

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

**(ARSN 099 389 821)**

ASX Preliminary final report – 30 June 2017

Lodged with the ASX under Listing Rule 4.3A

Previous corresponding period – year ended 30 June 2016

## **Contents**

Results for Announcement to the Market <i>(Appendix 4E item 2)</i>	2
Preliminary abridged statement of comprehensive income <i>(Appendix 4E item 3)</i>	5
Preliminary abridged statement of financial position <i>(Appendix 4E item 4)</i>	6
Preliminary abridged statement of changes in equity <i>(Appendix 4E item 4)</i>	7
Preliminary abridged statement of cash flows <i>(Appendix 4E item 5)</i>	8
Other Appendix 4E Information <i>(Appendix 4E items 6 to 17)</i>	11

**SPDR S&P/ASX 200 Listed Property Fund**  
**Year ended 30 June 2017**  
**(Previous corresponding period – year ended 30 June 2016)**

**Results for Announcement to the Market**

	<b>2017 \$</b>	<b>\$Change on last period</b>	<b>% Change</b>	<b>2016 \$</b>
<b>Total investment income/(loss)</b> (revenue from ordinary activities)	<b>-37,404,965</b>	Down by -172,102,972	Down by -127.77%	134,698,007
<b>Operating profit/(loss) for the year</b>	<b>-39,843,732</b>	Down by -172,265,672	Down by -130.09%	132,421,940
<b>Profit/(loss) for the year</b> (see explanation below)	-	N/A	N/A	-

<b>Distributions</b>	<b>Amount per unit</b>	<b>Imputation credit per unit</b>
30 September 2016 interim distribution	6.98 cents	-
31 December 2016 interim distribution	12.96 cents	0.17 cents
31 March 2017 Final distribution	14.13 cents	-
30 June 2017 Final distribution	17.90 cents	-

Record dates for determining entitlements to the distribution	30 September 2016
	30 December 2016
	31 March 2017
	30 June 2017

**Explanation of Investment income/(loss)**

The Fund maintains its investment strategy in S&P/ASX 200 A-REIT Index securities, 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,
- Investment income such as dividends and interest.

The principal accounting policies applied in the preparation of these financial statements are set out on the following page. These policies have been consistently applied to all years presented, unless otherwise stated in the following text: AASB 132 [*Financial Instruments: Presentation*] and AASB 139 [*Financial instruments: Recognition and Measurement*].

Information Classification: General

**SPDR S&P/ASX 200 Listed Property Fund**  
**Year ended 30 June 2017**  
**(Previous corresponding period – year ended 30 June 2016)**  
(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 and financial liabilities that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments.

Financial instruments 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 instruments 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**

Financial assets and liabilities held at fair value through profit or loss.

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of comprehensive income within net gains / (losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique.

**SPDR S&P/ASX 200 Listed Property Fund**  
**Year ended 30 June 2017**  
**(Previous corresponding period – year ended 30 June 2016)**  
**(continued)**

If such a difference exists, the Fund recognises the difference in profit or loss to reflect a change in factors, including time, which market participants would consider in setting a price.

**(iii) Measurement (continued)**

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.

**Explanation of Operating profit/(loss)**

Refer to above commentary.

**Explanation of Profit/(loss)**

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.

As a result of this accounting policy, profit/(loss) after financing costs is nil.

**Explanation of Distributions**

In accordance with the Fund's Constitution, the Fund distributes income adjusted for amounts determined by the Responsible Entity, 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, September, December and March each year and recognised in profit or loss as finance costs attributable to unitholders.



**SPDR S&P/ASX 200 Listed Property Fund**  
**Preliminary abridged statement of comprehensive income**  
**For the year ended 30 June 2017**

