S\$1,360,000.

7.2 The relevant experience of the Manager includes the following:

The Manager is a fund manager in Singapore licensed under the SFA to provide fund management services and has been providing fund management services for collective investment schemes or discretionary funds in Singapore since 2000. The Manager is also an exempt financial advisor under the Financial Advisors Act, Chapter 110 of Singapore.

7.3 The other investment funds managed by the Manager are the following:

The Manager manages the ABF Pan Asia Bond Index Fund, which is a Singapore unit trust authorised by the Authority for offer to the public in Singapore.

7.4 The names, descriptions and addresses of all the directors of the Manager are:-

Lochiel Crafter

Office Address: Level 17, 420 George Street, Sydney, NSW 2000, Australia

Lochiel Crafter is a director of the Manager. He is also a Senior Managing Director and the Head of Asia Pacific for State Street Global Advisors (“SSGA”). Based in Sydney, Lochiel oversees SSGA's businesses (including the Manager's business) across the Asia Pacific region. Prior to this appointment in 2013, Lochiel was the Head of Investments for Asia Pacific of SSGA. Lochiel is a member of SSGA's Executive Management Group and is a board member of a number of SSGA operating entities. He is also a director of State Street Global Advisors Asia Limited and State Street Global Advisors Australia Limited.

Before joining SSGA in 2010, Lochiel was Chief Executive Officer of the Australian Reward Investment Alliance, he was also with SSGA for seven years as regional Chief Investment Officer for the Asia-Pacific region and has held other roles in the investment management industry. Lochiel has earned the Chartered Financial Analyst (CFA) designation and is a member of CFA Institute. He received a Master of Business Administration from the University of Melbourne, a Master of Arts from Macquarie University and a Bachelor of Science with First Class Honors, majoring in Statistics, from the University of New South Wales.

James MacNevin

Office Address: Level 17, 420 George Street, Sydney, NSW 2000, Australia

James MacNevin is a director of the Manager. He is also a Senior Vice President, the Chief Operating Officer and the Head of Intermediary Business Group for SSGA in Asia Pacific, overseeing SSGA's business operations across the Asia Pacific region, including the functions of the Manager, as well as responsible for driving strategic direction to partner with financial intermediaries. James is a member of SSGA's Senior Leadership Team and a member of the Asia Pacific Executive Committee. James also serves on the boards of SSGA Australia Limited, SSGA Australia Services Limited, SSGA Asia Limited, State Street India Private Services Limited.

James holds a Bachelor of Arts from Australian National University, a financial markets diploma from Securities Institute of Australia and is a graduate of the Australian Institute of Company Directors. James joined SSGA in 1993 and has 20 years' experience in the financial services industry.

Hon Wing Cheung

Office address: 168 Robinson Road, #33-01, Capital Tower, Singapore 068912

Hon Wing Cheung is a director of the Manager. He is also a Managing Director and a Regional Director for the Official Institutions Group for SSGA in Asia with responsibility for developing relationships between the Manager and central banks, sovereign wealth funds and other government institutions in the Asia Pacific region. Hon joined SSGA in 1996 and has served senior roles in the London, Hong Kong and Singapore offices. On behalf of SSGA, he works closely with stock exchanges, government bodies, pension funds and other institutions in Asia to advise on investment matters. Hon holds an Honours degree in Mathematics from Imperial College London, a Diploma in Mathematical Statistics from University of Cambridge and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is on the board of directors of the Asia Securities Industry & Financial Markets Association, is on the Advisory Board of the Official Monetary and Financial Institutions Forum and is a non-executive director of Rexiter Capital Management Singapore Pte Limited.

Susana Yeong

Office address: 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong

Susana Yeong is a director of the Manager. She is also a Vice President and the Head of Finance responsible for overseeing the finance function in the region of Asia (ex-Japan), including the Manager. Susana joined SSGA in Hong Kong in January 2009 as Financial Controller for the region of Asia (ex-Japan), overseeing finance matters of the Manager and State Street Global Advisors Asia Limited, which she also holds a directorship in.

Prior to joining SSGA, Susana spent most of her career in the financial services industry in Australia and held senior Finance positions at Old Mutual Australia, Perpetual Limited and National Australia Bank in Australia. Susana holds a Bachelor of Commerce degree with a major in Finance and Accounting from Monash University, Australia. She is a Certified Practicing Accountant and a member of CPA Australia.

Kheng Siang Ng (alternate director to Hon Wing Cheung)

Office address: 168 Robinson Road, #33-01, Capital Tower, Singapore 068912

Kheng Siang Ng is an alternate director to Hon Wing Cheung. Kheng Siang is also a Vice President and Asia Pacific Head of Fixed Income for SSGA based in Singapore. He is responsible for leading the Asia Pacific fixed income teams managing global and local fixed income mandates as well as driving the regional effort to provide innovative fixed income solutions to clients in the region.

Prior to joining SSGA in 2005, Kheng Siang was a portfolio manager at ABN AMRO Asset Management where he managed global fixed income portfolios. Kheng Siang started his career as a portfolio manager at Bank Negara Malaysia where he managed fixed income portfolios of the foreign reserves and held the position of Head of the Financial Market Analysis Section. Kheng Siang holds a First Class Honours degree from the London School of Economics and Political Science in Bachelor of Science (Econ) Accounting and Finance under a scholarship from Bank Negara Malaysia. He has earned the CFA and Chartered Alternative Investment Analyst designations, and served as a committee member of the Malaysian Society of Financial Analysts from 1999 to 2001. Kheng Siang is also a non-executive director of Rexiter Capital Management Singapore Pte Limited.

Matthew George (alternate director to Susana Yeong)

Office address: Level 17, 420 George Street, Sydney, NSW 2000, Australia

Matthew George is an alternate director to Susana Yeong. Matthew is also a Vice President and the Chief Financial Officer for Asia Pacific for SSGA, responsible for overseeing the finance functions across the Asia Pacific region (which includes the Manager). He joined SSGA in April 2007 and during the ten years prior to this worked in senior finance roles in the British Isles, Caribbean, Europe and Australia for

financial services groups providing offshore trust and banking, diversified wealth management and specialist asset management services.

Matthew qualified as a Chartered Accountant and Chartered Secretary in South Africa and completed his articles of clerkship and training with Grant Thornton International. He is also a member of the Institute of Chartered Accountants Australia. Matthew studied at the University of Natal where he received a Bachelor of Commerce degree in economics and marketing, and at the University of South Africa where he received an Honours degree in Accounting and Finance and the Certificate in the Theory of Accounting. Matthew also serves on the board of State Street Global Advisors Asia Limited as an alternate director. Matthew is also a director on the board of State Street Global Advisors, Australia Limited.

7.4A The key executive of the Manager is as follows:-

David Chai

David is the portfolio manager of the Fund. He is a Managing Director of SSGA and Head of Global Equity Beta Solutions, Asia ex Japan, responsible for overseeing indexing investment in the region of Asia ex-Japan, including that in the Manager. David joined State Street Global Advisors, Australia, Limited in May 2001 as a Portfolio Manager in the Global Structured Products Group. In 2006, David was relocated to Hong Kong to take up the existing position. Prior to joining SSGA, David worked for over four years at Commonwealth Investment Management as a portfolio manager in the Index and Transition Team, where he was responsible for the passive and index enhanced equities portfolio. Prior to that role, David worked for Commonwealth Funds Management as a quantitative analyst.

David was awarded a Master of Science degree, majoring in Mathematical Statistics, in February 1996. This was preceded by a First Class Honours degree in Science from Monash University, Victoria.

7.5 The principal officers of the Manager are its directors and its key executive, as described in paragraphs 7.4 and 7.4A above.

7.6 The Manager will remain as manager of the Fund until it is terminated in accordance with the provisions of the Deed.

THE SUB-MANAGER

8.1 The Manager has appointed SSGA Asia as the sub-manager of the Fund and has delegated the investment management of the Fund to SSGA Asia. SSGA Asia is domiciled in Hong Kong and is regulated by the Securities and Futures Commission of Hong Kong. SSGA Asia has managed collective investment schemes or discretionary funds for more than 10 years.

8.2 SSGA Asia's registered address is 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The Manager and SSGA Asia are members of the State Street group of companies.

8.3 The fees charged by SSGA Asia will be paid by the Manager and these fees will not be charged to the Fund.

8.4 The Manager has also delegated its transaction execution and settlement functions in respect of the Fund to SSGA Asia.

9. The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Manager:-

9.1 The Manager shall be subject to removal by notice in writing given by the Trustee in any of the following events:-

- (a) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager;
- (b) if the Manager ceases to carry on business;
- (c) if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any obligations imposed on the Manager by the Deed;
- (d) if for good and sufficient reason the Trustee is of the opinion, and so states in writing, that a change of Manager is desirable in the interests of the Holders or (as the case may be) the Depositors Provided That if the Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act (Chapter 10), before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and third of whom shall be appointed by the President for the time being of the Law Society of Singapore (failing which appointment the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant thereto shall be binding on the Manager, the Trustee, the Holders or (as the case may be) the Depositors;
- (e) if the Holders or (as the case may be) the Depositors by Extraordinary Resolution passed at a meeting of Holders or (as the case may be) the Depositors duly convened and held in accordance with the provisions of the First Schedule to the Deed shall so decide; or
- (f) if the Authority directs the Trustee to remove the Manager.

In the cases under sub-paragraphs (a) to (c), (e) and (f) above, the Manager shall upon notice by the Trustee as aforesaid ipso facto cease to be the Manager. In the case under sub-paragraph (d) above, if the matter has been referred to arbitration, the removal of the Manager shall only take effect when a decision that the Manager shall be removed is made pursuant to such arbitration.

9.2 The Manager may, in its absolute discretion, retire as manager by giving not less than 6 months' notice in writing to the Trustee given so as to expire at the end of the Accounting Period current at the end of the third year after the date of the Deed or any year thereafter. Upon so retiring and upon payment to the Trustee of all sums due by the Manager to the Trustee under the Deed at the date thereof, the Manager shall be absolved and released from all further obligations under the Deed, but without prejudice to the rights of the Trustee or of any Holder, former Holder, Depositor or former Depositor, or other person in respect of any act or omission prior to such retirement.

9.3 Upon the removal or retirement of the Manager for any reason, the Fund will be terminated.

THE AUDITORS

10. The auditors of the accounts relating to the interests under the Deed are PricewaterhouseCoopers LLP (the "**Auditors**"), of 8, Cross Street, #17-00, PWC Building, Singapore 048424.

11. The following is a summary of the provisions in the Deed regulating the appointment, retirement, removal and replacement of the Auditors:-

- (a) the Auditors shall be appointed by the Manager with the prior written approval of the Trustee;
- (b) the Auditors may voluntarily retire by notice in writing to the Manager. Upon the retirement of the Auditors, the Manager shall, with the prior written consent of the Trustee, appoint other auditors in their place;
- (c) the Manager with the prior written consent of the Trustee may from time to time remove the Auditors and appoint other auditors in their place; and
- (d) the Auditors may be removed, and other auditors appointed, by Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors.

DURATION AND TERMINATION OF THE FUND

12.1 The Fund constituted by the Deed is of indeterminate duration and shall continue until terminated in the manner provided in the Deed.

12.2 Under the provisions of the Deed:-

- (a) the Fund may be terminated by the Manager in its absolute discretion by not less than 6 months' notice in writing to the Trustee, given so as to expire at the end of the Accounting Period current at the end of the fifth year after the date of the Deed or any year thereafter. The Manager shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its satisfaction at least 3 months before the relevant date of its remuneration under the Deed. In the event that the Fund shall fall to be terminated or discontinued, the Manager shall give

notice thereof to all Holders and the Depositors not less than three months in advance;

- (b) subject to section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing if:-
 - (i) the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business;
 - (ii) any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; and
 - (iii) within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire, the Manager shall have failed to appoint a new trustee within the terms of Clause 30 of the Deed;
- (c) the Fund may be terminated by the Manager in its absolute discretion by notice in writing if:-
 - (i) on the second anniversary of the date of the Deed or on any date thereafter the aggregate Value of the Deposited Property shall be less than S\$100,000,000;
 - (ii) any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund;
 - (iii) the Fund ceases to be listed on the SGX-ST;
 - (iv) the STI (or any successor index) ceases to be compiled or published; or
 - (v) the Licence Agreement is terminated.
- (d) the Fund may be terminated at any time after 5 years from the date of the Deed by Extraordinary Resolution of a meeting of the Holders or (as the case may be) the Depositors duly convened and held in accordance with the provisions contained in the First Schedule to the Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide; or
- (e) the Fund will terminate automatically if the Manager is removed or retires.

The party terminating the Fund shall give notice thereof to the Holders and (as the case may be) the Depositors fixing the date at which such termination is to take effect and such date shall not be less than 3 months after the service of such notice.

The Trustee may (with the consent of the Manager) remove the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders or (as the case may be) the Depositors to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

12.3 Upon the Fund being terminated, the Trustee or the Manager, as appropriate, shall, subject to authorisations or directions (if any) given to it by the Holders and (as the case may be) the Depositors pursuant to their powers contained in the First Schedule to the Deed, proceed as follows:-

EITHER

- (a) the Trustee and/or the Manager shall sell all Authorised Investments then remaining in its hands as part of the Deposited Property and the Trustee shall repay out of the Deposited Property any borrowing effected by the Fund under Clause 14(C) of the Deed (together with any interest accrued but remaining unpaid) for the time being outstanding and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund as the Trustee thinks advisable; and
- (b) the Trustee shall from time to time distribute to the Holders and the Depository in respect of the Depositors in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property and available for the purposes of such distribution Provided That the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay in respect of each undivided share in the Deposited Property 10 per cent. of the Redemption Value of the Unit on the last Dealing Day before the termination of the Fund and Provided Also That the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of Clause 34 of the Deed full provision for all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of the Fund and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution shall be made to the Holders and the Depository in respect of the Depositors in accordance with the provisions of Clause 18(A) of the Deed and upon delivery to the Trustee of such form of request for payment as the Trustee shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Trustee under the provisions of Clause 34 of the Deed may at the expiration of 12 months from the date upon which the same were payable be paid into

court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

OR

- (c) the Trustee and/or the Manager shall at such time or times as it may deem convenient distribute *in specie* to the Holders and the Depository in respect of the Depositors pro rata to the number of Units held or deemed to be held by them respectively all shares and other property then remaining in its hands as part of the Deposited Property. Each Holder and Depositor shall be entitled to receive approximately a proportionate amount of the Deposited Property (provided that no fraction of any share shall be distributed and nothing shall oblige the Trustee or the Manager (as the case may be) to distribute any shares other than in round lots, although at the discretion of the Trustee or the Manager (as the case may be), it may distribute any shares in odd lots available for distribution together with a balancing payment in cash in the case of Holders or Depositors who shall not receive the full proportionate amount of any shares and for such purpose the Trustee or the Manager, as applicable, may sell any shares remaining in its hands as part of the Deposited Property. Such distribution shall be carried out and completed in such manner and within such period after the termination of the Fund as the Trustee and/or the Manager, in its or their respective absolute discretion, thinks advisable.

THE FUND AND THE INTERESTS ISSUED OR OFFERED

13.1 The interests issued or offered to the public are represented by Units comprised in the Fund, the property of which is or shall be invested in Authorised Investments as are authorised in the Deed.

13.2 The investment restrictions as set out in the CPF Investment Guidelines and in the Code Investment Guidelines shall apply to the Fund. The Fund will also not invest in any product and/or engage in any transaction which may cause the Units not to be regarded as EIPs.

13.3 The Deed provides that in relation to the Fund as a CPF Fund, the provisions set out in the CPF Investment Guidelines and the Code Investment Guidelines relating to borrowings shall apply to the Fund in addition to Clause 14(C) of the Deed. Subject to the CPF Investment Guidelines and the Code Investment Guidelines, which impose limits on the amount of borrowing that may take place, the Trustee may at any time at the request of the Manager concur with the Manager in making and varying arrangements for the borrowing by the Trustee for account of the Fund of any currency, on a temporary basis (not exceeding one month), for the purposes of meeting redemptions and bridging requirements of the Fund. Aggregate borrowings for such purposes is not currently intended to exceed 10 per cent. (10%) of the net asset value of the Fund at the time the borrowing is incurred.

NATURE OF INTERESTS AND RIGHTS OF HOLDERS AND DEPOSITORS

14. The Deposited Property of the Fund is held on trust by the Trustee for the benefit of the Holders and (as the case may be) the Depositors pari passu according and subject to provisions of the Deed. In addition to rights conferred by the Companies Act, the rights of the Holders and (as

the case may be) the Depositors under the Deed include the right to remove the Trustee, the Manager and the Auditors, to terminate the Fund, to conduct meetings of Holders and the Depositors, and to require the Manager to redeem Units held by it.

REGISTER OF HOLDERS

15. The Register of Holders is kept at the business office of the registrar, DBS Trustee Limited at 10 Toh Guan Road, #04-11(Level 4B), DBS Asia Gateway, Singapore 608838 and is accessible to the public for inspection during normal business hours.

ISSUE OF UNITS AND ISSUE PRICE

16.1 The Manager shall have the exclusive right in writing to cause the Trustee to effect for the account of the Fund on and after the Initial Issue Date, the creation and issue of Units in Creation Unit size pursuant to a Creation Request from a Participating Dealer or as the case may be, a Depositor (through a Participating Dealer) or an Approved Applicant in accordance with Clause 9(A)(ii) of the Deed by way of exchange for an Index Basket and for a cash amount comprising, in Creation Unit increments, the Cash Equivalent Payment and the Dividend Equivalent Payment in respect of the number of Units in a Creation Unit, at prices ascertained in accordance with Clause 9(B) of the Deed; Provided That the Manager shall not accept a Creation Request so as to give rise to a holding of fewer than that number of Units comprising one Creation Unit size or whole multiples thereof, and Provided further that the provisions of Clause 9(D) of the Deed have been satisfied. Issues of Units shall only be made as of the day the Creation Request therefor is received and accepted by the Manager if such Creation Request is made on or before the Dealing Deadline on a Dealing Day but otherwise on the following Dealing Day.

