

## SPDR® STRAITS TIMES INDEX ETF

Annual Report 2019

### MANAGER'S INVESTMENT REPORT

For the financial year ended 30 June 2019

#### Manager's Notes

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

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

#### Details of the Fund

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

#### Benefits of investing in the Fund

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

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

#### Performance of the Scheme

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

\* Includes dividends and net of fees

#### Notes:

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

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**MANAGER'S INVESTMENT REPORT** *(continued)*

*For the financial year ended 30 June 2019*

**Details of Top 10 Holdings of the Fund**

As at 30 June 2019

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

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*For the financial year ended 30 June 2019*

**Details of Top 10 Holdings of the Fund** *(continued)*

As at 30 June 2018

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

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

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**MANAGER'S INVESTMENT REPORT** *(continued)*

*For the financial year ended 30 June 2019*

***Amount of Subscription and Redemption***

*For the financial year ended 30 June 2019*

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

***Other Information***

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

***Soft Dollar Practices***

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

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

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

***Exposure to Financial Derivatives***

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

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***Global Exposure to Financial Derivatives***

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

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

***Information on the Manager***

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