Notes *	Year ended 30 June 2017 \$	Year ended 30 June 2016 \$
<b>Investment income</b>		
Dividend income	29,352,930	29,070,990
Interest income	112,468	122,039
Net gains/(losses) on financial instruments held at fair value through profit or loss	(66,890,356)	105,434,430
Other operating income /(loss)	19,993	70,548
<b>Total investment income / (loss)</b>	<u>(37,404,965)</u>	<u>134,698,007</u>
<b>Expenses</b>		
Responsible Entity's fees	63,164	62,421
Investment Manager's fees	2,184,238	2,151,551
Custody and Administrator fees	170,039	20,265
Transaction costs	20,080	11,037
Withholding taxes on dividends	-	29,317
Other operating expenses	1,246	1,476
<b>Total operating expenses</b>	<u>2,438,767</u>	<u>2,276,067</u>
<b>Operating profit/(loss)</b>	<u>(39,843,732)</u>	<u>132,421,940</u>
<b>Finance costs attributable to unitholders</b>		
Distributions to unitholders	(23,927,445)	(22,593,633)
(Increase)/decrease in net assets attributable to unitholders	63,771,177	(109,828,307)
<b>Profit/(loss) for the year</b>	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</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 Listed Property Fund**  
**Preliminary abridged statement of financial position**  
**As at 30 June 2017**

	As at 30 June 2017 \$	As at 30 June 2016 \$
Notes*		
<b>Assets</b>		
Cash and cash equivalents	3,072,355	4,687,215
Margin accounts	787,888	1,223,638
Receivables	9,224,191	9,235,448
Financial assets held at fair value through profit or loss	<u>552,574,612</u>	<u>654,566,409</u>
<b>Total assets</b>	<u>565,659,046</u>	<u>669,712,710</u>
<b>Liabilities</b>		
Payables	451,073	286,229
Financial liabilities held at fair value through profit or loss	118,325	-
Distributions payable	<u>8,179,890</u>	<u>7,224,583</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<u>8,749,288</u>	<u>7,510,812</u>
<b>Net assets attributable to unitholders - liability</b>	<u>556,909,758</u>	<u>662,201,898</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 Listed Property Fund**  
**Preliminary abridged statement of changes in equity**  
**For the year ended 30 June 2017**

	Year ended 30 June 2017 \$	Year ended 30 June 2016 \$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	-	-
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 are classified as a liability rather than equity. As a result, there was no equity at the beginning or end of the year.

	Year ended 30 June 2017 Notes * \$	Year ended 30 June 2016 \$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	14,383,993	17,701,939
Purchase of financial instruments held at fair value through profit or loss	(19,944,370)	(17,636,706)
Amounts received from/(paid to) brokers for margin accounts	435,750	(641,107)
Dividends received	28,763,147	26,657,999
Interest received	112,882	121,519
Other income received/(paid)	55,943	65,214
Responsible Entity's fees paid	(58,692)	(66,466)
Investment Manager's fees paid	(2,011,250)	(2,254,110)
Custody and Administrator fees paid	(169,954)	(48,509)
Payment of other operating expenses	(21,098)	(38,192)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>21,546,351</u>	<u>23,861,581</u>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	49,971	1,172,764
Payments for redemptions by unitholders	(239,044)	(32,854)
Distributions paid	(22,972,138)	(23,452,173)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(23,161,211)</u>	<u>(22,312,263)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(1,614,860)</u>	<u>1,549,318</u>
Cash and cash equivalents at the beginning of the year	<u>4,687,215</u>	<u>3,137,897</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>3,072,355</u>	<u>4,687,215</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 Listed Property Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2017**

**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 A-REIT Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 40 basis points per annum of the net asset value on a daily basis. Certain transaction costs are expensed 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 affect the cash flows.

**Correction of errors, changes in accounting policies and revision of accounting estimates**

N/A

**Reconciliation of income tax expense**

Under current income tax legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

**SPDR S&P/ASX 200 Listed Property Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2017**

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

	Year ended 30 June 2017 \$	Year ended 30 June 2016 \$
<b>(a) Reconciliation of profit/loss to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(63,771,177)	109,828,307
Distribution to unitholders	23,927,445	22,593,633
Proceeds from sale of financial instruments held at fair value through profit or loss	14,383,993	17,701,939
Purchase of financial instruments held at fair value through profit or loss	(19,944,370)	(17,636,706)
Net (gains)/losses on financial instruments held at fair value through profit or loss	66,890,356	(105,434,430)
Dividend income reinvested	(551,747)	(2,010,503)
Net change in receivables	11,257	(379,025)
Net change in payables	164,844	(160,527)
Amounts received from/(paid to) brokers for margin accounts	435,750	(641,107)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>21,546,351</b>	<b>23,861,581</b>
<b>(b) Non cash financing activities</b>		
During the year, the following applications were satisfied by in specie asset transfers	12,808,653	20,364,977
During the year, the following redemptions were satisfied by an in specie asset transfer	54,140,543	22,787,333

**SPDR S&P/ASX 200 Listed Property Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2017**  
**(continued)**

**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 2017 or on the results and cash flows of the Fund for the year ended on that date.