16.2 To be effective a Creation Request:-

- (a) must be given by a Participating Dealer (or, at the sole discretion of the Manager, by more than one Participating Dealer) in accordance with a Participating Dealer Agreement or by an Approved Applicant in accordance with a Participation Agreement provided always that the Manager shall have discretion (upon notification to the Trustee) to accept a Creation Request given in writing signed by a Holder or, as the case may be, a Depositor;
- (b) must specify the number of Creation Units forming the subject of the Creation Request; and
- (c) may not be in respect of Units other than as comprising a Creation Unit (or multiples thereof).

16.3 The Manager shall have absolute discretion to accept or not accept in whole or in part any Creation Request for any reason, including without limitation where the acceptance of such Creation Request may in the opinion of the Manager result in the non-compliance of any terms or conditions of such Creation Request, any applicable Participating Dealer Agreement or Participation Agreement or any provisions of the Deed, or any law or regulation made pursuant thereto, or any decree, order or judgement of any court, or any guideline, request or announcement (whether legally binding or not) made by any authority or otherwise for such reason as the Manager may deem necessary to protect the interests of all Holders, or as the case may be, Depositors, and the Fund.

16.4 Subject to the provisions of Clause 9(K) of the Deed, a Creation Request once given cannot be revoked or withdrawn without the consent of the Manager.

16.5 On and after the Initial Issue Date, the Issue Price at which Units in Creation Unit size to be issued in exchange for Deposit Investments and the sum of the Cash Equivalent Payment and Dividend Equivalent Payment, will, in respect of each Unit, be ascertained as follows:

- (a) by ascertaining the Index Basket Value at the relevant Valuation Point on the Trade Date in accordance with paragraph 24 of this Prospectus;
- (b) by dividing the Index Basket Value at the relevant Valuation Point on the Trade Date by the number of Units in a Creation Unit;
- (c) by adding to the figure in sub-paragraph (b) the Cash Equivalent Payment at the relevant Valuation Point on the Trade Date;
- (d) by adding to the figure in sub-paragraph (c) the Dividend Equivalent Payment at the relevant Valuation Point on the Trade Date; and
- (e) by adjusting the resulting total upwards on a per Creation Unit size basis to the nearest two decimal places.

A worked example of this is set out in the Third Schedule to the Deed for illustrative purposes only.

16.6 The Manager may add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges and the Transaction Fee which shall be for the account of the Fund. If Units in Creation Unit size are to be issued to a person resident outside Singapore, the Manager shall be entitled to charge for the account of the Fund, in addition to the amount derived by multiplying the number of Units that are to be issued by the Issue Price, an amount which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.

16.7 In the event that the Trustee shall at any time (after consultation with the Manager) determine that it would be detrimental to existing Holders, or, as the case may be, Depositors, for the Manager to issue or continue to issue Units at a price based on the Index Basket Value as described in the Deed then the Trustee shall instruct the Manager to substitute such Value with the fair value as determined in accordance with paragraph 2(E) of the Third Schedule to the Deed. The circumstances under which the Trustee would instruct the Manager to adjust the Issue Price pursuant to this paragraph include, without limitation, breakdown in the means of communication which affects the process of valuation of the Deposited Property, turmoil in the financial markets which causes unnaturally large movements in the prices of the Authorised Investments forming any part of the Deposited Property or the absence of any trading on the SGX-ST or any period when settlement or clearing of securities in the Depository is disrupted or when the STI is not compiled or published. Subject to the provisions of the Code relating to suspension of dealings, the Trustee may instruct the Manager to temporarily suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this paragraph. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Manager by the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist

and no other conditions under which suspension is authorised under this paragraph shall exist upon the declaration in writing thereof by the Trustee.

16.8 The Value of the Deposit Investments vested in the Trustee shall be calculated on the basis set out in Clause 9(B) of the Deed. If the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment, multiplied by the number of Units to be issued, result in a negative amount, no cash shall be payable or paid by an applicant for Units in accordance with paragraph 16.10(d), but a cash amount equal to such negative amount shall be paid by the Trustee out of the Deposited Property to the applicant for such Units within five Business Days of the relevant Trade Date (and the provisions of Clause 9 of the Deed shall be construed accordingly).

16.9 The Trustee shall be under no obligation to check the calculation of the amount payable in connection with any issue of Units pursuant to this paragraph but shall be entitled at any time to require the Manager to justify the same.

16.10 The Manager may only effect the creation and issue of Units in Creation Unit size by way of exchange for Deposit Investments and the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units to be created or issued if, and only if, the Manager is of the opinion that each of the following provisions has been satisfied:-

- (a) the Deposit Investments in respect of that issue of Units in Creation Unit size have been approved by the Manager as comprising an Index Basket as fixed by the Manager at the start of business on the relevant Trade Date;
- (b) the aggregate of (i) the Value of the Deposit Investments at the Valuation Point on the relevant Trade Date to be delivered to the Trustee on the relevant Settlement Date and (ii) the amount of cash to be paid to or to the order of the Trustee on the relevant Trade Date in respect of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for (as the consideration for the issue of such Units in such Creation Unit size) shall be equal to the Value of the Deposited Property as at the Valuation Point on the relevant Trade Date divided by the number of Units then in issue and deemed to be in issue (as calculated pursuant to Clause 9(B) of the Deed for the purpose of calculating the Issue Price of such Units in such Creation Unit size) and multiplied by the number of such Units applied for;
- (c) such Deposit Investments have been vested by or on the relevant Settlement Date upon the trusts hereof in the Trustee to the Trustee's satisfaction or satisfactory evidence of title and instruments of transfer shall have been produced to or to the order of the Trustee;
- (d) the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for shall have been received in full in cleared funds by or on behalf of the Trustee by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe; and

- (e) such Duties and Charges and Transaction Fee as are payable have been received in full in cleared funds by or on behalf of the Trustee by such time on or before the Settlement Date as the Trustee and the Manager shall for the time being prescribe,

provided that this paragraph shall not prevent the Manager from creating (but not issuing) any Units following the receipt of a Creation Request before the Trustee has received all the Deposit Investments and the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for subject nevertheless to Clause 9(E) of the Deed. The applicant shall not be entered on the Register in respect of such Units until the date such Units are issued.

16.11 In circumstances where the Manager creates Units before all the Deposit Investments in respect of the Issue Price thereof have vested upon the terms hereof in the Trustee and/or before the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units created in cleared funds have been received by or on behalf of the Trustee in respect of the balance of the Issue Price thereof, the Trustee shall cancel such Units if all the Deposit Investments have not vested upon the trusts set out in the Deed in the Trustee and the full amount of (i) the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units created and (ii) the Duties and Charges and the Transaction Fee have not been received in cleared funds by or on behalf of the Trustee by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe.

16.12 Upon the cancellation of any Units as provided for in Clause 9(E) of the Deed, such Deposit Investments (or equivalent Index Shares and/or Authorised Investments of the same type) as have been vested in the Trustee and any cash received by or on behalf of the Trustee comprising the Cash Equivalent Payment and the Dividend Equivalent Payment in respect of the number of Units applied for (in either case in respect of such cancelled Units) shall be redelivered to the applicant and the relevant Units shall be deemed for all purposes never to have been created (except that the Transaction Fee therefor shall remain due and payable) and the applicant therefor shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that (whether or not the Units were created in accordance with Clause 9(D) of the Deed):-

- (a) the Manager may, but shall not be bound to, charge the applicant (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Creation Request for such Units from such applicant and redelivering any Deposit Investments; and
- (b) the Manager may, but shall not be bound, to require the applicant to pay to the Trustee for the account of the Fund in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Manager had received on the date on which such Units are cancelled a request from such applicant for the redemption of such Units in accordance with the provisions of Clause 10 of the Deed.

16.13 Notwithstanding anything in Clause 9 of the Deed:-

- (a) if the Manager determines in its sole discretion (following a specific application by an applicant) that one or more Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with a Creation Request for any Creation Units pursuant to Clause 9 of the Deed, then the Manager shall have the right in its sole discretion to accept cash equal to the Value of such Index Share (such cash amount to be included in the Issue Price of such Units) in lieu of accepting such Index Share comprising part of the Deposit Investments, provided that the Manager shall be entitled in its sole discretion to charge (for the account of the Fund) to the applicant of any Units for which cash is paid in lieu of delivering any Index Shares in accordance with Clause 9(G) of the Deed such additional sum it may consider represents the appropriate provision for Duties and Charges; or
- (b) if the Manager (following a specific application by such applicant) is satisfied that in connection with the issue of any Creation Units pursuant to Clause 9 of the Deed, an applicant is prevented by law on or otherwise from investing or engaging in a transaction in any Index Share, the Manager shall have the right in its sole discretion to accept cash equal to the Value of such Index Share (such cash amount to be included in the Issue Price of such Units) in lieu of accepting such Index Share comprising part of the Deposit Investments, provided that the Manager shall be entitled in its sole discretion to charge (for the account of the Fund) to the applicant of any Units for which cash is paid in lieu of delivering any Index Shares in accordance with Clause 9(G) of the Deed such additional sum it may consider represents the appropriate provision for Duties and Charges.

16.14 The Manager may charge a Transaction Fee for each Creation Request for the issuance of Units, and may on any day in its sole discretion differentiate between applicants as to the amount of the Transaction Fee it charges in relation to Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow to any person or persons a discount or discounts on the Transaction Fee of their Units on such basis or on such scale as the Manager may think fit. The Transaction Fee shall be paid by or on behalf of the Participating Dealer or Approved Applicant submitting the request to create such Units (and may be set off and deducted against the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being created).

16.15 The Trustee shall be entitled to refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of Clause 9 of the Deed with regard to the issue of Units are being infringed; but nothing in Clause 9(I) of the Deed or anything else in the Deed shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of Clause 9 of the Deed.

16.16 Subject to the provisions of the Code relating to suspension of dealings, the Manager may, with the prior written approval of the Trustee, suspend the issue of Units during:-

- (a) any period when the SGX-ST or the Depository is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) any period when settlement or clearing of securities in the Depository is disrupted;
- (c) the existence of any state of affairs as a result of which delivery of Index Shares or disposal of Authorised Investments for the time being comprised in the Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders and Depositors;
- (d) any period when the STI is not compiled or published;
- (e) any breakdown in the means normally employed in determining the Value of the Deposited Property, or when for any other reason the Value of any Authorised Investments or the current prices thereof on the SGX-ST cannot be promptly and accurately ascertained;
- (f) the existence of any state of affairs which in the opinion of the Manager, might seriously prejudice the interests of the Holders, and the Depositors, as a whole or of the Deposited Property;
- (g) 48 hours (or such other period as the Manager and Trustee may agree) prior to the date of any meeting of Holders of any adjournment thereof; or
- (h) any period when dealing of Units is suspended pursuant to any order or direction of the Authority or when required under the provisions of the Code.

Such suspension shall take effect forthwith upon the declaration thereof in writing to the Trustee by the Manager and thereafter there shall be no issue of Units until the Manager shall declare the suspension at an end, except that the suspension shall terminate on the Business Day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under Clause 9(J) of the Deed shall exist. Each declaration by the Manager pursuant to this paragraph shall be consistent with the Code and such laws, rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Fund and as shall be in effect at the time. To the extent not inconsistent with such laws, rules and regulations, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out above, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Value) may also be suspended and the Manager shall be under no obligation to Rebalance the Deposited Property, in either case at the discretion of the Manager and with the approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension lasting for more than one month in such newspaper or newspapers in Singapore as the Manager may from time to time think fit.

16.17 Any Participating Dealer or Approved Applicant may at any time after such a suspension has been declared and before termination of such suspension withdraw any Creation Request or any application for the issue of Units by notice in writing to the Manager and the Manager

shall promptly notify the Trustee accordingly. If no such notification of the withdrawal of any such request or application has been received by the Trustee before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Deed, create Units in respect of which it has received a valid Creation Request and the Trustee and the Manager shall consider Creation Requests as at the Dealing Day next following the termination of such suspension.

16.18 The Issue Price and Redemption Value will not be published but will be available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

16.19 Where the Manager allows a Creation Request to be made by more than one Participating Dealer (a "**Team Creation Request**") pursuant to Clause 9(A)(ii)(a) of the Deed

- (a) any reference in Clause 9 of the Deed to a Participating Dealer or an applicant will, in relation to the Team Creation Request, be construed to refer to all the Participating Dealers who made the Team Creation Request; and
- (b) any fees, charges or other sums whatsoever payable under the terms of Clause 9 of the Deed in relation to the Team Creation Request by a Participating Dealer or an applicant, as the case may be, will be apportioned amongst and be payable by the Participating Dealers who made the Team Creation Request in such proportions as may be determined by the Manager in its sole discretion.

DUTIES AND OBLIGATIONS OF TRUSTEE

17. The duties and obligations imposed on the Trustee are:-

- (a) to exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of Holders and (as the case may be) the Depositors;
- (b) to cause the Accounts to be audited at the end of each Accounting Period by the Auditors, other than in such cases as may be specified by the Authority in the Code, and to ensure that the report of the Auditors is prepared in English;
- (c) that it will send or cause to be sent or will make available to each Holder:-
 - (a) the semi-annual accounts and Accounts of the Fund;
 - (b) the report of the Auditors on the Accounts; and
 - (c) the semi-annual report and annual report relating to the Fund,in accordance with the Code;
- (d) to use its best endeavours to ensure that the Fund is listed on the SGX-ST at all times;

- (e) to conduct all transactions with or for the Fund at or on an arm's length basis; and
- (f) to send or cause to be sent to the Manager all notices, reports, accounts, circulars and other documents which are received by it or on its behalf as the holder of any Authorised Investment for the time being constituting part of the Deposited Property.

CONTRACTS

18. A Holder and a Depositor is not required, obliged or entitled in connection with the Fund to enter into any contract with any person or corporation whether by way of lease or otherwise.

VESTING OF THE DEPOSITED PROPERTY IN THE TRUSTEE

19. All cash and other property which ought in accordance with the provisions of the Deed to form part of the Deposited Property of the Fund shall be paid or transferred to the Trustee forthwith upon receipt (and, in the case of cash, not more than five Business Days after receipt) by the Manager and all cash shall (except insofar as such cash may in the opinion of the Manager be required for transfer to the Distribution Account) be applied at the discretion of the Manager (but subject always to the provisions of the Deed and so that no Unit of the Fund shall confer on any Holder or Depositor or person claiming under or through him any interest or share in any particular part of the Deposited Property to the Fund) in the acquisition of Authorised Investments. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Manager and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof.

PROPERTY OF THE FUND

20. The Units offered for subscription described in this Prospectus do not consist of any rights or interests in or arising out of an investment relating to property that ordinarily depreciates in value through use or effluxion of time.

21. The Units relate to marketable securities and other Authorised Investments which were, or will be, purchased or acquired at not more than the ruling market price and the requirement to disclose particulars of vendors of property to which such interest relates does not apply.

22. In view of paragraph 21 above, the requirement to disclose the true nature and extent of the interest of each director of the Manager, whether as a director, direct or indirect shareholder, partner or otherwise in the business of the vendor of the property to which the interest relates and to such property does not apply.

REDEMPTION AND CANCELLATION OF UNITS

23. The following concerns the redemption and (where appropriate) cancellation of Units upon the request of a Holder or of a Depositor:-

- (a) No Holder or Depositor shall be entitled to redeem part only of his holding of Units if such redemption would result in such Holder or Depositor holding fewer Units after such redemption than the Minimum Holding for the time being prescribed by the Manager.
- (b) The Manager shall have the exclusive right at any time (subject to Clause 10(N) of the Deed) and from time to time by prior notice in writing to the Trustee to effect reductions of the Fund on any Dealing Day for the cancellation of the Units represented thereby and by requiring the Trustee to cancel the number of Units specified in such notice following the receipt by the Manager of a Redemption Request in accordance with Clause 10(B) of the Deed.
- (c) On receipt by the Manager of a Redemption Request which complies with the requirements of Clause 10(C) of the Deed (subject as provided below, the Dealing Day on which the Redemption Request is received shall be the Trade Date for these purposes), the Manager shall (subject to, *inter alia*, the provisions of Clauses 10(L) and 10(N) of the Deed) effect the redemption of the Units, in Redemption Unit increments only, specified in the Redemption Request by way of exchange for an Index Basket and for a cash amount comprising, in Redemption Unit increments, the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment (if positive) multiplied by the number of Units to be redeemed at prices ascertained in accordance with Clause 10 of the Deed, but so that, if any Redemption Request is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Request shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the Trade Date for the purposes of that Redemption Request. Units, the subject of a Redemption Request, shall be redeemed and cancelled on the Settlement Date therefor (and the name of the Holder of such Units shall be removed from the Register in respect thereof or the name of the Depositor of such Units shall be removed from the Depository Register by the Depository) but, for valuation purposes only, shall be deemed to have been redeemed and cancelled on the Trade Date.
- (d) To be effective a Redemption Request:-
 - (i) must be given by a Participating Dealer (or, at the sole discretion of the Manager, by more than one Participating Dealer) in accordance with a Participating Dealer Agreement or by an Approved Applicant in accordance with a Participation Agreement provided always that the Manager shall have discretion (with the approval of the Trustee) to accept a Redemption Request given in writing signed by a Holder or, as the case may be, Depositor, and provided that, in the event that the Units (a) are suspended from trading for 60 calendar days on all securities exchanges on which the Units have been listed for quotation; (b) cease to be listed for quotation or all securities exchanges on which the Units have been listed for quotation, the Manager shall offer to purchase Units from the Holders or, as the case may be, Depositors in accordance with the provisions of the

Deed and the requirements set out in the Second Schedule of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (as amended);

- (ii) must specify the number of Redemption Units the subject of the Redemption Request; and
- (iii) may not be in respect of Units other than as comprising a Redemption Unit (or a multiple thereof).

provided always that the Manager shall have the discretion to not accept in whole or in part any Redemption Request if it would, in the reasonable opinion of the Manager result in the non-compliance of any terms or conditions of such Redemption Request, (in connection with a Redemption Request from a particular Participating Dealer) the terms of the applicable Participating Dealer Agreement, (in connection with a Redemption Request from an Approved Applicant) the terms of the applicable Participation Agreement, any provisions of the Deed, or any applicable law or regulation made pursuant thereto, or any decree, order or judgement of any court, or any guideline, request or announcement (whether legally binding or not) made by any authority.

