

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

**(ARSN 097 712 377)**

**ASX Preliminary final report – 30 June 2010**

Lodged with the ASX under Listing Rule 4.3A

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**SPDR S&P/ASX 200 Fund**  
**Year ended 30 June 2010**  
**(Previous corresponding year ended 30 June 2009)**

Results for Announcement to the Market

	2010 \$	\$ Change on last year	% Change	2009 \$
<b>Total investment income/(loss)</b> <i>(Appendix 4E item 2.1)</i>	187,967,097	Up by 335,836,365	Up by 227.12	(147,869,268)
<b>Operating profit/(loss)</b> <i>(Appendix 4E item 2.2)</i>	180,683,731	Up by 334,371,595	Up by 217.57	(153,687,864)
<b>Profit/(loss) for the year</b> <i>(see explanation below)</i> <i>(Appendix 4E item 2.3)</i>	-	N/A	N/A	-

<b>Distributions</b> <i>(Appendix 4E item 2.4)</i>	Amount per unit	Imputation credit per unit
31 December 09 Interim distribution	65.70 cents	24.22 cents
30 June 10 Final distribution	69.47 cents	21.55 cents

**Record dates** for determining entitlements to the dividend  
*(Appendix 4E item 2.5)*

31 December 2009
30 June 2010

**Explanation of Investment income/(loss)** *(Appendix 4E item 2.6)*

The Fund maintains its investment strategy in S&P/ASX 200 Index listed equities, and the investment policy of the Fund continues to be that detailed in the current Product Disclosure Statement and in accordance with the provisions of the governing documents of the Fund.

The Fund earns revenue predominantly from the following elements:

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

**SPDR S&P/ASX 200 Fund**  
**Year ended 30 June 2010**  
**(Previous corresponding year ended 30 June 2009)**  
**(continued)**

**(i) Classification**

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

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

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

**(ii) Recognition/derecognition**

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

**(iii) Measurement**

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

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

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current ask prices.

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

**(iv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**SPDR S&P/ASX 200 Fund**  
**Year ended 30 June 2010**  
**(Previous corresponding year ended 30 June 2009)**  
**(continued)**

**Explanation of Operating Profit/(loss)** *(Appendix 4E item 2.6)*

Refer to above commentary.

**Explanation of Profit/(loss)** *(Appendix 4E item 2.6)*

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

**Explanation of Distributions** *(Appendix 4E item 2.6)*

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

**SPDR S&P/ASX 200 Fund**  
**Preliminary abridged statement of comprehensive income**  
**For the year ended 30 June 2010**  
**(Previous corresponding year ended 30 June 2009)**

	Notes *	30 June 2010 \$	30 June 2009 \$
<b>Investment income</b>			
Dividend income		80,503,547	50,630,652
Interest income		128,540	89,897
Net gains/(losses) on financial instruments held at fair value through profit or loss		105,892,274	(201,686,944)
Stock loan income		1,442,736	2,998,249
Other operating income		<u>-</u>	<u>98,878</u>
<b>Total investment income/(loss)</b>		<u><b>187,967,097</b></u>	<u><b>(147,869,268)</b></u>
<b>Expenses</b>			
Responsible Entity's fees		211,072	101,463
Investment Manager's fees		4,689,248	2,172,512
Custody and Administrator fees		881,296	441,242
Transaction costs		234,899	265,986
Withholding taxes on dividends		140,300	89,852
Rebates paid to borrower of loaned securities		989,086	2,529,632
Stock loan expenses		84,508	206,640
Other operating expenses		<u>52,957</u>	<u>11,269</u>
<b>Total operating expenses</b>		<u><b>7,283,366</b></u>	<u><b>5,818,596</b></u>
<b>Operating profit/(loss)</b>		<u><b>180,683,731</b></u>	<u><b>(153,687,864)</b></u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders		(70,059,489)	(55,221,631)
(Increase)/decrease in net assets attributable to unitholders		<u>(110,624,242)</u>	<u>208,909,495</u>
<b>Profit/(loss) for the year</b>		<u><b>-</b></u>	<u><b>-</b></u>

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

**SPDR S&P/ASX 200 Fund**  
**Preliminary abridged statement of financial position**  
**As at 30 June 2010**

	Notes *	30 June 2010 \$	30 June 2009 \$
<b>Assets</b>			
Cash and cash equivalents		20,163,944	14,827,635
Margin accounts		3,408,829	1,355,164
Receivables		14,952,200	9,179,499
Financial assets held at fair value through profit or loss		<u>2,319,545,515</u>	<u>1,473,042,325</u>
<b>Total assets</b>		<u><b>2,358,070,488</b></u>	<u><b>1,498,404,623</b></u>
<b>Liabilities</b>			
Due to brokers – payable for securities purchased		-	9,606,448
Payables		835,747	41,242,359
Financial liabilities held at fair value through profit or loss		-	518,073
Distributions payable		<u>39,931,930</u>	<u>28,444,839</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>40,767,677</b></u>	<u><b>79,811,719</b></u>
<b>Net assets attributable to unitholders - liability</b>		<u><b>2,317,302,811</b></u>	<u><b>1,418,592,904</b></u>

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

**SPDR S&P/ASX 200 Fund**  
**Preliminary abridged statement of changes in equity**  
**For the year ended 30 June 2010**

	<b>30 June 2010 \$</b>	<b>30 June 2009 \$</b>
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial year</b>	-	-

