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The Division provides, among others,

Two flagship products:

World Investment Report

World Investment Forum

Six key policy frameworks:

Investment Policy Framework for Sustainable Development

Action Plan for Investing in the SDGs

Entrepreneurship Policy Framework

Reform Package for the International Investment Regime

Global Action Menu for Investment Facilitation

Accounting Development Tool

Seven core services:

Investment databases and research

National and international investment policies

Investment promotion

Responsible investment

Business facilitation

Entrepreneurship development

Accounting and reporting

Information about these products, frameworks and services, as well as the publications of the Division, can be found free of charge at UNCTAD's website (www.unctad.org/diae) or the organization's investment policy hub (www.investmentpolicyhub.unctad.org).

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PREFACE

Global flows of foreign direct investment fell by 23 per cent in 2017. Cross-border investment in developed and transition economies dropped sharply, while growth was near zero in developing economies. With only a very modest recovery predicted for 2018, this negative trend is a long-term concern for policymakers worldwide, especially for developing countries, where international investment is indispensable for sustainable industrial development.

This troubling global investment picture underscores the importance of a conducive global investment environment, characterized by open, transparent and non-discriminatory investment policies. The theme chapter of the report shows that over 100 countries have adopted industrial development strategies in recent years. New types of industrial policies have emerged, responding to the opportunities and challenges associated with a new industrial revolution. The report presents options for investment policy tools in this new environment.

I commend this year's *World Investment Report* as a timely contribution to an important debate in the international investment and development community.



António Guterres
Secretary-General of the United Nations

FOREWORD

We are at the dawn of a fourth industrial revolution, propelled by frontier technologies and robotization advances that make production better, cheaper and faster than ever before. This new industrial revolution offers enormous opportunities for economic growth and sustainable development with potential benefits on a scale that is difficult to imagine. New technologies promise possibilities of industrial upgrading and leapfrogging. Cheaper transportation and communication, coupled with more efficient logistics, can also help developing countries better link to global value chains. Some of the most advanced emerging economies are already on the verge of becoming global technological leaders in a number of industries.

Yet, the new economic age and the accelerating pace of technological innovation could also result in serious economic disruption and more inequality. Existing investment patterns, for instance, might go through profound and far-reaching changes, in terms of both flows and content. Last year's *World Investment Report* highlighted the emerging structural impact of the digital economy on foreign direct investment.

In this context, developing countries, and least developed countries in particular, face considerable challenges. They range from structural constraints, such as the lack of adequate infrastructure and scarce access to finance, to strategic issues. Offshoring and relocation towards destinations offering cheaper domestic labour become less relevant in a world of increasingly automated manufacturing. At the same time, improving living conditions requires creating jobs, which in turn still relies heavily on manufacturing. Developing countries with small markets face additional pressure on their investment policies as companies increasingly look for investment locations offering the best conditions to deliver new and high-quality products rapidly, close to the customer and through flexible production processes.

Challenges are particularly pronounced in Africa. Despite a period of strong economic growth, the level of economic transformation has been low. The share of manufacturing in the GDP of African countries is small, and it has further declined or stagnated over the past decade. However, manufacturing has the potential of creating a large number of jobs in the formal sector and therefore raising living conditions.

Confronted with an altering global economic landscape and deep structural reconfiguration, governments around the globe have invigorated their industrial policies in recent years. There is a growing consensus that structural transformation does not occur by itself, but rather requires a proactive policy that facilitates a transition towards new sectors and activities with higher productivity and more value added, while fostering sustainable and inclusive development.

SPDR® STRAITS TIMES INDEX ETF
Annual Report 2019

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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MANAGER'S INVESTMENT REPORT *(continued)*

For the financial year ended 30 June 2019

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

As at 30 June 2018

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

For the financial year ended 30 June 2019

Global Exposure to Financial Derivatives

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

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

Information on the Manager

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