- (e) Subject to the provisions of Clause 10(P) of the Deed, a Redemption Request once given cannot be revoked or withdrawn without the consent of the Manager.
- (f) The Redemption Value at which any redemption and cancellation of Units for Redemption Investments and the Cash Equivalent Payment and the Dividend Equivalent Payment shall be effected shall, in respect of each Unit, be ascertained as follows:-
 - (i) by ascertaining the Index Basket Value at the relevant Valuation Point on the Trade Date in accordance with paragraph 24 of this Prospectus;
 - (ii) by dividing the Index Basket Value at the relevant Valuation Point on the Trade Date by the number of Units in a Redemption Unit;
 - (iii) by adding to the figure in sub-paragraph (ii) the Cash Equivalent Payment at the relevant Valuation Point on the Trade Date;
 - (iv) by adding to the figure in sub-paragraph (iii) the Dividend Equivalent Payment at the relevant Valuation Point on the Trade Date; and
 - (v) by adjusting the resulting total on a per Redemption Unit size basis down to the nearest two decimal places.

A worked example of this computation is set out in the Third Schedule to the Deed for illustrative purposes only.

- (g) If Units in Redemption Unit sizes are redeemed by a person resident outside Singapore, the Manager shall be entitled to charge for the account of the Fund an additional amount to the Redemption Value multiplied by the number of Units being redeemed which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- (h) In the event that the Trustee shall at any time (after consultation with the Manager) determine that it would be detrimental to existing Holders, or, as the case may be, Depositors, for the Manager to redeem Units at a price based on the Index Basket Value as described in the Deed then the Trustee shall instruct the Manager to substitute such Value with the fair value as determined in accordance with paragraph 2(E) of the Third Schedule to the Deed. The circumstances under which the Trustee would instruct the Manager to adjust the Redemption Value pursuant to this paragraph include, without limitation, breakdown in the means of communication which affects the process of valuation of the Deposited Property, turmoil in the financial markets which causes unnaturally large movements in the prices of the Authorised Investments forming part of the Deposited Property or the absence of any trading on the SGX-ST or any period when settlement or clearing of securities in the Depository is disrupted or when the STI is not compiled or published. The Trustee may instruct the Manager to temporarily suspend the redemption of Units solely for the purpose and during any period of consultation or adjustment arising from the provisions of this paragraph. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Manager by the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph shall exist upon the declaration in writing thereof by the Trustee.
- (i) If the Manager determines in its sole discretion that an Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by a Holder or (as the case may be), a Depositor (through a Participating Dealer), then the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming Holder or (as the case may be), the redeeming Depositor comprising part of the Redemption Investments.
- (j) If the Manager is satisfied (upon a specific application by such Holder or Depositor) that in connection with the redemption of any Units by a Holder or (as the case may be), a Depositor (through a Participating Dealer), that Holder or Depositor or its customer to the extent it may be beneficially interested in those Units is prohibited by law or is restricted by applicable rules or regulation or otherwise from investing or engaging in a transaction in any Index Share, the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming Holder or (as the case may be), the redeeming

Depositor (through such Participating Dealer) comprising part of the Redemption Investments.

- (k) The Value of the Redemption Investments to be delivered to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) redeeming its Units shall be calculated on the basis set out in the Third Schedule to the Deed.
- (l) The Manager may deduct from and set off against the Cash Equivalent Payment plus the Dividend Equivalent Payment multiplied by the number of Units being redeemed payable to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) on the redemption of Units such sum (if any) as the Manager may, in its sole discretion, consider represents the appropriate provision for Duties and Charges and the Transaction Fee. To the extent that the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed is insufficient to pay such Duties and Charges and the Transaction Fee payable on such redemption, the redeeming Holder or (as the case may be), a Depositor (through a Participating Dealer) shall promptly pay the shortfall in Dollars to or to the order of the Trustee and the Trustee shall not be obliged to deliver (and shall have a general lien over) the Redemption Investments until such shortfall is paid in full to or to the order of the Trustee.
- (m) Unless specifically requested by the Holder or former Holder, or the Depositor or former Depositor or the Participating Dealer or former Participating Dealer concerned to do so not later than one month after the relevant Trade Date the Trustee shall be under no obligation to check the calculation of the Redemption Value in connection with any redemption or cancellation of Units pursuant to Clause 10(B) of the Deed but shall be entitled at any time before the audited accounts of the Fund have been prepared covering the relevant Trade Date to require the Manager to justify its calculation of the Redemption Value.
- (n) Any Redemption Investments distributable and the Cash Equivalent Payment and the Dividend Equivalent Payment payable (less any amount deducted pursuant to Clause 10(J)) of the Deed to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) in respect of the redemption of Units, may be transferred or paid sooner but shall, subject to the provisions of Clause 10(O) of the Deed, be distributable and payable, on the Settlement Date in accordance with Clause 10(N) of the Deed provided that the Manager shall have received the Redemption Request duly signed (to the satisfaction of the Manager) by such Participating Dealer or Approved Applicant and provided further that the Manager shall have received the full amount of any Duties and Charges and the Transaction Fee payable under Clause 10(J) of the Deed have been deducted or otherwise paid in full.
- (o) Where Units are to be redeemed on any Settlement Date, but subject as provided in Clause 10(O) of the Deed, the Manager shall proceed to effect any sales necessary to provide the cash required to pay the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the

number of Units being redeemed and notify the Trustee that those Units are to be redeemed and cancelled in accordance with the provisions of Clause 10 of the Deed. In such event (but subject as provided below) the Fund shall be reduced by the cancellation of those Units on that Settlement Date and (subject as otherwise provided in the Deed including, without limitation, Clause 10(L) of the Deed) for settlement on that Settlement Date (or such later date as may from time to time be determined by the Manager with the consent of the Trustee) the Trustee shall transfer the applicable Redemption Investments out of the Deposited Property to the Approved Applicant or the Participating Dealer through which the redeeming Holder or (as the case may be), Depositor made his Redemption Request and shall pay the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed (with such deductions as are permitted by the Deed) in accordance with and subject to the provisions of Clause 15 of the Deed as if the same were a distribution payable to the relevant Holder or (as the case may be), the relevant Depositor. Notwithstanding the foregoing, no Redemption Investments shall be delivered and no Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed shall be paid under Clause 10(N) of the Deed unless Units, the subject of the Redemption Request, have been delivered to the Manager for redemption by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe for such Redemption Request. In the event that Units are not delivered to the Manager for redemption in accordance with the foregoing: (i) the Redemption Request shall be deemed never to have been made (except that the Transaction Fee therefor shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the applicant (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Redemption Request. In addition, the Manager may, but shall not be bound to, require the applicant to pay to the Trustee for the account of the Fund in respect of each Unit, the subject of the Redemption Request, the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Manager had received on the date on which such Units were to be redeemed a Creation Request from such applicant for the creation of such Units in accordance with the provisions of Clause 9 of the Deed.

- (p) Subject to the provisions of the Code relating to suspension of dealings, the Manager may at any time with the written approval of the Trustee suspend the right of the Holders and the Depositors to require the redemption of Units under Clause 10 of the Deed and/or delay the payment of any moneys and distribution of any Redemption Investments in respect of any such redemption during any of the following periods:-
 - (i) any period when the SGX-ST or the Depository is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

- (ii) any period when settlement or clearing of securities in the Depository is disrupted;
- (iii) the existence of any state of affairs as a result of which delivery of Index Shares or disposal of Authorised Investments for the time being comprised in the Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders or Depositors;
- (iv) any period when the STI is not compiled or published;
- (v) any breakdown in the means normally employed in determining the Value of the Deposited Property or when for any other reason the Value of any Authorised Investment or the current prices thereof on the SGX-ST cannot be promptly and accurately ascertained;
- (vi) the existence of any state of affairs which in the opinion of the Manager, might seriously prejudice the interests of the Holders and Depositors as a whole or of the Deposited Property;
- (vii) 48 hours (or such other period as the Manager and Trustee may agree) prior to the date of any meeting of Holders or any adjournment thereof; and
- (viii) any period when dealing Units is suspended pursuant to any order or direction of the Authority or when required under the provisions of the Code.

Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof in writing to the Trustee by the Manager and thereafter there shall be no redemption of Units and/or distribution of such Redemption Investments and payment of the Cash Equivalent Payment and the Dividend Equivalent Payment for each Unit in respect of any such redemption until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the Business Day following the first Business Day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised under Clause 10 of the Deed shall then exist. Each declaration by the Manager pursuant to this paragraph shall be consistent with the Code and such laws, rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Fund and as shall be in effect at the time. To the extent not inconsistent with such laws, rules and regulations, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out in Clauses 10(O)(i) through 10(O)(vi) of the Deed, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Value) may also be suspended and the Manager shall be under no obligation to Rebalance the Deposited Property, in either case at the discretion of the Manager and with

the approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension lasting for more than one month in such newspaper or newspapers in Singapore as the Manager may from time to time think fit.

- (q) Any Participating Dealer or Approved Applicant may at any time after such a suspension has been declared and before termination of such suspension withdraw any Redemption Request by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If no such notification of the withdrawal of any such request has been received by the Trustee before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Deed, redeem Units in respect of which it has received a valid Redemption Request and the Trustee and the Manager shall consider Redemption Requests as at the Dealing Day next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.
- (r) The Manager may charge a Transaction Fee for each Redemption Request and may on any day in its sole discretion differentiate between applicants as to the amount of the Transaction Fee it charges in relation to Units redeemed by them respectively and likewise the Manager may on any day on the redemption of Units allow to any person or persons a discount or discounts on the Transaction Fee of their Units on such basis or on such scale as the Manager may think fit. The Transaction Fee shall be paid by or on behalf of the Participating Dealer or Approved Applicant submitting the request to redeem such Units (and may be set off and deducted against the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed).
- (s) Unless requested by the Holder concerned so to do the Trustee shall be under no obligation to check the calculation of the amount payable in connection with the cancellation of Units pursuant to Clause 10 of the Deed but shall be entitled at any time it so desires to require the Manager to justify the same.
- (t) The Trustee shall be entitled to refuse to redeem and cancel a Unit if at any time the Trustee is of the opinion that the provisions of Clause 10 of the Deed with regard to the redemption and cancellation of Units have been and/or are being infringed; but nothing in Clause 10(S) of the Deed or anything else in the Deed shall impose upon the Trustee any responsibility for satisfying itself before redeeming Units that the Manager has complied with the conditions of Clause 10 of the Deed.
- (u) Where the Manager allows a Redemption Request to be made by more than one Participating Dealer (a "Team Redemption Request") pursuant to Clause 10(C)(i) of the Deed:

- (i) any reference in Clause 10 of the Deed to a Participating Dealer or an applicant will, in relation to the Team Redemption Request, be construed to refer to all the Participating Dealers who made the Team Redemption Request; and
- (ii) any fees, charges or other sums whatsoever payable in relation to the Team Redemption Request under the terms of Clause 10 of the Deed by a Participating Dealer or an applicant, as the case may be, will be apportioned amongst and be payable by the Participating Dealers who made the Team Redemption Request in such proportions as may be determined by the Manager in its sole discretion.

VALUATION

24.1 The Manager or its agent shall in relation to each Dealing Day determine the Value of the Fund in accordance with the provisions set out in this paragraph.

24.2 The Value of the Fund shall be calculated by the Manager as at each Valuation Point by valuing the Deposited Property in accordance with sub-paragraphs 24.3 and 24.4, and deducting the liabilities of the Fund in accordance with sub-paragraph 24.4, as at such Valuation Point.

24.3 The Value of the Deposited Property shall be ascertained on the following basis:-

- (A) the Value of any Authorised Investment quoted, listed or normally dealt in on the SGX-ST shall be calculated by reference to the price appearing to the Manager to be the SGX-ST's nominal closing price for that Authorised Investment, provided that:-
 - (i) subject to sub-paragraph 24.3(A)(ii), if an Authorised Investment is quoted, listed or normally dealt in on more than one market, the Manager shall adopt the SGX-ST's closing price notwithstanding the fact that the SGX-ST may not be the principal market for such Authorised Investment;
 - (ii) in the case of any Authorised Investment which is quoted, listed or normally dealt in on the SGX-ST but in respect of which, for any reason and subject to the provisions relating to suspension set out in Clause 10(O) of the Deed, prices on the SGX-ST may not be available at any relevant time or the SGX-ST's nominal closing price is not considered to provide a fair value by the Manager, the Value thereof shall be certified by an Approved Broker or other professional person as may be appointed for such purpose by the Manager with the prior written approval of the Trustee;
 - (iii) there shall be taken into account interest accrued on interest-bearing Authorised Investments up to and including the relevant Dealing Day, except for that interest accrued on Authorised Investments quoted, listed or normally dealt in on the SGX-ST which is included in the quoted or listed price; and

- (iv) for the purposes of the foregoing provisions the Manager shall be entitled to use and rely on electronically transmitted information from such source as it may from time to time, acting reasonably, think fit with regard to the pricing of Authorised Investments.
- (B) The Value of any Authorised Investment which is not as at the time of valuation (though historically had been) quoted, listed or normally dealt in on the SGX-ST shall be the initial Value thereof ascertained in accordance with sub-paragraph 24.3(B)(i) or the Value thereof as assessed on the latest revaluation thereof made in accordance with sub-paragraph 24.3(B)(ii). For this purpose:-
- (i) the initial Value of such an Authorised Investment shall be the SGX-ST's nominal closing price immediately before such Investment ceased to be quoted, listed or normally dealt in on the SGX-ST; and
 - (ii) the Manager may at any time with the prior written approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any such Authorised Investment by such Approved Broker or other professional person as the Manager may consider, with the prior written approval of the Trustee, to be qualified to value such Authorised Investment.
- (C) To the extent allowed under the Notice on the Sale of Investment Products and provided it is a Permitted Derivative, the Value of any Futures Contract shall be:-
- (i) in the case of a Futures Contract expressed as being for the sale of the subject matter thereof, the positive or negative amount produced by applying the following formula:-

$$a - (b+c)$$
 - (ii) in the case of a Futures Contract expressed as being for the purchase of the subject matter thereof, the positive or negative amount produced by applying the following formula:

$$b - (a+c)$$
- where:
- a = the Contract Value of the relevant Futures Contract ("the relevant Contract");
 - b = the amount determined by the Manager to be the Contract Value of such Futures Contract as would be required to be entered into by the Manager on behalf of the Fund in order to close the relevant Contract, such determination to be based

on the closing price on the Singapore Exchange Derivatives Trading Limited; and

c = the amount expended out of the Deposited Property in entering into the relevant Contract, including the amount of all Duties and Charges but excluding any depositor margin provided in connection therewith.

- (D) Cash, deposits and similar property shall be valued at face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof.
- (E) Notwithstanding any of the foregoing sub-paragraphs, the Manager may, with the prior written consent of the Trustee, adjust the Value of any Authorised Investment or permit some other method of valuation to be used if, having regard to currency, applicable rates of interest, maturity, marketability and such other considerations as the Manager may deem relevant, the Manager considers that such adjustment or other method of valuation is required to reflect more fairly the Value of such Authorised Investment or other property.
- (F) Property other than Authorised Investments and Permitted Derivatives that are Futures Contracts (if any) shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.

24.4

In calculating the Value of the Fund at any Valuation Point (the “**relevant Time**”):-

- (A) every Unit agreed to be issued at the relevant Time shall be deemed to be in issue (and, in particular but not limited to, every Unit applied for in accordance with Clause 9 of the Deed shall be deemed to be in issue on the Trade Date) and the Deposited Property shall be deemed to include the amount of any cash and/or Value of any Deposit Investments to be paid and/or received in respect of each such Unit;
- (B) the Manager may base the calculation of the Value on the amount of the Deposited Property held by the Fund at some earlier time on the same Dealing Day than the relevant Time, or at any time on an earlier Dealing Day, and the Manager may change the day and time on which the calculation of the Value is based from time to time. The initial determination of the day and time on which the calculation of the Value will be based will be notified in writing by the Manager to the Trustee within 14 days after the execution of the Deed. Subsequently, if the Manager decides to change the day and time on which the calculation of the Value will be based, it will seek the prior written approval of the Trustee to each such change, and the Trustee shall in its sole discretion decide if the Holders and the Depositors should be informed of the change;
- (C) where, in consequence of any Redemption Request duly given pursuant to Clause 10 of the Deed, the redemption of Units has been or is to be effected by their cancellation at the relevant Time but payment of any cash and/or transfer of any Redemption Investments in respect of such redemption has

not been completed, the Units in question shall be deemed not to be in issue (and, in particular, every Unit the subject of a Redemption Request given in accordance with Clause 10 of the Deed shall be deemed not to be in issue with effect from the Trade Date) and any amount payable in cash and the Value of the Redemption Investments transferable out of the Deposited Property in pursuance of such reduction shall be deducted;

- (D) where any Authorised Investment has been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investment shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (E) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise pursuant to the provisions of Clause 8(A) of the Deed less the amount thereof which have previously been or are then to be written off;
- (F) the outstanding liabilities, costs and expenses attributable to the Fund shall be deducted from the Deposited Property which shall include (without limitation):
 - (i) any amount of Management Fee and Trustee Fee accrued up to and including the relevant Time but remaining unpaid;
 - (ii) the amount of tax (if any) on gains or profits accrued up to the end of the last Accounting Period or part thereof but remaining unpaid;
 - (iii) the aggregate amount for the time being outstanding of any borrowing effected under Clause 14(C) of the Deed and the amount of any interest and expenses referred to in Clause 14(C) of the Deed but not paid;
 - (iv) an amount equal to the Value of any Permitted Derivative that is a Futures Contract, which is a negative amount;
 - (v) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Deed to be payable out of the Deposited Property;
 - (vi) an appropriate allowance for any contingent liabilities; and
 - (vii) there shall be taken into account such sum (if any) as in the estimate of the Manager will fail to be paid or reclaimed in respect of taxation related to income and transactions prior to or on the relevant Day;
- (G) any Value (whether of a liability or of an Authorised Investment or cash) otherwise than in Dollars shall be translated into Dollars at the exchange rate used by SGX-ST or as otherwise determined by the Trustee in accordance

with any policies for the time being established by the Manager, having regard to any premium or discount which may be relevant and to costs of exchange;

- (H) where the current price of an Authorised Investment is quoted ex dividend (including stock dividend) or interest or other rights to which the Fund is entitled but such dividend, interest or the property or cash to which such rights relate has not been received and is not taken into account under any other provision of the Third Schedule to the Deed, the amount of such dividend, interest, property or cash shall be taken into account; and
- (I) liabilities shall (where appropriate) be treated as accruing from day to day.