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

**SPDR S&P/ASX 200 Fund**  
**Preliminary abridged statement of cash flows**  
**For the year ended 30 June 2010**

	Notes*	30 June 2010 \$	30 June 2009 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		94,888,280	116,369,499
Purchase of financial instruments held at fair value through profit or loss		(105,276,508)	(90,528,761)
Amounts paid to brokers for margin		(1,112,639)	(6,120)
Dividends received		71,334,840	47,600,519
Interest received		128,540	89,897
Other income received		390,537	564,711
Responsible Entity's fees paid		(204,315)	(96,749)
Investment Manager's fee paid		(4,530,893)	(2,072,930)
Custody and Administrator fees paid		(854,854)	(424,174)
Payment of other operating expenses		(397,363)	(357,771)
<b>Net cash inflow from operating activities</b>		<u>54,365,625</u>	<u>71,138,121</u>
<b>Cash flows from financing activities</b>			
Distributions paid		(49,029,316)	(56,524,454)
<b>Net cash outflow from financing activities</b>		<u>(49,029,316)</u>	<u>(56,524,454)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>5,336,309</u>	<u>14,613,667</u>
Cash and cash equivalents at the beginning of the year		<u>14,827,635</u>	<u>213,968</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>20,163,944</u>	<u>14,827,635</u>

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



**SPDR S&P/ASX 200 Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2010**

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

The revenues are largely driven by the underlying performance of the constituent stocks of the S&P/ASX 200 Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 28.6 basis points per annum of the net asset value on a daily basis. Certain transaction costs are expenses in addition to the aforementioned expense accruals.

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

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

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

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

**Changes in accounting policies**

N/A.

**Fundamental errors**

N/A.

**Extraordinary items**

N/A.

**Reconciliation of income tax expense**

Under current income tax legislation, the Fund is not subject to income tax provided the distributable income of the Fund is fully distributed to unitholders either by way of cash or reinvestment (ie. unitholders are presently entitled to the income of the Fund).

**SPDR S&P/ASX 200 Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2010**  
**(continued)**

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

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

	2010	2009
	\$	\$
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	110,624,242	(208,909,495)
Distribution to unitholders	70,059,489	55,221,631
Proceeds from sale of financial instruments held at fair value through profit or loss	94,888,280	116,369,499
Purchase of financial instruments held at fair value through profit or loss	(105,276,508)	(90,528,761)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(105,892,274)	201,686,944
Amounts paid to brokers for margin	(1,112,639)	(6,120)
Dividend income reinvested	(3,459,119)	-
Net change in receivables	(5,772,701)	(3,032,917)
Net change in payables	306,855	337,340
<b>Net cash inflow from operating activities</b>	<b>54,365,625</b>	<b>71,138,121</b>

**Segment note**

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

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

**Discontinuing operations**

N/A.

**Events occurring after reporting date**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2010 or on the results and cash flows of the Fund for the year ended on that date.

**SPDR S&P/ASX 200 Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2010**

**Additional distribution information** *(Appendix 4E item 6)*

Details of distributions declared or paid during or subsequent to the year ended 30 June 2010 are as follows:

Record date	Payment date	Type	Amount per unit in cents	Total distribution \$	Imputation credit per unit in cents	Foreign sourced distribution amount per unit in cents
31 December 2009	6 January 2010	Interim	65.70	30,127,559	24.22	1.10
30 June 2010	8 July 2010	Final	69.47	39,931,930	21.55	1.99

Under current legislation, the Fund is not subject to income tax provided the distributable income of the Fund is fully distributed either by way of cash or reinvestment (ie. unitholders are presently entitled to the income of the Fund). As a result the Fund does not have a franking account and therefore the distributions are not franked. Unitholders receive imputation credits (if any) attached to distributions.

**Distribution reinvestment plans** *(Appendix 4E item 7)*

No discount applies to the issue of units under the Distribution Reinvestment Plan. An application to participate in the plan will be effective in respect of the first Distribution after receipt of the application form provided it is received on or before the books closing date for that Distribution.

**Retained Earnings** *(Appendix 4E item 8)*

N/A.

**NTA Backing** *(Appendix 4E item 9)*

	2010 \$	2009 \$
Net tangible asset backing per ordinary share	40.32	36.80

**Controlled entities acquired or disposed of** *(Appendix 4E item 10)*

N/A.

**Associates and Joint Venture entities** *(Appendix 4E item 11)*

N/A.

**Other significant information** *(Appendix 4E item 12)*

N/A.

**SPDR S&P/ASX 200 Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2010**  
**(continued)**

**Commentary on results** *(Appendix 4E item 14)*

**Operating loss per unit attributable to unitholders**

Operating profit per unit was 314.35 cents per unit.

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

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

**Returns to unitholders**

In accordance with the Fund Constitution, the Fund fully distributes its distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the Fund. The distributions are payable at the end of June and December each year.

**Significant features of operating performance**

N/A.

**Results of segments**

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

**Trends in performance**

Investment performance has tracked to the performance of the S&P/ASX 200 Index.

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

No other factors affect the current year's results.

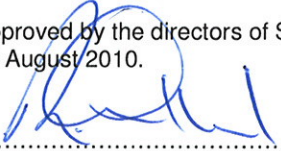
**Foreign Accounting standards** *(Appendix 4E item 13)*

N/A.

**Audit** *(Appendix 4E items 15 - 17)*

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

Approved by the directors of State Street Global Advisors, Australia Services Limited on 25 August 2010.

  
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Robert Goodlad  
Director