VARIATION OF AUTHORISED INVESTMENTS

25. The Deed provides that subject to the provisions relating to the borrowing powers of the Trustee in Clause 14(C) of the Deed and in particular to the requirements therein mentioned any Authorised Investments comprised in the Deposited Property may at any time be realised at the discretion of the Manager either in order to invest the proceeds of sale in other Authorised Investments or to provide cash required to be paid out of the Deposited Property of the Fund for the purpose of any provision in the Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly the other.

REMUNERATION OF THE MANAGER AND THE TRUSTEE

26.1 The Manager shall be entitled:-

- (a) to receive for its own account out of the Deposited Property of the Fund as soon as practicable after the last Dealing Day of every calendar quarter the amount of Management Fee accrued to it and remaining unpaid; and
- (b) to alter the rate of Management Fee to some smaller percentage than that provided in the Deed by notice to the Trustee in writing provided that the Manager shall give written notice of any increase in the rate of Management Fee up to the permitted rate to all Holders, the Depositors via the Depository and the Trustee not less than three months prior to the date of effect thereof.

26.2 The Management Fee shall not exceed the rate of 1.0 per cent. per annum of the Value of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution of a Meeting of Holders or, as the case may be, Depositors, duly convened and held in accordance with the provisions of the First Schedule to the Deed.

The Management Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of that calendar quarter and on the first to occur of such Dealing Days also in respect of the period from the date of the first issue of Units up to and including the last day of that calendar quarter in which the Units are first issued. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Value of the Deposited Property calculated on the preceding Dealing Day divided by three hundred and sixty-five.

The "appropriate percentage" shall be the rate of the Management Fee applicable on the relevant day. The Management Fee shall be payable out of such part of the Deposited Property as the Manager in its discretion shall decide. The amount of the Management Fee payable to the Manager shall be net of all Taxes and Levies, which shall in turn be borne by the Deposited Property in accordance with Clause 22(D) of the Deed.

26.3 The Trustee Fee shall be payable out of the Deposited Property quarterly in arrears in four instalments as soon as practicable after the last Dealing Day of every calendar quarter. The Trustee shall be entitled to alter the rate of the Trustee Fee to some smaller percentage than that provided in the Deed by notice to the Manager in writing provided that the Trustee shall give written notice of any increase in the rate of the Trustee Fee up to the permitted rate to all Holders and the Depository in respect of the Depositors and the Manager not less than three months prior to the date of effect thereof. The Trustee Fee shall not exceed the rate of 0.15 per cent per annum of the Value of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution of a Meeting of Holders, or, as the case may be, Depositors, duly convened and held in accordance with the provisions of the First Schedule to the Deed.

The Trustee Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of the calendar quarter and on the first to occur of such Dealing Days also in respect of the period from the date of the first issue of Units up to and including the last Dealing Day of that calendar quarter in which the Units are first issued. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Value of the Deposited Property calculated on the preceding Dealing Day divided by three hundred and sixty-five.

The "appropriate percentage" shall be the rate of the Trustee Fee applicable on the relevant day.

The Trustee shall in addition to such remuneration be entitled to be paid out of the Deposited Property all reasonable out-of-pocket expenses (including fees payable by the Trustee to its professional advisers) incurred by it in the performance of its duties under the Deed until the Fund is terminated in accordance with the Deed. All remuneration due to the Trustee shall be payable out of such part of the Deposited Property as the Manager in its sole discretion shall decide.

The amount of remuneration payable to the Trustee shall be net of all applicable Taxes and Levies, which shall in turn be borne by the Deposited Property in accordance with Clause 22(D) of the Deed. The Manager may at its sole discretion but is not obligated to pay the Trustee Fee and/or some or all of the expenses described herein out of its own account, in which event the Trustee Fee and such portion of the expenses described herein will not be charged to the Fund.

26.4 In addition to any charges or fees expressly authorised by the Deed, the Manager and the Trustee shall each be entitled to charge In-kind Service Charges. The aggregate of the In-kind Service Charges paid to the Manager and the Trustee shall not exceed the Transaction Fee received by the Fund.

26.5 Where any Taxes and Levies are payable by the Manager or the Trustee in relation to goods purchased by or services rendered to them in connection with the exercise of the powers and discretion and/or the performance of the obligations of the Manager or the Trustee (as the case may be) under the Deed, the Manager or the Trustee (as the case may be) shall be reimbursed therefor out of the Deposited Property. Where any Taxes and Levies are payable in connection with the reimbursement of expenses or services rendered by the Manager, the Trustee or the Custodian

pursuant to the Deed, such Taxes and Levies shall be paid out of the Deposited Property as the Manager shall determine. In connection with Taxes and Levies payable in connection with the Trustee or the Custodian, the Manager may at its discretion but is not obligated to pay such Taxes and Levies out of its own account, in which event such Taxes and Levies will not be charged to the Fund.

TRANSFER OF UNITS

27.1 Every Holder shall be entitled to transfer such Units held by him or in the case of Joint Holders by both the Joint-All Holders or by either one of the Joint-Alternate Holders by instrument in writing in common form (or such other form as the Manager and the Trustee may from time to time approve); provided that no transfer of part of a holding of Units shall be registered without the approval of the Manager and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding and provided further that Units which are purchased with monies from a CPF Investment Account are not transferable and provided further that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.

27.2 For so long as Units are listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register of the Units that have been transferred in accordance with Depository Requirements and subparagraph 27.1 will not apply to such transfers.

27.3 No transfer of part of a holding of Units of the Fund will be registered if in consequence thereof either the transferor or the transferee would be the owner of less than the Minimum Holding or such other number of Units or amount as may from time to time be determined by the Manager either generally or in respect of any particular case or cases upon giving prior written notice to the Trustee and as permitted by the relevant authorities.

DISTRIBUTION

28.1 The following is a summary of the provisions in the Deed relating to distribution to the Holders and Depositors of income or capital (as the case may be) of the Fund:-

- (a) The Manager shall have the absolute discretion to determine whether a distribution is to be made and, as and when the Manager shall decide, the Manager may by notice in writing direct the Trustee to distribute such part or all of the Deposited Property for each Distribution Period or part thereof at such time and in accordance with such method of calculations as the Trustee and the Manager may agree having regard to the provisions of the Deed.
- (b) In the event the Manager shall decide pursuant to Clause 15(A) of the Deed that a distribution is to be made in respect of any Distribution Period or part thereof, the Trustee shall on each Ex. Dividend Date allocate, and on each Distribution Date distribute, among the Holders, or, as the case may be, cause the Depository to distribute among the Depositors of Units rateably in accordance with the number of Units held by them respectively on the relevant Record Date the amount available for distribution. In determining the amount for distribution under Clause 15(A) of the Deed, the Manager may in its discretion decide that no fraction of or any fraction of one cent per Unit is to be distributed in connection with any such distribution. In the event of a

distribution being made, an appropriate amount shall be paid to the distribution account (the "**Distribution Account**") to effect such distribution.

- (c) Any amount standing to the credit of the Distribution Account shall not for any of the purposes of the Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute or apply the same as provided in the Deed.

28.2 Any or all of the Deposited Property shall be available for distribution in the discretion of the Manager, in accordance with such methods of computation as the Manager shall in its sole discretion and from time to time employ. In particular, but without limiting the discretion of the Manager, distributions may be made and paid to the extent that they are covered by income received from underlying investments and by share of profits of associated companies which are received by the Fund and are available for distribution, or in such other circumstances and from such other parts of the Deposited Property as the Manager in its discretion may decide.

YIELD

29. The yield on the Units is anticipated to approximate to the yield on the STI. This is because the Investment Objective is to provide investment results that closely correspond with the performance of the STI, by investing all, or substantially all, of the assets of the Fund in Index Shares in substantially the same weightings as they appear in the STI. Cash receipts by way of dividends, interest, bonuses or other income, and the Dividend Equivalent Payment or other capital receipts, will be taken into account in calculating the yield.

MEETING OF HOLDERS AND DEPOSITORS

30. The following is a summary of the provisions in the Companies Act and the Deed regulating the convening of meetings of Holders and Depositors of Units:-

- (a) meetings of Holders and Depositors may be convened by the Trustee or the Manager, and shall be convened by the Manager at the request in writing of not less than 50 Holders and Depositors or one-tenth in number of the Holders and Depositors of the Fund, as the case may be, whichever is the lesser;
- (b) notice of the meeting shall be sent by post to each of the Holders or left at his address as appearing in the Register of Holders or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register, at least fourteen days before the proposed meeting. Notice of the meeting will be given to Depository in respect of the Depositors in the manner provided in the Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed; and
- (c) where a meeting of Holders and Depositors is held for the purpose of terminating the Fund as provided in Clause 33(F) of the Deed or Section 295 of the SFA, the Holders and the Depositors (via the Depository), shall be given at least twenty-one days' notice of such meeting in the manner referred to in sub-paragraph (b) above and by publishing, at least twenty-one days before the proposed meeting, an advertisement giving notice of the meeting

in at least four local daily newspapers, one each published in the English, Malay, Chinese and Tamil languages.

OTHER FUNDS MANAGED BY THE MANAGER

31. Other than the ABF Pan Asia Bond Index Fund, which is a Singapore unit trust authorised by the Authority for offer to the public in Singapore, the Manager has not, within the 5 years immediately preceding the date of this Prospectus, operated any other unit trust or other undertakings, schemes, enterprises or investment contracts involving the issue of interests to the public.

DECLARATION

32. It is hereby declared that:-

- (a) no Units issued pursuant to this Prospectus shall be allotted later than 12 months after the date of this Prospectus (or any other period as may be prescribed by law for the time being in force); and
- (b) no certificates shall be issued to purchasers of or subscribers for Units.

ALLOTMENT OF UNITS

33.1 The Manager shall have the exclusive right to effect for the account of the Fund the issue of Units Provided That the Manager shall not accept an application for Units in less than Creation Unit size or multiples thereof or such other number of Units or amount as may from time to time be determined by the Manager either generally or in respect of any particular case or cases upon giving prior written notice to the Trustee and as may be permitted by the relevant authorities.

33.2 Units shall be offered to the public for subscription at prices ascertained in accordance with the provisions of the Deed and be allotted to such persons who accept such offer.

33.3 The Trustee shall be entitled to refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of Clause 9 of the Deed with regard to the issue of Units are being infringed. However, the Trustee shall be under no responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of Clause 9 of the Deed.

PROCEDURES FOR CREATION AND REDEMPTION OF UNITS

34.1 Creation

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index

Baskets, plus or minus a cash payment as determined by the Manager. Currently, Units may only be issued in Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are issued on a forward pricing basis, and therefore the Issue Price of Units shall not be ascertainable at the time of a Creation Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

The Fund currently issues Units in whole-number multiples of 500,000 Units in exchange for an Index Basket comprising a portfolio of Index Shares in kind (plus or minus a cash payment as determined by the Manager). Based on the above, it is not possible to give a numerical example of the number of Units which will be issued for a cash investment.

A confirmation note detailing the number of Units allotted in the Fund will be sent to Holders within 2 Business Days from the date of issue of Units.

34.2 Redemption

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently, Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 23 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are redeemed on a forward pricing basis, and therefore the Redemption Value of Units shall not be ascertainable at the time of a Redemption Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Index Shares (plus or minus a cash payment as determined by the Manager) are received upon the redemption of Units in whole-number multiples of 500,000 Units. Based on the above, it is not possible to give a numerical example of the realisation proceeds received for a redemption of Units.

Realisation proceeds (consisting of Index Shares, plus or minus a cash payment as determined by the Manager) shall normally be delivered to investors within three Business Days of receipt and acceptance of the Realisation Request by the Manager.

34.3 Issue Price and Redemption Value

The Issue Price and Redemption Value are available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

34.4 Listing on the SGX-ST

Application had been made to the SGX-ST for the listing of, and permission to deal in, the Units to be issued. Units bought on the SGX-ST will be at prices negotiated on a willing-buyer-willing-seller basis. The majority of trading activity in the Units is expected to occur on the SGX-ST.

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process.

34.5 Not a Typical Unit Trust

Investors should note that the Fund is not like a typical unit trust offered to the public in Singapore. Units may not usually be redeemed for cash (see paragraph 4.1(a) of this Prospectus); Units may usually only be created and redeemed in Creation Unit and Redemption Unit sizes through Participating Dealers or by Approved Applicants (see paragraphs 4.1(c) and 4.1(k) of this Prospectus), and Units may not usually be subscribed for in cash. These features are not usually present in a typical unit trust offered to the public in Singapore where units can generally be purchased and redeemed for cash in comparatively smaller multiples of units.

DEALINGS WITH THE FUND BY THE MANAGER AND THE TRUSTEE

35. The Index Sponsor is not affiliated with the Manager. Each of the Manager, SSGA Asia and the Trustee are not in any position of conflict in relation to the Fund. The Manager and the Trustee have covenanted to conduct all transactions with or for the Fund at arm's length.

REPORTS TO HOLDERS

36.1 The financial year-end for the Fund is 30 June.

36.2 The annual report, annual accounts and the auditor's report on the annual accounts will be prepared and sent or made available to the Holders within 3 months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent or made available to the Holders within 2 months of the financial half-year end, i.e., 31 December (or such other period as may be permitted by the Authority). In the

future the Manager may also distribute accounts and reports via electronic means as permitted under the Code.

36.3 The Manager or its agent shall also, based on records kept in the Register, furnish to each Holder on a semi-annual basis (or such other period as may be agreed between the Manager and the Trustee and upon written notice being given to all Holders not less than three months prior to the date of effect thereof) as soon as practicable after each relevant Record Date a Statement of Holdings. A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the half yearly period preceding such Record Date and the transactions in respect of such Units in that time and shall be in such form as may from time to time be agreed between the Manager and the Trustee.

36.4 The cost and expenses of providing statements and reports to Holders, or, as the case may be, Depositors, mentioned in this paragraph will be borne by the Fund.

EXEMPTIONS

37.1 The Trustee and the Manager shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

37.2 The Trustee and the Manager shall incur no liability to the Holders or (as the case may be), the Depositors for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgement of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Manager shall be under any liability therefor or thereby.

37.3 Neither the Trustee nor the Manager shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any document or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

37.4 Notwithstanding anything contained in the Deed:-

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian not selected or appointed by it.

37.5 The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Manager. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee is for the time being authorised by the Manager under its common seal to accept and may act on verbal and telefacsimile instructions given by authorised officers of the Manager specified in writing by the Manager to the Trustee.

37.6 Any indemnity expressly given to the Trustee or the Manager in the Deed is in addition to and without prejudice to any indemnity allowed by law; provided nevertheless that any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Manager from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.

SOFT-DOLLAR COMMISSIONS/ARRANGEMENTS AND CASH REBATES

38.1 The Manager and SSGA Asia shall be entitled to receive soft-dollar commissions/arrangements in respect of the Fund. The Manager and SSGA Asia will each comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements which the Manager and SSGA Asia may for the time being receive or enter into include brokerage services, research, economic and political analyses, portfolio analyses including valuation and performance measurements, and market analyses.

38.2 Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

38.3 The Manager and SSGA Asia will each not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would reasonably be expected to assist it in its provision of investment advice or related services to the Fund, provided that the Manager and SSGA Asia shall each ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to achieve a sufficient volume of transactions to qualify for such soft dollar commissions/arrangements.

PERFORMANCE OF THE FUND AND BENCHMARK

39.1 The past performance of the Fund and its benchmark (which is the STI) as of 31 July 2015 are as follows:

Fund/Benchmark	1 year	3 years (average annual compounded return)	5 years (average annual compounded return)	10 years (average annual compounded return)	Since inception on 11 April 2002 (average annual compounded return)
SPDR [®] Straits Times Index ETF (inclusive of dividends) ⁴	-0.92%	4.38%	4.14%	6.35%	7.90%
SPDR [®] Straits Times Index ETF (exclusive of dividends) ⁵	-5.07%	1.55%	1.29%	3.10%	4.68%
STI (excluding dividends)	-5.08%	1.79%	1.40%	3.13%	4.69%

Investors should note that the past performance of the Fund is not necessarily indicative of the future performance of the Fund.

39.2 Expense ratio

The expense ratio⁶ for the Fund for the period from 1 July 2014 to 30 June 2015 is 0.30%.

39.3 Turnover ratio

The turnover ratio for the Fund for the period from 1 July 2014 to 30 June 2015 is 0.94%.

⁴ The performance of the Fund is based on average annual compounded returns, calculated on a single pricing basis (NAV-NAV), inclusive of all transaction costs and in SGD terms. The performance of the Fund, inclusive of dividends, is net of all charges payable upon reinvestment.

⁵ The performance of the Fund is based on average annual compounded returns, calculated on a single pricing basis (NAV-NAV), inclusive of all transaction costs and in SGD terms.

⁶ The following expenses are excluded from the calculation of the expense ratio:

- (a) interest expense;
- (b) brokerage and other transaction costs;
- (c) foreign exchange gains and losses;
- (d) tax deducted at source or arising from income received; and
- (e) dividends and other distributions paid to Holders.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on the Fund's latest audited accounts.

DEPOSITORY REGISTER

40.1 The Manager has, pursuant to a Depository Agreement, appointed the Depository as the Unit depository for the Fund. The holdings of all Depositors will be represented by book-entries in the Depository Register to be maintained by the Depository.

40.2 Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Manager shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. In the case where a Depositor has purchased Units with monies from his CPF Account or his CPF Investment Account, the Depository shall not be bound to register in the Depository Register more than one person as the owner of Units and joint holding of such Units is not permitted and in the case where a Depositor has purchased Units with cash, the Depository shall not be bound to register in the Depository Register more than two persons as Joint Depositors of Units, provided that the Depository shall not register in the Depository Register a Depositor who has purchased Units with monies from his CPF Account or his CPF Investment Account and a Depositor who has purchased Units with cash as Joint Depositors.

QUERIES AND COMPLAINTS

41. If you have questions concerning your investment in the Fund, you may call the Manager at telephone number 6826 7500.

CUSTODIAN

42. The Trustee shall be responsible for the safe custody of the assets of the Fund. The Trustee has appointed State Street Bank and Trust Company (the "**Custodian**"), a trust company organised under the laws of the Commonwealth of Massachusetts with its principal place of business at One Lincoln Street, Boston, MA 02111, United States of America, as the global custodian of certain assets belonging to the Fund. The Custodian was incorporated on 14 April 1961 in the Commonwealth of Massachusetts, United States of America. The Custodian's remuneration is to be paid by the Manager out of the Management Fee and not by the Fund.

The Custodian was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It provides custodial services in over 100 markets through its network of sub-custodian banks. The Custodian is licensed and regulated by the Federal Reserve Bank of Boston. The Custodian may appoint sub-custodians in markets where the Fund invests and has in place processes dealing with the selection and ongoing monitoring of such sub-custodians. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

State Street Corporation, or the parent company, is a financial holding company organised in 1969 under the laws of the Commonwealth of Massachusetts. The parent company provides financial and managerial support to its legal and operating subsidiaries. Through its subsidiaries, including the principal banking subsidiary, the Custodian, State Street Corporation provides a broad range of financial products and services to institutional investors worldwide. As of 30 June 2015, State Street Corporation had US\$28.7 trillion in assets under custody and administration and US\$2.4 trillion⁷ in

⁷ Assets under management include approximately US\$26.7 billion (as of June 30, 2015), for which State Street Global Markets, LLC, an affiliate of SSGA, serves as the distribution agent.

asset under management. State Street Corporation operates in more than 100 geographic markets worldwide, including United States of America, Canada, Europe, the Middle East and Asia. For further information, please visit State Street Corporation's website at www.statestreet.com.

The Custodian will remain as custodian of the Fund until its appointment is terminated in accordance with the terms of its appointment.

PROHIBITION ON VOTING

43. The Manager and the Custodian and any of their connected persons and any director of the Manager are prohibited from voting their own shares at, or being part of a quorum for, any meeting to approve any matter which it has a material interest in the business to be conducted.

BROKERAGE FEES

44. The Manager will not be entitled to receive any part of any brokerage charged to the Fund. The Manager will be entitled to receive such part of any fees, allowances, benefits, etc., received on purchases charged to the Fund as set out in this Prospectus and the Deed. The Manager's associates may be entitled to receive part of the brokerage charged to the Fund or the fees, allowances, benefits, etc. received on purchases charged to the Fund.

DOCUMENTS AVAILABLE FOR INSPECTION

45. Copies of the following documents are available for inspection at the Manager's business premises at 168 Robinson Road, #33-01, Capital Towers, Singapore 068912 during normal business hours:

- Deed
- Depository Agreement between the Manager, the Trustee and the Central Depository (Pte) Limited
- Copies of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Fund

TAXES

46.1 The purpose of this paragraph 46 is to provide investors with a general overview of the tax implications in Singapore of investing in the Fund and should not be regarded as advice on the tax position of any person (whether a Singapore resident or otherwise). The taxation consequences of transactions can vary depending on the circumstances of each investor. Each investor should therefore consult his or her own tax adviser as to the taxation implications of investing in the Fund based on the investor's particular situations (including the consequences of investing in or disposing of Units in the Fund and receiving income from the Fund). It is emphasised that neither the Trustee nor the Manager or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal/redemption of the Units. Investors should note that the overview of the tax implications of investing in the Fund provided in this paragraph 46 is based on the existing provisions of the relevant tax laws, the regulations thereunder, the circulars issued by the MAS and practices in effect as at the date hereof, all of which are subject to change and differing interpretations, either on a prospective or retrospective basis.

46.2 The Fund has been awarded the Designated Unit Trust ("**DUT**") status on 26 October 2002 by the Inland Revenue Authority of Singapore ("**IRAS**") under Section 35(14) of the Income Tax Act, Chapter 134, of Singapore ("**ITA**"), read with the Income Tax (Definition of Designated Unit Trust) Rules 2015. With effect from 1 September 2014, the DUT scheme will be administered on a self-assessment basis. The Trustee may elect to claim the DUT tax deferral benefits for the Fund for a year of assessment ("**YA**") by submitting the annual declaration form together with the tax return ("**Form UT**") by the statutory deadline or within such extended time granted by the IRAS, provided that the Fund meets all of the DUT conditions throughout the basis period, including that the Fund is a unit trust scheme or an exchange traded fund interest scheme, in which any moneys standing to the credit of a member of the Central Provident Fund in such fund, have been or may be invested, and which remains prescribed by the Minister for Finance for the purposes of the award of DUT status, throughout the basis period for any given year of assessment.

46.3 The Manager will endeavour to conduct the affairs of the Fund in such a manner that it fulfils the DUT conditions. It was announced in the 2014 Budget Statement that the DUT scheme will expire on 1 April 2019. The Government of Singapore will review the DUT scheme prior to its expiry to assess its relevance and determine whether it will be discontinued, extended and/or refined.

46.4 Notwithstanding the above, generally, the Fund can continue to enjoy the DUT tax deferral benefits, if it:

- (i) meets all the DUT conditions in the basis period immediately preceding the basis period on which 1 April 2019 falls and an election has been made for the DUT tax deferral benefits to apply to the Fund in the first-mentioned basis period; and
- (ii) continues to meet all the DUT conditions and elects for the DUT tax deferral benefits for every subsequent YA.

46.5 The Fund will not enjoy the DUT tax deferral benefits if it fails to meet any of the DUT conditions for any YA relating to a basis period beginning on or after 1 April 2019 or no election is made for the DUT tax deferral benefits for any basis period beginning on or after that date. The DUT tax deferral benefits will not apply to the Fund for the YA to which that basis period relates and for every subsequent YA.

46.6 The key aspects relating to the taxation of a DUT are summarised below.

A. *Fund level*

46.7 Income of a trust is generally taxable in the hands of its trustee. If the Fund is eligible for the DUT tax deferral benefits and has so elected, the following income ("**Specified Income**") will not form part of the statutory income of the Trustee and thus will not be taxable at the Trustee's level:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the ITA);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from:-

- (i) foreign exchange transactions;
 - (ii) transactions in futures contracts;
 - (iii) transactions in interest rate or currency forwards, swaps or option contracts; and
 - (iv) transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore;
- (f) fees and compensatory payments (other than fees and compensatory payments for which tax has been deducted under Section 45A of the ITA) from securities lending or repurchase arrangements with certain specified persons;
- (g) rents and any other income derived from any immovable property situated outside Singapore and received in Singapore;
- (h) discount derived from outside Singapore and received in Singapore;
- (i) discount from qualifying debt securities issued during the period from 17 February 2006 to 31 December 2018 (both dates inclusive);
- (j) gains or profits from the disposal of debentures, stocks, shares, bonds or notes issued by supranational bodies;
- (k) prepayment fee, redemption premium and break cost from qualifying debt securities issued during the period from 15 February 2007 to 31 December 2018 (both dates inclusive); and
- (l) such other income directly attributable to qualifying debt securities issued on or after a prescribed date, as may be prescribed by regulations.

46.8 Unless otherwise exempt from tax, any income or gains that do not fall within the above list of Specified Income (i.e. non-Specified Income) will generally be subject to tax in the hands of the trustee at the prevailing corporate tax rate (currently, 17%).

46.9 Distributions made by the Fund to all unitholders will not attract Singapore withholding tax.

B. Unitholders' level – Distributions

46.10 The tax treatment of distributions out of a DUT in the hands of the unitholders is as follows:

- (a) Any distribution received by an individual (whether resident in Singapore or not), is exempt from Singapore income tax. The tax exemption does not apply to distributions derived by individuals through a partnership in Singapore or from the carrying on of a trade, business or profession.

- (b) Any distribution received by a foreign investor which has been made out of Specified Income (Section A above refers) is exempt from Singapore income tax.

A foreign investor is:-

- (i) in relation to an individual, an individual who is not resident in Singapore;
- (ii) in relation to a company, a company which is neither resident in Singapore nor carrying on business through a permanent establishment in Singapore, and not less than 80% of the total number of the issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and
- (iii) in relation to a trust fund, a trust fund where at least 80% of the value of the fund is beneficially held, directly or indirectly, by foreign investors referred to in paragraph (i) or (ii) above and unless waived by the Minister for Finance or such person as he may appoint, where:-
 - (A) the trust fund is created outside Singapore; and
 - (B) the trustees of the trust fund are neither citizens of Singapore nor resident in Singapore, nor do they carry out their duties as such trustees through a permanent establishment in Singapore.
- (c) Distributions (made out of Specified Income listed in Part A above) to other unitholders (i.e. those who are neither individuals nor foreign investors as described above) are deemed to be income of the unitholders and generally subject to tax in their hands.
- (d) Distributions from any non-Specified Income that are subject to tax at the trust level will not be subject to further Singapore income tax in the hands of the unitholders.
- (e) Distributions paid by the Fund out of non-Specified Income that is exempt from Singapore income tax (e.g. Singapore one-tier dividend) will be tax-exempt in the hands of the unitholders.

C. Unitholders' level – Holding of Units

46.11 If the Specified Income of the Trustee did not form part of the Trustee's statutory income for one or more past YAs by reason of the application of DUT tax deferral benefits (such income referred to as "**tax deferred Specified Income**") and any of the events set out in the first column of the following table occurs for which the corresponding date is on or after 1 June 2015, then certain unitholders (including those referred to in item (c) of Section B above) shall be treated as having derived, on the corresponding date, an amount of income that is equal to the "prescribed amount" of tax deferred Specified Income that has yet to be distributed to any unitholders by the corresponding date.

46.12 The "prescribed amount" refers to the amount that would have been distributed to the relevant investors based on the distribution policy in the trust deed. In the scenario where it is not possible to ascertain that amount under the trust deed (e.g. there is no distribution policy, or where the distribution policy was unclear or allowed variations to the distribution policy), the "prescribed

amount” would be based on the number of Units held by the relevant investors in proportion to the total number of Units of the Fund on the relevant date.

Event	Corresponding date
The Fund does not meet one or more conditions of the DUT scheme for any YA	Last day of the basis period* for the immediately preceding YA
No election is made for the DUT tax deferral benefits to apply to the Fund for any YA	Last day of the basis period* for the immediately preceding YA
An election is made for DUT tax deferral benefits to apply to income derived in only a part of the basis period for any YA (e.g. the Fund relinquishes its DUT tax status to transit to another tax incentive)	Last day of that part of the basis period*

*"Basis period" for any YA means the period on the profits of which tax for that year falls to be assessed, and in the present case, refers to the financial year ended 30 June.

D. Unitholders' level – Disposal of Units or dissolution of Fund

46.13 Gains on disposal of Units by a unitholder should not be subject to Singapore taxation, unless:

- (a) the gains are derived in the course of a trade or business carried on in Singapore, or
- (b) the gains are derived in the course of a trade or business carried on outside Singapore (i.e. they are in the nature of foreign-sourced income) and are received or deemed to be received in Singapore. Certain tax exemptions on foreign-sourced income may apply where the relevant conditions are satisfied.

46.14 As the tax treatment depends on the particular circumstances of the investors, investors should consult their own tax advisers with regard to the tax consequences arising from distributions made by the Fund and gains arising from the disposal of the Units.

46.15 If the Specified Income of the Trustee (i) did not form part of the Trustee's statutory income for one or more past YAs by reason of the application of DUT tax deferral benefits; (ii) the Fund is dissolved on or after 1 June 2015; and (iii) meets all applicable conditions of the DUT scheme for the YA for the basis period in which the dissolution occurred, then certain unitholders (including those referred to in item (c) of Section B above) shall be treated as having derived, on the Fund's dissolution date, an amount of income that is equal to the "prescribed amount" of tax deferred Specified Income that has yet to be distributed to any unitholders by the Fund's dissolution date.

46.16 The “prescribed amount” refers to the amount that would have been distributed to the relevant investors based on the distribution policy in the trust deed. In the scenario where it is not possible to ascertain that amount under the trust deed (e.g. there is no distribution policy, or where the distribution policy was unclear or allowed variations to the distribution policy), the prescribed amount would be based on the number of Units held by the relevant investors in proportion to the total number of Units of the Fund on the relevant date.

E. Fund level – Goods and Services Tax

46.17 The Fund may incur Singapore Goods and Services Tax ("**GST**") on its expenses. Should there be GST incurred, the Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 March 2019 as announced in the 2014 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for 2015 is 88%.

46.18 However, should the Fund not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to the Fund.

46.19 The Manager will endeavour to conduct the affairs of the Fund in such a manner that it fulfils the DUT conditions for the Fund to qualify for the GST remission.

GLOSSARY

DEFINED TERMS AND EXPRESSIONS

"Accounting Date" means the 30th day of June each year (commencing with the 30th day of June, 2002) or (in the case of the final Accounting Period) the date on which the moneys required for the distribution in respect of that period shall have been transferred to the Distribution Account, provided that the Manager may, with the prior written consent of the Trustee, change the Accounting Date to any other date approved by the Trustee upon giving not less than 30 days' prior written notice to the Trustee and the Holders and the Depository for distribution to Depositors;

"Accounting Period" means the period ending on and including an Accounting Date and commencing from the Initial Issue Date or from the end of the preceding Accounting Period (as the case may require);

"Accounts" in respect of each Accounting Period means the Accounts referred to in Clause 28 of the Deed;

"Approved Applicant" means a person, other than a Participating Dealer, who is approved by the Manager to apply for creation and redemption of Units and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee;

"Approved Bank" shall have the meaning ascribed to "approved agent bank" under the CPFIS Regulations;

"Approved Broker" means a member of the SGX-ST for the time being approved by the Manager and the Trustee and appointed by the Manager for the purpose of valuing any particular Authorised Investment constituting part of the Deposited Property;

"Authorised Investments" means, subject to the Code Investment Guidelines and to the extent allowed under the Notice on the Sale of Investment Products, any and all of the following:-

- (i) any Index Shares including options and warrants on such Index Shares;
- (ii) any Future Index Shares including options and warrants on such Future Index Shares;
- (iii) any Former Index Shares;
- (iv) any Futures Contracts including options on such Futures Contracts;
- (v) for the duration that the Fund shall be a CPF Fund, any investment for the time being included by the Minister for Manpower or other relevant authority for the purposes of unit trust schemes included as CPF Funds under the CPFIS Regulations, which qualifies as an Index Share; and
- (vi) any other investments not covered by paragraphs (i), (ii), (iii), (iv) and (v) of this definition as determined by the Manager and approved by the Trustee (such approval to be confirmed in writing),

Provided always that any investment falling within (i), (ii), (iv) and (vi) of this definition which is a derivative instrument shall be a Permitted Derivative;

"Authority" means the Monetary Authority of Singapore;

"Business Day" means any day (other than a Saturday or Sunday) on which (i) commercial banks are open for business in Singapore and (ii) trading takes place on the SGX-ST, or any other day as the Manager and the Trustee may agree in writing;

"Cash" means any amount standing to the credit of any bank account, and includes amounts represented by money market instruments;

"Cash Equivalent Payment" means an amount equal to the difference between the Value of the Deposited Property at the relevant Valuation Point on the Trade Date divided by the number of Units then in issue or deemed to be in issue, and the aggregate of:-

- (i) the Index Basket Value at the relevant Valuation Point on the Trade Date divided by the number of Units in a Creation Unit, or Redemption Unit (as the case may be); and
- (ii) the Dividend Equivalent Payment;

"Code" means the Code on Collective Investment Schemes issued by the Authority pursuant to the SFA, as may be amended or supplemented by the Authority from time to time;

"Code Investment Guidelines" means the core investment guidelines set out in Appendix 1 to the Code and the guidelines for index funds set out in Appendix 5 to the Code, and as the same may be modified, amended, supplemented or revised by the Authority from time to time;

"Companies Act" means the Companies Act, Chapter 50 or any successor statute thereto;

"Contract Value" in relation to any Permitted Derivative that is a Futures Contract means the full amount expressed therein as being due to be paid or received by the holder of such Futures Contract upon settlement thereof or (as the case may be) upon delivery of the subject matter of such Futures Contract;

"CPF" means the Central Provident Fund;

"CPF Accounts" means the accounts (whether designated as Ordinary Accounts, Special Accounts or any other relevant accounts) of CPF members maintained with the CPF;

"CPF Act" means the Central Provident Fund Act, Chapter 36;

"CPF Board" means the Board of the CPF established pursuant to the CPF Act;

"CPF Fund" means a unit trust scheme or exchange traded fund included by the CPF Board for investment by members of the CPF under the CPFIS;

"CPF Investment Account" means an account opened by a member of CPF with an Approved Bank from which money may be withdrawn for the purchase of units in a CPF Fund or other such investments approved by the CPF Board or such other relevant competent authority;

"CPF Investment Guidelines" means the CPF Investment Guidelines for funds included under the CPFIS issued by the CPF Board and as the same may be modified, amended, supplemented or revised by the CPF Board from time to time;

"CPFIS" means the CPF Investment Scheme (established under the CPFIS Regulations) or such other scheme as shall from time to time replace it;

"CPFIS Regulations" means the Central Provident Fund (Investment Schemes) Regulations and the terms and conditions for fund management companies included under the CPFIS from time to time issued by the CPF Board or such other relevant competent authority thereunder, as the same may be modified, amended, supplemented, re-enacted or reconstituted from time to time;

"Creation Request" means an application to have Units issued in Creation Unit size;

"Creation Unit" means 500,000 Units or such other number of Units as from time to time determined by the Manager, with the prior consultation of the Trustee, and as notified in the Prospectus;

"Custodian" means the person or persons appointed by the Trustee to be the custodian of any of the Deposited Property pursuant to Clause 25(A) of the Deed; and **"Custodians"** shall be construed accordingly;

"Dealing Day", in connection with the issuance, cancellation and redemption of Units means every Business Day or such other day or days at such intervals as the Manager may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Manager to all Holders, or, as the case may be, Depositors, at such time and in such manner as the Trustee may approve;

"Dealing Deadline" in relation to any particular place and any particular Dealing Day, means 15 minutes after the SGX-ST officially closes for trading on that Dealing Day or such other time on that Dealing Day as the Manager may with the prior consultation of the Trustee from time to time determine;

"Deposit Investments" shall have the meaning ascribed to it in Clause 9(A) of the Deed, being the Index Shares and/or Authorised Investments comprised in an Index Basket;

"Deposited Property" means all the assets, including Cash, for the time being held or deemed to be held upon the trusts of the Deed in respect of the Fund excluding any amount for the time being standing to the credit of the Distribution Account;

"Depositor" means:-

- (i) a direct account holder with the Depository; or
- (ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of Units held by it;

"Depository" means the Central Depository (Pte) Limited or any successor thereof established by SGX-ST as a depository company which operates a central depository system for the holding and transfer of book-entry securities;

"Depository Agent" means a member company of the SGX-ST, a trust company (registered under the Trust Companies Act, Chapter 336), a banking corporation or merchant bank (approved by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act, Chapter 186) or any other person or body approved by the Depository who or which:-

- (i) performs services as a depository agent for holders of accounts maintained by a depository agent in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent;
- (ii) deposits book-entry securities with the Depository on behalf of Sub-Account Holders; and
- (iii) establishes an account in its name with the Depository;

"Depository Agreement" means the Depository Agreement entered into between the Depository, the Manager and the Trustee on the arrangements relating to the Units being deposited with the Depository;

"Depository Register" means the electronic sub-register of Units deposited with the Depository maintained by the Depository;

"Depository Requirements" means the requirements imposed by the Depository in relation to the trading of unit trusts on the SGX-ST applicable to the Fund;

"Distribution Date" means the date on which a distribution is to be made as provided under Clause 15(A) of the Deed, which date, if any, shall be no later than 120 days after the Accounting Date or Interim Accounting Date (as the case may be) in respect of any financial year;

"Distribution Period" means a period commencing (in the case of the first such period) on the Initial Issue Date or (in any other case) from the end of the preceding Distribution Period and ending on (but excluding) the Ex. Dividend Date immediately preceding the relevant Record Date;

"Dividend Equivalent Payment" means an amount equal to the Value of the Income Property at the relevant Valuation Point on the Trade Date divided by the number of Units then in issue or deemed to be in issue;

"Duties and Charges" means a sum which is charged to cover the imputed transaction and other imputed costs including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges incurred in connection with the purchase and sale of Authorised Investments of the Fund;

"EIP" means an Excluded Investment Product as defined in the Notice on the Sale of Investment Products;

"Ex. Dividend Date" means that date in each year which falls two Business Days (or such other number of days as may from time to time be determined by the Manager with the consent of the Trustee) immediately prior to a Record Date being the date or dates in each year for the purpose of allocating the amount distributable pursuant to Clause 16(A) of the Deed for distribution to Holders or, as the case may be, Depositors of record on the following Record Date;

"Extraordinary Resolution" means a resolution proposed and passed as such by a majority consisting of seventy-five per cent. or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be), Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager;

"Former Index Share" means a share which was formerly, but has ceased to be, an Index Share;

"FTSE" means FTSE International Limited;

"Futures Contract" means any futures contract which is a Permitted Derivative and traded on the Singapore Exchange Derivatives Trading Limited and allowed under the Notice on the Sale of Investment Products;

"Future Index Share" means a share listed or to be listed on the SGX-ST and which the Index Sponsor has announced will be included in the STI or which the Manager and the Trustee reasonably believe will be included in the STI within 30 days of including it in the Deposited Property and/or Index Basket;

"Holder" means the registered holder for the time being of a Unit including persons so registered as Joint Holders on the Register;

"Income" means all interest, dividends and other receipts received with respect to the Deposited Property, and interest received with respect to property held in the Distribution Account (including taxation repayments) considered by the Manager after consulting the Auditors to be in the nature of income;

"Income Property" means, with respect to the Deposited Property:-

- (i) all Income;
- (ii) all Transaction Fees received by the Fund; and
- (iii) all interest received in respect of (i) and (ii),

but excluding

- (iv) any amount for the time being standing to the credit of the Distribution Account or previously distributed to Holders; and
- (v) any sums applied towards payment of any fees, costs and expenses payable pursuant to the Deed.

Income Property shall for all purposes under the Deed be a part of the Deposited Property;

"Index Basket" means a portfolio of Index Shares (including Future Index Shares) and other Authorised Investments, as determined by the Manager, and notified in writing to the Trustee, substantially similar in composition and weighting to the STI provided that such portfolio shall comprise only whole numbers of Index Shares and/or Authorised Investments, and no fractions thereof or, if the Manager so determines (either generally or on any Dealing Day), shall comprise only round lots and not any odd lots, which may be exchanged for the number of Units in a Creation Unit, or Redemption Unit (as the case may be), in accordance with the terms of the Deed;

"Index Basket Value" means the aggregate Value at the relevant Valuation Point of an Index Basket;

"Index Shares" means the shares listed on the SGX-ST being the shares of the companies which are from time to time constituent components of the STI;

"Index Sponsor" means, in relation to the STI, FTSE, the London Stock Exchange Group companies, SPH Data or Singapore Press Holdings Ltd or the SGX-ST.

"Indicative Optimised Portfolio Value" or **"IOPV"** means the estimated value of an Index Basket which will be calculated as follows:-

- (i) multiplying the nominal price of the Index Shares in the Index Basket by the number of the respective Index Shares in the Index Basket;
- (ii) adding the estimated total of the cash amount that must be paid on the creation of Units in the Fund in Creation Unit size to the figure obtained from the calculation under paragraph (i); and
- (iii) dividing the figure obtained from the calculation under paragraph (ii) by the number of Units in a Creation Unit;

"Initial Issue Date" means the date of the first issue of Units;

"In-kind Service Charges" shall have the meaning ascribed to it in Clause 22(C) of the Deed, being a fee payable out of the Deposited Property with respect to each Creation Request and Redemption Request (referred to in each case as the **"In-kind Service Charge"**);

"Interim Accounting Date" means 31st December in each year and such other date or dates as the Manager may determine with the consent of the Trustee;

"Intra-Day Proxy" means a mark-to-market calculation of the STI, made from time to time on any given Market Day, as an interim measure of the value of the STI, but not constituting the official close of business calculation made at the end of each Market Day, and **"Intra-Day Proxies"** shall be construed accordingly;

"Investment Objective" shall have the meaning ascribed to it in Clause 13(B) of the Deed;

"IOPV Provider" means such corporation as may be engaged by the Manager from time to time to calculate the IOPV;

"Issue Price" means the price per Unit at which Units are from time to time issued or to be issued in Creation Unit increments by way of exchange for Deposit Investments, the Dividend Equivalent Payment and the Cash Equivalent Payment, ascertained in accordance with the provisions of Clause 9(B) of the Deed;

"Joint Depositors" means such persons, not exceeding two in number, for the time being entered in the Depository Register as joint depositors in respect of a Unit either as Joint-All Depositors or Joint-Alternate Depositors;

"Joint-All Depositors " means Joint Depositors whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Depositors or where one Joint-All Depositor is a Minor, where the mandate is given by the adult Joint-All Depositor;

"Joint-All Holders" means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Holders or where one Joint-All Holder is a Minor, where the mandate is given by the adult Joint-All Holder;

"Joint-Alternate Depositors" means Joint Depositors whose mandate the Manager and the Trustee shall act upon if given by either of such Joint Depositors;

"Joint-Alternate Holders" means Joint Holders whose mandate the Manager and the Trustee shall act upon if given by either of such Joint Holders;

"Joint Holders" means such persons, not exceeding two in number, for the time being entered in the Register as joint holders of a Unit who shall hold the Unit either as Joint-All Holders or Joint-Alternate Holders;

"Licence Agreement" means the Licence Agreement originally entered into between SPH Data and the Manager dated 14 September 2001 as amended by, *inter alia*, the Novation and Amendment Agreement entered into between FTSE, SPH Data and the Manager dated 10 January 2008, relating to the use of the STI for the purposes of the Fund;

"Management Fee" means a periodic charge not exceeding 1.0 per cent. per annum of the Value of the Deposited Property at the relevant time or such other periodic charge as may from time to time be fixed or otherwise determined pursuant to Clause 22(A) of the Deed, payable to the Manager;

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Minimum Holding" means such number of Units or amount as may be determined by the Manager from time to time either generally or in any particular case or cases upon giving prior written notice to the Trustee and as permitted by the relevant authorities truncated but not rounded off to the nearest whole number;

"Minor" means any person under the age of 21 years;

"Notice on the Sale of Investment Products" means the Notice on the Sale of Investment Products issued by the Authority, as the same may be modified, amended or revised from time to time;

"OTC Market" means any over-the-counter market or over-the-telephone market in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Manager may from time to time elect;

"Participation Agreement" means an agreement entered into between the Manager and an Approved Applicant authorising, and setting out, *inter alia*, the terms in respect of, the issue, redemption and cancellation of Units;

"Participating Dealer" means any person who is a broker or dealer (in Singapore or elsewhere) and who has entered into a Participating Dealer Agreement in form and substance acceptable to the Manager and the Trustee;

"Participating Dealer Agreement" means an agreement entered into between the Manager and a Participating Dealer authorising, and setting out, *inter alia*, the terms in respect of, the issue, redemption and cancellation of Units;

"Permitted Derivative" means (a) any right, option or derivative issued or proposed to be issued by a corporation or body unincorporated in respect of its own stocks or shares, (b) any derivative or units in a business trust, or (c) such other derivative instrument as may from time to time be specified in Annex 1 of the Notice on the Sale of Investment Products or which the Fund may from time to time be permitted to invest into by the relevant authorities;

"Rebalance" shall have the meaning ascribed to it in Clause 13(B)(ii) of the Deed;

"Recognised Stock Exchange" means any stock exchange, futures exchange and organised securities exchange on which securities are regularly traded in any country in any part of the world, including the SGX-ST, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Manager may from time to time elect;

"Record Date" means the date or dates in each year determined by the Manager for the purpose of determining the Holders, or, as the case may be, Depositors, of record entitled to receive any distributions (as allocated by the Manager on the immediately preceding Ex. Dividend Date) on the following Distribution Date in accordance with Clause 15 of the Deed provided that there shall be a Record Date at least two Business Days prior to the relevant Distribution Date;

"Redemption Investments" shall have the meaning ascribed to it in Clause 10(B) of the Deed, being the Index Shares and/or Authorised Investments comprised in an Index Basket;

"Redemption Request" means an application to have Units redeemed in Redemption Unit size in accordance with the provisions of Clause 10 of the Deed;

"Redemption Unit" means 500,000 Units or such other number of Units as from time to time determined by the Manager, with the prior consultation of the Trustee;

"Redemption Value" means the Value per Unit at which Units are from time to time redeemed in Redemption Unit size and which shall be the Value per Unit ascertained in accordance with the provisions of Clause 10(E) of the Deed;

"Register" means the Register of Holders referred to in Clause 6(A) of the Deed;

"Registrar" means the Trustee or such other person as may from time to time be appointed by the Trustee to keep the Register;

"Settlement Date" means the Business Day which is three Business Days after the relevant Trade Date or such other number of days after the relevant Trade Date as may be agreed between the Trustee and the Manager either generally or in any particular case or cases;

"SGX" means the Singapore Exchange Limited;

"SGX-ST" means the Singapore Exchange Securities Trading Limited or any successor thereto;

"SPH Data" means SPH Data Services Pte Ltd;

"Statement of Holdings" means the Statement of Holdings referred to in Clause 2(B) of the Deed;

"Straits Times Index" means the index commonly known in Singapore under the name or style **"Straits Times Index"** or **"STI"**. If on any Business Day such index is (i) not being compiled and

published by the Index Sponsor but is compiled and published by a successor sponsor to the Index Sponsor, acceptable to the Manager and the Trustee, or (ii) replaced by a successor index using, in the opinion of the Manager and the Trustee, the same or substantially similar formula for the method of calculation as used in the calculation of such index then the "Straits Times Index" will be deemed to be the index compiled and published by that successor sponsor or that successor index, as the case may be;

"Sub-Account Holder" means a holder of an account maintained with a Depository Agent;

"Taxes and Levies" shall have the meaning ascribed to it in Clause 22(D) of the Deed, being any goods and services tax or other application sales tax, governmental impositions, duties and levies whatsoever, whether imposed in Singapore or elsewhere;

"Trade Date" means the Dealing Day on which the Manager receives or is treated as receiving a valid Creation Request in accordance with Clause 9 of the Deed or a valid Redemption Request in accordance with Clause 10 of the Deed;

"Transaction Fee" means the fee which will be charged to a Participating Dealer or an Approved Applicant (i) on each Creation Request (in addition to the Issue Price of the Units) and (ii) on each Redemption Request, the level of which shall be as determined by the Manager from time to time;

"Trustee Fee" means a periodic fee not exceeding 0.15 per cent. per annum of the Value of the Deposited Property at the relevant time or such other periodic charge as may from time to time fixed or otherwise determined pursuant to Clause 22(B) of the Deed, payable to the Trustee;

"Unclaimed Moneys Account" means the Unclaimed Moneys Account referred to in Clause 18(D) of the Deed;

"Unit" means one undivided share in the Fund. Where the context so requires, the definition includes a fraction of a Unit and, save where the Deed otherwise provides, a fraction of a Unit shall rank pari passu and proportionately with a whole Unit;

"Valuation Point" means the official close of trading on the SGX-ST on each Dealing Day (or such other time or times on a Dealing Day as the Manager may with the prior approval of the Trustee from time to time determine) and the Manager shall inform the Holders, or, as the case may be, Depositors, of such change if required by the Trustee;

"Value", except where otherwise expressly stated, with reference to any Authorised Investment or the Deposited Property, means the value thereof calculated by reference to the valuation rules set out in the Third Schedule to the Deed; and

"year" means calendar year.

References in this Prospectus to **"Dollars"** or **"\$"** are to the lawful currency of Singapore unless expressly provided to the contrary.

APPENDIX A

CONSTITUENT STOCKS OF THE STRAITS TIMES INDEX

(as of 26 August 2015)

Constituent Name	% of Index
1. DBS Group Holdings	12.68%
2. Singapore Telecommunications	11.36%
3. Oversea-Chinese Banking	11.29%
4. United Overseas Bank	9.38%
5. Jardine Matheson Holdings	6.43%
6. Hongkong Land Holdings	4.57%
7. Keppel	3.90%
8. Jardine Strategic Holdings	3.47%
9. Capitaland	2.88%
10. Thai Beverage	2.80%
11. Global Logistic Properties	2.60%
12. Singapore Press Holdings	2.49%
13. Singapore Exchange	2.41%
14. Wilmar International Limited	2.33%
15. ComfortDelGro	2.30%
16. City Developments	2.09%
17. Singapore Airlines	2.00%
18. CapitaLand Mall Trust	1.97%
19. Genting Singapore	1.84%
20. Singapore Technologies Engineering	1.78%
21. Ascendas Real Estate Investment Trust	1.72%
22. Hutchison Port Holdings Trust	1.51%
23. Jardine Cycle & Carriage	1.21%
24. SembCorp Industries	1.17%
25. Noble Group	0.83%
26. StarHub	0.83%
27. Sembcorp Marine	0.76%
28. Golden Agri-Resources	0.76%
29. Olam International	0.33%
30. SIA Engineering	0.30%

APPENDIX B

REPORTS

1. SPDR® Straits Times Index ETF Annual Report dated 30 June 2014.

SPDR[®] STRAITS TIMES INDEX ETF

Stock Code: ES3

Website: www.spdrs.com.sg

Annual Report 2014

1st July 2013 to 30th June 2014



Precise in a world that isn't.[®]

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SPDR® STRAITS TIMES INDEX ETF

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MANAGER'S INVESTMENT REPORT

For the financial year ended 30 June 2014

Manager's Notes

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

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

Details of the Fund

NAV per share (30 June 2014):	S\$3.298
Net Assets Attributable to Unitholders (30 June 2014):	S\$438.62 million
Fund Currency:	Singapore dollar
Listing Date on SGX-ST:	17 April 2002
Stock Code on SGX-ST:	ES3
Board Lot:	1000 shares
Price:	Approximately 1/1000th of the STI
CPF Usage:	Included in CPF Investment Scheme – Ordinary Account
Annual Costs:	0.3%

Benefits of investing in the Fund

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

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

MANAGER'S INVESTMENT REPORT (Continued)

For the financial year ended 30 June 2014

Performance of the Scheme

	3-month	6-month	1-year	3-year	5-year	10-year	Annualised Since inception
From	31-Mar-14	31-Dec-13	30-Jun-13	30-Jun-11	30-Jun-09	30-Jun-04	11-Apr-02
To	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14
Fund*	2.09%	4.19%	6.22%	4.13%	9.61%	9.06%	8.39%
Fund**	2.09%	2.77%	3.32%	1.22%	6.76%	5.89%	5.24%
STI**	2.10%	2.79%	3.34%	1.42%	6.89%	5.88%	5.26%

* Includes dividends

** Excludes dividends

Notes:

- As stated in the financial statements, units are issued and redeemed through the creation and redemption of an Index Basket in accordance with the Fund's Trust Deed. The Fund does not, therefore, publish a bid price and the Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this return calculation.
- The benchmark returns are stated on a price only basis and do not include dividends. The performance of the Straits Times Index with dividends reinvested is not published.

Details of Top 10 Holdings of the Fund

As at 30 June 2014						
	Cost SGD	Market Value/ Fair Value SGD	Percentage of total net assets value %	Percentage of free-float adjusted share capital owned %	Dividends received SGD	Dividend Cover Ratio
DBS Group Holdings Limited	40,335,928	45,725,825	10.42	0.15	1,491,410	2.59
Singapore Telecommunications Limited	36,281,887	44,282,800	10.10	0.15	1,740,164	1.37
United Overseas Bank Limited	33,523,324	41,877,404	9.55	0.15	1,267,785	2.46
Overseas Chinese Banking Corporation	40,017,831	40,663,795	9.27	0.15	1,368,107	2.30
Jardine Matheson Holdings Limited	22,040,550	27,746,281	6.33	0.15	645,106	2.03
Keppel Corporation Limited	20,337,292	24,191,212	5.52	0.15	877,152	2.55
Jardine Strategic Holdings Limited	12,355,158	15,671,504	3.57	0.15	110,550	7.24
Hongkong Land Holdings Limited	15,419,993	15,349,833	3.50	0.15	407,627	2.09
CapitalLand Limited	13,242,249	12,748,538	2.91	0.15	323,517	2.50
Global Logistic Properties Limited	10,914,670	12,709,016	2.90	0.15	165,239	3.99
	<u>244,468,882</u>	<u>280,966,208</u>				

SPDR® STRAITS TIMES INDEX ETF
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MANAGER'S INVESTMENT REPORT *(Continued)*

For the financial year ended 30 June 2014

Details of Top 10 Holdings of the Fund (Continued)

As at 30 June 2013						
	Cost	Market Value/ Fair Value	Percentage of total net assets value	Percentage of free-float adjusted share capital owned	Dividends received	Dividend Cover Ratio
	SGD	SGD	%	%	SGD	
Singapore Telecommunications Limited	30,623,772	37,632,577	10.18	0.14	1,575,720	1.31
Overseas Chinese Banking Corporation Limited	34,333,304	37,019,384	10.02	0.14	1,120,527	3.43
DBS Group Holdings Limited	33,716,302	36,360,954	9.84	0.14	1,956,021	2.79
United Overseas Bank Limited	28,185,168	31,786,089	8.60	0.14	913,908	2.45
Jardine Matheson Holdings Limited	18,051,438	24,244,193	6.56	0.14	525,604	1.87
Keppel Corporation Limited	17,321,896	20,264,046	5.48	0.14	808,141	2.77
Jardine Strategic Holdings Limited	10,272,361	14,017,742	3.79	0.14	86,708	6.86
Hongkong Land Holdings Limited	13,500,086	13,876,756	3.75	0.14	376,001	3.60
Global Logistic Properties Limited	9,088,966	11,181,007	3.03	0.14	93,330	4.57
Genting Singapore PLC	14,656,236	10,986,829	2.97	0.14	80,368	5.57
	<u>209,749,531</u>	<u>237,369,577</u>				

The industry in which the above companies conduct their business is shown in the Statement of Portfolio on pages 14 to 18.

MANAGER'S INVESTMENT REPORT *(Continued)*

For the financial year ended 30 June 2014

Amount of Subscription and Redemption

For the financial year ended 30 June 2014

	Units	S\$
Subscription	19,000,000	59,145,817
Redemption	(2,000,000)	(6,664,213)

Other Information

During the year ended 30th June 2014, the Fund had no exposure to other unit trusts, mutual funds and collective investment schemes (except for certain listed funds that are included in the Straits Times Index) and did not hold any collateral. During the year ended 30th June 2014, the Fund had no borrowings, securities lending and repurchase transactions. There are no other material information that will adversely impact the valuation of the Fund.

Soft Dollar Practices

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

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

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

Exposure to Financial Derivatives

The Fund had no exposure to derivative for the financial year ended 30 June 2014 and 2013.

MANAGER'S INVESTMENT REPORT *(Continued)*

For the financial year ended 30 June 2014

Global Exposure to Financial Derivatives

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

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

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's Trust Deed. The basis of the Manager's remuneration is set down in the Fund's prospectus dated 27 September 2013. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2014

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

To the best of the knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 11 to 32, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS TRUSTEE LIMITED

JANE LIM
Director

26 September 2014

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT BY THE MANAGER

For the financial year ended 30 June 2014

In the opinion of the directors of State Street Global Advisors Singapore Limited, the accompanying financial statements set out on pages 11 to 32, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of SPDR® STRAITS TIMES INDEX ETF (the "Fund") as at 30 June 2014 and the total return and changes in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

HON WING CHEUNG

Director

26 September 2014

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

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

We have audited the accompanying financial statements of SPDR® STRAITS TIMES INDEX ETF (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 30 June 2014, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and a summary of significant accounting policies and other explanatory information, set out on pages 11 to 32.

Manager's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

SPDR® STRAITS TIMES INDEX ETF
Annual Report 2014

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2014 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 26 September 2014

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2014

	Note	2014 S\$	2013 S\$
Income			
Dividends		12,762,682	10,555,884
Interest		—	1
		<u>12,762,682</u>	<u>10,555,885</u>
Less: Expenses			
Management fees		(1,210,124)	(1,097,983)
Transaction costs		(11,295)	(77,251)
Other expenses		—	(2,378)
		<u>(1,221,419)</u>	<u>(1,177,612)</u>
Net income		<u>11,541,263</u>	<u>9,378,273</u>
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		15,881,314	32,220,864
Net losses on financial derivatives		—	(172,320)
Net losses on foreign exchange		(16,515)	(1,800)
		<u>15,864,799</u>	<u>32,046,744</u>
Total return for the year before income tax		<u>27,406,062</u>	<u>41,425,017</u>
Less: Income tax	3	<u>(93,294)</u>	<u>(68,078)</u>
Total return for the year after income tax		<u><u>27,312,768</u></u>	<u><u>41,356,939</u></u>

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

SPDR® STRAITS TIMES INDEX ETF
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Portfolio of investments		431,418,826	363,926,184
Receivables	5	61,278	20,644,793
Cash and bank balances	6	7,476,249	5,066,566
Margin account		–	436,341
Total assets		438,956,353	390,073,884
LIABILITIES			
Payables	7	333,360	285,660
Purchases awaiting settlement		–	20,233,603
Total liabilities		333,360	20,519,263
EQUITY			
Net assets attributable to unitholders	8	438,622,993	369,554,621

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2014

	Note	2014 S\$	2013 S\$
Net assets attributable to unitholders at the beginning of the financial year		369,554,621	369,370,320
Operations			
Change in net assets attributable to unitholders resulting from operations		27,312,768	41,356,939
Unitholders' contributions/(withdrawals)			
Creation of units		59,145,817	26,870,469
Cancellation of units		(6,664,213)	(58,863,107)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		52,481,604	(31,992,638)
Distributions	4	(10,726,000)	(9,180,000)
Total increase in net assets attributable to unitholders		69,068,372	184,301
Net assets attributable to unitholders at the end of the financial year	8	438,622,993	369,554,621

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

STATEMENT OF PORTFOLIO

As at 30 June 2014

Primary – by Industry

	Holdings at 30 June 2014	Fair value at 30 June 2014 S\$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
Quoted equities			
Aerospace & Defence			
Singapore Technologies Engineering	2,432,539	9,243,648	2.11
		9,243,648	2.11
Bank & Financial Services			
DBS Group Holdings Limited	2,729,900	45,725,825	10.42
Overseas Chinese Banking Corporation	4,257,989	40,663,795	9.27
United Overseas Bank Limited	1,859,565	41,877,404	9.55
Singapore Exchange Ltd	1,292,265	8,981,242	2.05
		137,248,266	31.29
Beverages & Food Producers			
Thai Beverage PCL	15,372,898	9,531,197	2.17
		9,531,197	2.17
Food Producers			
Olam International Limited	751,684	1,939,345	0.44
Wilmar International Limited	3,304,727	10,542,079	2.40
Golden Agri-Resources Limited	10,077,773	5,593,164	1.27
		18,074,588	4.11
General Industrials			
Jardine Matheson Holdings Limited	374,734	27,746,281	6.33
Jardine Strategic Holdings Limited	351,337	15,671,504	3.57
Noble Group Limited	6,037,047	8,270,754	1.89
		51,688,539	11.79

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

STATEMENT OF PORTFOLIO *(Continued)*

As at 30 June 2014

Primary – by Industry *(Continued)*

	Holdings at 30 June 2014	Fair value at 30 June 2014 S\$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
Quoted equities <i>(continued)</i>			
General Retailers			
Jardine Cycle & Carriage Limited	156,370	6,920,936	1.58
		6,920,936	1.58
Industrial Transportation			
Hutchison Port Holdings	7,929,328	7,127,261	1.62
SIA Engineering Co Ltd	345,511	1,744,831	0.40
		8,872,092	2.02
Media			
Singapore Press Holdings Ltd	2,498,739	10,419,742	2.38
		10,419,742	2.38
Mobile Telecommunications			
Singapore Telecommunications Limited	11,502,026	44,282,800	10.10
Starhub Limited	916,098	3,820,129	0.87
		48,102,929	10.97
Oil Equipment Services & Distribution			
Keppel Corp Ltd	2,242,003	24,191,212	5.52
SembCorp Industries Ltd	1,399,925	7,517,597	1.71
SembCorp Marine Ltd	1,304,911	5,350,135	1.22
		37,058,944	8.45

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

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

As at 30 June 2014

Primary – by Industry *(Continued)*

	Holdings at 30 June 2014	Fair value at 30 June 2014 S\$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
Quoted equities <i>(continued)</i>			
Real Estate Investments			
Ascendas Real Estate Investment Trust	3,096,440	7,121,812	1.62
Capitaland Ltd	3,983,918	12,748,538	2.91
City Developments Ltd	927,657	9,489,931	2.16
Global Logistic Properties Ltd	4,707,043	12,709,016	2.90
Hongkong Land Holdings Ltd	1,843,419	15,349,833	3.50
Capitamall Trust Reit NPV*	4,069,578	8,037,417	1.83
		65,456,547	14.92
Travel & Leisure			
Comfortdelgro Corporation (S) Limited	3,156,522	7,891,305	1.80
Singapore Airlines Limited	791,756	8,210,510	1.87
Genting Singapore PLC	9,548,559	12,699,583	2.90
		28,801,398	6.57
Portfolio of investments			
		431,418,826	98.36
Cash and other net assets			
		7,204,167	1.64
Net assets attributable to unitholders			
		438,622,993	100.00

* This is a collective investment scheme

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

STATEMENT OF PORTFOLIO *(Continued)*

As at 30 June 2014

Primary – by Industry *(Continued)*

Summary

	Percentage of total net assets attributable to unitholders at 30 June 2014 %	Percentage of total net assets attributable to unitholders at 30 June 2013 %
Quoted equities		
Aerospace & Defence	2.11	2.40
Bank & Financial Services	31.29	30.60
Beverages & Food Producers	2.17	2.14
Food Producers	4.11	4.62
General Industrials	11.79	11.69
General Retailers	1.58	1.57
Industrial Transportation	2.02	2.15
Media	2.38	2.46
Mobile Telecommunications	10.97	11.34
Oil Equipment Services & Distribution	8.45	8.44
Real Estate Investments	14.92	14.83
Travel & Leisure	6.57	6.22
Portfolio of investments	98.36	98.46
Cash and other net assets	1.64	1.54
Net assets attributable to unitholders	100.00	100.00

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

SPDR® STRAITS TIMES INDEX ETF
Annual Report 2014

STATEMENT OF PORTFOLIO *(Continued)*

As at 30 June 2014

Secondary – By Geography

	Fair value at 30 June 2014	Percentage of total net assets attributable to unitholders at 30 June 2014	Percentage of total net assets attributable to unitholders at 30 June 2013
	S\$	%	%
Quoted equities			
By Country of Incorporation			
Singapore	336,556,510	76.73	76.58
Bermuda	67,038,372	15.29	15.45
Mauritius	5,593,164	1.27	1.32
Thailand	9,531,197	2.17	2.14
United Kingdom	12,699,583	2.90	2.97
Portfolio of investments	431,418,826	98.36	98.46
Cash and other net assets	7,204,167	1.64	1.54
Net assets attributable to unitholders	438,622,993	100.00	100.00

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

1. GENERAL

SPDR® STRAITS TIMES INDEX ETF (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental Deeds") is amended and restated by a Eighth Amending and Restating Deed dated 27 September 2013. The Deed is between State Street Global Advisors Singapore Limited and DBS Trustee Limited. The Deed is governed by the laws of the Republic of Singapore. The Fund is also listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is included under the Central Provident Fund ("CPF") Investment Scheme.

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

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

1. Free Float. The free float of a listed company must be greater than 15%. The definition of "free float" includes portfolio investments, nominee holdings, and holdings by investment companies.
2. Liquidity. A stock must trade with a median daily turnover value of at least 0.05% of the value of its free float-adjusted shares in issue for at least 10 out of the last 12 months.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of preparation

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of preparation (Continued)

On 1 July 2013, the Fund has adopted Singapore Financial Reporting Standard 113 "Fair value measurement" ("FRS 113") which is effective for annual periods beginning on or after 1 January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Financial Reporting Standards ("FRS"). The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask price spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

On adoption of the standard, the Fund changed its valuation inputs for listed financial assets and liabilities to last traded prices to be consistent with the inputs prescribed in the Fund's prospectus for the calculation of its per unit trading value for subscription and redemptions. In the prior year, the Fund utilised bid and ask prices for its listed financial assets and liabilities in accordance with FRS 39 "Financial Instruments: Recognition and Measurement". The change in valuation inputs is considered to be a change in estimate in accordance with FRS 8 "Accounting Policies Changes in Accounting Estimates and Errors" and is applied prospectively.

(b) Recognition of income

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

(c) Distributions

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

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and term deposits.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Investments

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

(i) Initial recognition

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

(f) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. Prior to 1 July 2013, the quoted market price used for the financial assets held by the Fund was the current market quoted bid price. On adoption of FRS 113 'Fair value measurement', the Fund changed its fair valuation input to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask price spread that is most representative of fair value.

(g) Foreign currency translation

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Provisions

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

(i) Expenses

As agreed between the Manager and the Trustee, the total combined management, trustee and other fees for the Fund are set at 0.3% per annum of its net asset value.

3. INCOME TAX

The Fund is included in the CPF Investment Scheme and, therefore, the following income is exempted from tax in accordance with section 35(12) and (12A) of the Income Tax Act (Cap 134) of Singapore, subject to certain conditions.

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

Income tax for the financial year ended 30 June 2014 and 2013 comprises:

	2014	2013
	S\$	S\$
Singapore income tax	93,294	68,078

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

4. DISTRIBUTIONS

	2014	2013
	S\$	S\$
Interim distribution		
– S\$0.043 on 127,000,000 units paid on 20 February 2014	5,461,000	–
– S\$0.04 on 113,000,000 units paid on 19 February 2013	–	4,520,000
Final distribution		
– S\$0.045 on 117,000,000 units paid on 28 August 2013	5,265,000	–
– S\$0.04 on 116,500,000 units paid on 14 August 2012	–	4,660,000
Total distributions	10,726,000	9,180,000

5. RECEIVABLES

	2014	2013
	S\$	S\$
Receivable from unitholders for creation of units	–	20,535,087
Dividend receivable	61,278	109,706
	61,278	20,644,793

6. CASH AND BANK BALANCES

The cash and bank balances are placed with a financial institution related to the Trustee.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

7. PAYABLES

	2014	2013
	S\$	S\$
Accruals for expenses	2,100	10,500
Amount due to the Manager	331,260	275,160
	333,360	285,660

Management fee is payable by the Fund to State Street Global Advisors Singapore Limited based on terms set out in the Trust Deed.

8. UNITS IN ISSUE

During the year ended 30 June 2014 and 30 June 2013, the number of units issued, redeemed and outstanding were as follows:

	2014	2013
	Units	Units
Units at beginning of the financial year	116,000,000	126,000,000
Units created	19,000,000	8,500,000
Units cancelled	(2,000,000)	(18,500,000)
Units at end of the financial year	133,000,000	116,000,000
Net assets attributable to unitholders – S\$	438,622,993	369,554,621
Net asset value per unit – S\$	3.298	3.186

For subscriptions and redemptions and for various fee calculations, as well as for reporting purpose, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit.

Prior to 1 July 2013, the investments were valued at the relevant bid market prices as at the reporting date for reporting purpose.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

8. UNITS IN ISSUE *(Continued)*

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

	2014	2013
	S\$	S\$
Net assets attributable to unitholders per financial statements per unit	3.298	3.186
Effect of adopting bid prices at fair value per unit	—	0.005
Net assets attributable to unitholders for issuing/redeeming per unit	3.298	3.191

9. FINANCIAL RISK MANAGEMENT

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

(a) Market risk

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

(i) Price risk

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) *Market risk (Continued)*

(i) *Price risk (Continued)*

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

At 30 June 2014, the Fund's market risk is affected by changes in actual market prices of the securities held by the Fund. If the Straits Times Index at 30 June 2014 had increased by 8.6% (2013: 3.9%) with all other variables held constant in the next 12 months, this would have increased net assets attributable to unitholders by approximately 8.6% (2013: 3.9%). Conversely, if the Straits Times Index had decreased by 8.6% (2013: 3.9%) during the same year, this would have decreased net assets attributable to unitholders by 8.6% (2013: 3.9%).

If the spot exchange rate of US dollars had appreciated 0.62% (2013: 1.9%) against the Singapore dollars with all other variables held constant in the next 12 months, this would have increased the net asset value of the Fund by approximately 0.12% (2013: 0.26%). Conversely, if the spot exchange rate of US dollars had depreciated by 0.63% (2013: 1.8%) against the Singapore dollars, this would have decreased the net asset value of the Fund by approximately 0.05% (2013: 0.24%) for the same year.

(ii) *Interest rate risk*

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Market risk (Continued)

(iii) Currency risk

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

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

	USD S\$	SGD S\$	Total S\$
As at 30 June 2014			
Assets			
Portfolio of investments	65,894,879	365,523,947	431,418,826
Receivables	–	61,278	61,278
Cash and bank balances	427	7,475,822	7,476,249
Total assets	65,895,306	373,061,047	438,956,353
Liabilities			
Payables	–	333,360	333,360
Total liabilities	–	333,360	333,360
Net currency exposure	65,895,306	372,727,687	

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Market risk (Continued)

(iii) Currency risk (Continued)

	USD S\$	SGD S\$	Total S\$
As at 30 June 2013			
Assets			
Portfolio of investments	58,554,985	305,371,199	363,926,184
Receivables	–	20,644,793	20,644,793
Cash and bank balances	–	5,066,566	5,066,566
Margin account	–	436,341	436,341
Total assets	58,554,985	331,518,899	390,073,884
Liabilities			
Payables	–	285,660	285,660
Purchases awaiting settlement	3,244,455	16,989,148	20,223,603
Total liabilities	3,244,455	17,274,808	20,519,263
Net currency exposure	55,310,530	314,244,091	

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Liquidity risk

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

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

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

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

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

	Less than 3 months	
	As at	As at
	30 June 2014	30 June 2013
	S\$	S\$
Liabilities		
Payables	333,360	285,660
Purchases awaiting settlement	—	20,233,603
Contractual cash outflows (excluding gross settled derivatives)	333,360	20,519,263

(c) Credit risk

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk (Continued)

Credit risk also arises from cash and cash equivalents held with financial institutions. The table below summarises the credit ratings of banks in which the Fund's assets are held as at 30 June 2014 and 30 June 2013.

	Amount S\$	Credit rating	Source of credit rating
As at 30 June 2014			
<u>Bank</u>			
State Street Bank and Trust Company	7,476,249	B-	Moody's
As at 30 June 2013			
<u>Bank</u>			
State Street Bank and Trust Company	5,066,566	B*-	Moody's

In addition, all investments are held in custody with State Street Bank and Trust Company, whose credit rating assigned by Moody's at 30 June 2014 is B- (2013: B*-). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Capital management

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

(e) Fair value estimation

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 30 June 2014

9. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2014 and 2013:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
As at 30 June 2014				
Assets				
Financial assets designated at fair value through profit or loss at inception:				
– Quoted equities	431,418,826	–	–	431,418,826
	431,418,826	–	–	431,418,826
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$

As at 30 June 2013

Assets

Financial assets designated at fair value through profit or loss at inception:

– Quoted equities	363,926,184	–	–	363,926,184
	363,926,184	–	–	363,926,184

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

Except for cash and bank balances which are classified as level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2014 and 2013 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 30 June 2014

10. RELATED PARTY DISCLOSURES

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

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

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

	2014	2013
	S\$	S\$
Bank balance held at SSB	7,476,249	5,066,566

11. FINANCIAL RATIOS

	2014	2013
	S\$	S\$
Expense ratio ¹	0.30%	0.30%
Portfolio turnover ratio ²	2.03%	14.01%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 2014 was based on total operating expenses of S\$1,210,124 (2013: S\$1,100,361) divided by the average net asset value of S\$403,562,065 (2013: S\$365,994,594) for the year. The total operating expenses do not include brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchases or sales of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 500,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases. The calculation of the portfolio turnover ratio was based on the lower of the rebalancing purchases or sales, being sales of S\$8,178,504 (2013: purchases of S\$51,288,588), divided by the average daily net asset value of S\$403,562,065 (2013: S\$365,994,594).

12. EVENT OCCURRING AFTER BALANCE SHEET DATE

On 1 August 2014, the Fund announced a final dividend of S\$0.045 per unit totalling S\$5,962,500. The final dividend was paid on 19 August 2014.

2. SPDR® Straits Times Index ETF Semi-Annual Report for the period 1 July 2014 to 31 December 2014.

SPDR[®] STRAITS TIMES INDEX ETF

Stock Code: ES3

Website: www.spdrs.com.sg

Semi-Annual Report 2014

1st July 2014 to 31st December 2014



Precise in a world that isn't.[®]

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SPDR® STRAITS TIMES INDEX ETF

Semi-Annual Report 2014

MANAGER'S INVESTMENT REPORT

Manager's Notes

About SPDR® STRAITS TIMES INDEX ETF

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

Details of the Fund

NAV per share (31 Dec 2014):	\$3.4083
Net Assets Attributable to unitholders (31 Dec 2014):	\$436.3 million
Fund Currency:	Singapore dollar
Listing Date on SGX-ST:	17 April 2002
Stock Code on SGX-ST:	ES3
Board Lot:	1,000 shares
Price:	Approximately 1/1,000th of the STI
CPF Usage:	Included in CPF Investment Scheme – Ordinary Account
Annual Costs:	0.3%

Benefits of investing in the Fund

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

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

Performance of the Scheme

	3-month	6-month	1-year	3-year	5-year	10-year	Annualised Since inception
From	30-Sep-14	30-Jun-14	31-Dec-13	31-Dec-11	31-Dec-09	31-Dec-04	11-Apr-02
To	31-Dec-14	31-Dec-14	31-Dec-14	31-Dec-14	31-Dec-14	31-Dec-14	31-Dec-14
Fund*	2.71	4.78	9.17	11.19	5.62	8.13	8.44
Fund**	2.71	3.38	6.24	8.09	2.92	4.99	5.30
STI**	2.70	3.36	6.24	8.34	3.04	5.00	5.32

* Includes dividends

** Excludes dividends

Notes:

- As stated in the financial statements, units are issued and redeemed through the creation and redemption of an Index Basket in accordance with the Fund's Trust Deed. The Fund does not, therefore, publish a bid price and the Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this return calculation.
- The benchmark returns are stated on a price only basis and do not include dividends. The performance of the Straits Times Index with dividends reinvested is not published.

MANAGER'S INVESTMENT REPORT (Continued)

Details of Top 10 Holdings of the Fund

As at 31 December 2014						
	Cost SGD	Market Value/ Fair Value SGD	Percentage of total net assets value %	Percentage of free-float adjusted share capital owned %	Dividends received SGD	Dividend Cover Ratio
DBS Group Holdings Limited	38,741,735	53,474,716	12.26	0.14	761,494	2.59
Oversea Chinese Banking Corporation	42,239,935	47,643,198	10.92	0.14	757,252	2.30
United Overseas Bank Limited	32,079,037	43,370,831	9.94	0.14	370,513	2.46
Singapore Telecommunication Limited	34,494,752	42,646,816	9.78	0.14	1,150,203	1.37
Jardine Matheson Holdings Limited	21,430,363	28,689,731	6.58	0.14	176,974	5.74
Keppel Corporation Limited	19,381,722	18,878,962	4.33	0.14	269,040	2.17
Hong Kong Land Holdings Limited	14,862,443	15,684,832	3.59	0.14	137,460	3.98
Jardine Strategic Holdings Limited	12,115,259	15,120,421	3.47	0.14	34,931	18.04
Capitaland Ltd	12,393,314	12,554,221	2.88	0.14	–	2.50
Global Logistic Properties Limited	10,559,945	11,122,507	2.55	0.14	211,817	3.99
	<u>238,298,506</u>	<u>289,186,235</u>				

As at 31 December 2013						
	Cost SGD	Market Value/ Fair Value SGD	Percentage of total net assets value %	Percentage of free-float adjusted share capital owned %	Dividends received SGD	Dividend Cover Ratio
DBS Group Holdings Limited	36,975,867	43,345,704	10.92	0.15	662,512	2.79
Oversea Chinese Banking Corporation	37,049,934	40,442,847	10.19	0.15	635,392	3.43
Singapore Telecommunication Limited	33,258,244	39,091,796	9.85	0.15	1,009,499	1.31
United Overseas Bank Limited	30,555,669	36,389,791	9.17	0.15	327,011	2.45
Keppel Corporation Limited	18,658,026	23,316,258	5.87	0.15	196,529	2.77
Jardine Matheson Holdings Limited	20,053,051	23,063,065	5.81	0.15	154,287	5.69
Jardine Strategic Holdings Limited	11,237,357	13,258,533	3.34	0.15	29,958	18.74
Genting Singapore PLC	15,503,926	13,219,338	3.33	0.15	–	5.57
Hong Kong Land Holdings Limited	14,423,457	12,826,626	3.23	0.15	125,728	4.24
Global Logistic Properties Limited	9,945,065	12,682,201	3.19	0.15	165,239	4.57
	<u>227,660,596</u>	<u>257,636,159</u>				

The industry in which the above companies conduct their business is shown in the Statement of Portfolio on pages 10 to 14.

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MANAGER'S INVESTMENT REPORT *(Continued)*

Amount of Subscription and Redemption

For the period ended 31 December 2014

	<i>Units</i>	<i>S\$</i>
Subscription	1,500,000	4,841,226
Redemption	(6,500,000)	(21,864,250)

Other Information

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

Soft Dollar Practices

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

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

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

MANAGER'S INVESTMENT REPORT *(Continued)*

Financial Ratios

	As at 31 December 2014	As at 31 December 2013
Expense ratio ¹	0.30 %	0.30 %
Portfolio turnover ratio ²	0.30 %	0.50 %

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2014 was based on total operating expenses of S\$1,279,474 (2013: S\$1,131,705) divided by the average net asset value of S\$426,596,710 (2013: S\$377,320,905) for the year. The total operating expenses do not include brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation unit (comprising 500,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases. The calculation of the portfolio turnover ratio was based on the lower of the rebalancing purchases or sales, being purchases of S\$1,297,804 (2013: sales of S\$1,935,692), divided by the average daily net asset value of S\$429,942,002 (2013: S\$384,248,277) for the period.

Exposure to Financial Derivatives

The Fund had no exposure to derivatives for the period ended 31 December 2014.

Global Exposure to Financial Derivatives

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

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

MANAGER'S INVESTMENT REPORT *(Continued)*

Related party disclosures

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

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

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

	As at 31 December 2014 S\$	As at 30 June 2014 S\$
Bank balance held at SSB	6,888,028	7,476,249

Distribution

On 1 August 2014, the Fund declared a dividend distribution of S\$0.045 per unit in relation to the income received in the financial year ended 30 June 2014. This dividend distribution is made out of Singapore tax exempt (one-tier) dividends. The dividend totalling S\$5,962,500 was paid on 19 August 2014.

It is anticipated that distributions will be made twice a year and that the amount of the distribution will approximately the yield on the Straits Times Index.

Event occurring after balance sheet date

On 26 January 2015, the Fund announced a dividend of S\$0.048 per unit totalling S\$6,144,000. The dividend was paid on 17 February 2015.

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's Trust Deed. The basis of the Manager's remuneration is set down in the Fund's prospectus dated 26 September 2014. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

STATEMENT OF TOTAL RETURN

For the six months ended 31 December 2014 (Unaudited)

	Six months ended 31 December 2014 S\$	Six months ended 31 December 2013 S\$
Note		
Income		
Dividends	6,712,081	5,926,918
Interest	<u>23</u>	<u>—</u>
	6,712,104	5,926,918
Less: Expenses		
Management fees	650,233	580,883
Transaction costs	5,664	3,565
Other expenses	<u>—</u>	<u>—</u>
	655,897	584,448
Net Income	6,056,207	5,342,470
Net gains or losses on value of investments and financial derivatives		
Net gains on investments	14,607,045	1,850,033
Net gains/(losses) on financial derivatives	<u>45,721</u>	<u>(8,399)</u>
	14,652,766	1,841,634
Total return for the period before income tax	20,708,973	7,184,104
Less: Income tax	(81,281)	(39,253)
Total return for the period after income tax	<u>20,627,692</u>	<u>7,144,851</u>

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2014 (Unaudited)

	As at 31 December 2014	As at 30 June 2014
<i>Note</i>	S\$	S\$
ASSETS		
Portfolio of investments	429,292,180	431,418,826
Receivables	743,586	61,278
Cash and bank balances	6,888,028	7,476,249
Total assets	436,923,794	438,956,353
LIABILITIES		
Payables	658,633	333,360
Total liabilities	658,633	333,360
EQUITY		
Net assets attributable to unitholders	436,265,161	438,622,993

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the six months ended 31 December 2014 (Unaudited)

	Six months ended 31 December 2014	For the Financial Year ended 30 June 2014
Note	S\$	S\$
Net assets attributable to unitholders at the beginning of the period	438,622,993	369,554,621
Operations		
Change in net assets attributable to unitholders resulting from operations	20,627,692	27,312,768
Unitholders' contributions/(withdrawals)		
Creation of units	4,841,226	59,145,817
Cancellation of units	(21,864,250)	(6,664,213)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(17,023,024)	52,481,604
Distributions	(5,962,500)	(10,726,000)
Total (decrease)/increase in net assets attributable to unitholders	(2,357,832)	69,068,372
Net assets attributable to unitholders at the end of the period	436,265,161	438,622,993

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STATEMENT OF PORTFOLIO

As at 31 December 2014 (Unaudited)

Primary – by Industry

	Holdings at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
Quoted equities			
Aerospace & Defence			
Singapore Technologies Engineering	2,319,370	7,885,858	1.81
		<u>7,885,858</u>	<u>1.81</u>
Bank & Financial Services			
DBS Group Holdings Limited	2,595,860	53,474,716	12.26
Overseas Chinese Banking Corporation	4,554,799	47,643,198	10.92
United Overseas Bank Limited	1,768,073	43,370,831	9.94
Singapore Exchange Limited	1,230,879	9,613,165	2.20
		<u>154,101,910</u>	<u>35.32</u>
Beverages & Food Producers			
Thai Beverage PCL	14,639,318	10,101,129	2.32
		<u>10,101,129</u>	<u>2.32</u>
Food Producers			
Olam International Limited	723,065	1,460,591	0.33
Wilmar International Limited	3,145,060	10,189,994	2.34
Golden Agri-Resources Limited	9,605,511	4,418,535	1.01
		<u>16,069,120</u>	<u>3.68</u>
General Industrials			
Jardine Matheson Holdings Limited	356,328	28,689,731	6.58
Jardine Strategic Holdings Limited	334,684	15,120,421	3.47
Noble Group Limited	6,717,399	7,657,835	1.75
		<u>51,467,987</u>	<u>11.80</u>

STATEMENT OF PORTFOLIO *(Continued)*

As at 31 December 2014 (Unaudited)

Primary – by Industry *(Continued)*

	Holdings at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
Quoted equities <i>(Continued)</i>			
General Retailers			
Jardine Cycle & Carriage Limited	149,521	6,369,595	1.46
		<u>6,369,595</u>	<u>1.46</u>
Industrial Transportation			
Hutchison Port Holdings	7,578,446	6,907,678	1.58
SIA Engineering Co Ltd	332,407	1,402,758	0.32
		<u>8,310,436</u>	<u>1.90</u>
Media			
Singapore Press Holdings	2,380,165	10,020,495	2.30
		<u>10,020,495</u>	<u>2.30</u>
Mobile Telecommunications			
Singapore Telecommunications Limited	10,935,081	42,646,816	9.78
Starhub Limited	872,897	3,622,523	0.83
		<u>46,269,339</u>	<u>10.61</u>
Oil Equipment Services & Distribution			
Keppel Corporation Limited	2,133,216	18,878,962	4.33
SembCorp Industries Limited	1,337,522	5,951,973	1.36
Sembcorp Marine Limited	1,244,035	4,055,554	0.93
		<u>28,892,489</u>	<u>6.62</u>

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STATEMENT OF PORTFOLIO *(Continued)*

As at 31 December 2014 (Unaudited)

Primary – by Industry *(Continued)*

	Holdings at 31 December 2014	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %
Quoted equities <i>(Continued)</i>			
Real Estate Investments			
Ascendas Real Estate Investment	2,951,817	7,025,324	1.61
CapitaLand Ltd	3,792,816	12,554,221	2.88
City Developments Limited	883,915	9,077,807	2.08
Global Logistic Properties Limited	4,484,882	11,122,507	2.55
Hong Kong Land Holdings Limited	1,756,428	15,684,832	3.59
Capitalmall Trust Reit NPV*	3,889,211	7,933,990	1.82
		<u>63,398,681</u>	<u>14.53</u>
Travel & Leisure			
ComfortDelGro Corporation Limited	3,008,644	7,822,474	1.79
Singapore Airlines Limited	756,144	8,771,270	2.01
Genting Singapore PLC	9,090,182	9,817,397	2.25
		<u>26,411,141</u>	<u>6.05</u>
Portfolio of investments		429,292,180	98.40
Cash and other net assets		<u>6,972,981</u>	<u>1.60</u>
Net assets attributable to unitholders		<u><u>436,265,161</u></u>	<u><u>100.00</u></u>

* This is a collective investment scheme

STATEMENT OF PORTFOLIO *(Continued)*
As at 31 December 2014 (Unaudited)

Primary – by Industry *(Continued)*

Summary

	Percentage of total net assets attributable to unitholders at 31 December 2014 %	Percentage of total net assets attributable to unitholders at 31 December 2013 %
Quoted equities		
Aerospace & Defence	1.81	2.26
Bank & Financial Services	35.32	32.48
Beverages & Food Producers	2.32	1.95
Food Producers	3.68	4.74
General Industrials	11.80	10.66
General Retailers	1.46	1.32
Industrial Transportation	1.90	1.99
Media	2.30	2.41
Mobile Telecommunications	10.61	10.77
Oil Equipment Services & Distribution	6.62	9.02
Real Estate Investments	14.53	14.13
Travel & Leisure	6.05	6.74
Portfolio of investments	98.40	98.47
Cash and other net assets	1.60	1.53
Net assets attributable to unitholders	100.00	100.00

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STATEMENT OF PORTFOLIO *(Continued)*

As at 31 December 2014 (Unaudited)

Secondary – by Geography

	Fair value at 31 December 2014 S\$	Percentage of total net assets attributable to unitholders at 31 December 2014 %	Percentage of total net assets attributable to unitholders at 31 December 2013 %
Quoted equities			
By Country of Incorporation			
Singapore	337,802,300	77.43	78.01
Bermuda	67,152,819	15.39	13.89
Mauritius	4,418,535	1.01	1.29
Thailand	10,101,129	2.32	1.95
United Kingdom	9,817,397	2.25	3.33
Portfolio of investments	429,292,180	98.40	98.47
Cash and other net assets	6,972,981	1.60	1.53
Net assets attributable to unitholders	436,265,161	100.00	100.00

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SPDR® STRAITS TIMES INDEX ETF

Prospectus required pursuant to the Securities and Futures Act, Chapter 289 of Singapore

Board of Directors of State Street Global Advisors Singapore Limited

Signed:

Hon Wing Cheung
Director

Signed:

Lochiel Crafter
Director
(Signed by Hon Wing Cheung for and on behalf of Lochiel Crafter)

Signed:

James MacNevin
Director
(Signed by Hon Wing Cheung for and on behalf of James MacNevin)

Signed:

Susana Yeong
Director
(Signed by Hon Wing Cheung for and on behalf of Susana Yeong)