**SPDR S&P/ASX 200 Listed Property Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2017**

**Additional distribution information**

Details of distributions declared or paid during or subsequent to the year ended 30 June 2017 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
30 September 2016	29 November 2016	Interim	6.98	3,329,126	-	3.85
30 December 2016	1 March 2017	Interim	12.96	5,973,962	0.17	0.99
31 March 2017	30 May 2017	Interim	14.13	6,444,467	-	10.66
30 June 2017	29 August 2017	Final	17.90	8,179,889	-	0.03

Under current legislation, the Fund is not subject to income tax as 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**

N/A

**Retained Earnings**

N/A

**NTA Backing**

	2017 \$	2016 \$
Net tangible asset backing per ordinary share	12.19	13.54

**Controlled entities acquired or disposed of**

N/A

Information Classification: General



**SPDR S&P/ASX 200 Listed Property Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2017**  
**(continued)**

**Associates and Joint Venture entities**

N/A

**Other significant information**

N/A

**Foreign Accounting standards**

N/A

## **Commentary on results**

### ***Operating profit per unit attributable to unitholders***

Operating profit per unit was (87.19) 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 distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestments. Distributable income is determined by reference to the taxable income of the Fund. The distributions are payable at the end of June, September, December and March each year.

### ***Significant features of operating performance***

N/A

### ***Results of segments***

The Fund operates solely in the business of investment management within Australia. 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 A-REIT Index.

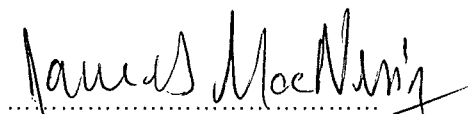
### ***Other factors that affected results in the period or which are likely to affect results in the future***

No other factors affect the current year's results.

## **Audit**

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 24 August 2017.



James MacNevin  
Director

# Annual Report

30 June 2017

## SPDR® S&P®/ASX 200 Listed Property Fund

(ARSN 099 389 821)

[spdrs.com.au](http://spdrs.com.au)

Issued by State Street Global Advisors, Australia Services Limited (AFSL Number 274900, ABN 16 108 671 441) ("SSGA, ASL"). Registered office: Level 17, 420 George Street, Sydney, NSW 2000, Australia · Telephone: 612 9240-7600 · Web: [www.ssga.com](http://www.ssga.com).

This material is general information only and does not take into account your individual objectives, financial situation or needs and you should consider whether it is appropriate for you. You should seek professional advice and consider the product disclosure document, available at [www.spdrs.com.au](http://www.spdrs.com.au), before deciding whether to acquire or continue to hold units in an ETF. This material should not be considered a solicitation to buy or sell a security.

SPDR and Standard & Poor's® S&P® indices are trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by State Street Corporation. The Dow Jones Global Select Real Estate Securities Index is a product of S&P Dow Jones Indices LLC and has been licensed for use by SSGA, ASL. MSCI indices, the property of MSCI, Inc. ("MSCI"), and ASX®, a registered trademark of ASX Operations Pty Limited, have been licensed for use by SSGA, ASL. SPDR products are not sponsored, endorsed, sold or promoted by any of these entities and none of these entities bear any liability with respect to the ETFs or make any representation, warranty or condition regarding the advisability of buying, selling or holding units in the ETFs issued by SSGA, ASL.

State Street Global Advisors Trust Company (ARBN 619 273 817) is the trustee of, and the issuer of interests in, the SPDR® S&P 500® ETF Trust, an ETF registered with the United States Securities and Exchange Commission under the Investment Company Act of 1940 and principally listed and traded on NYSE Arca, Inc. under the symbol "SPY". SSGA ASL is the AQUA Product Issuer for the CHESS Depositary Interests (or "CDIs") which have been created over units in SPY and are quoted on the AQUA market of the ASX.

# **SPDR S&P/ASX 200 Listed Property Fund (ASX Code: SLF)**

ARSN 099 389 821

## **Annual report For the year ended 30 June 2017**

### **Contents**

	Page
Directors' report	2
Auditor's independence declaration	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	34
Independent auditor's report to the unitholders of the SPDR S&P/ASX 200 Listed Property Fund	35
Unitholder Information	40
Corporate Directory	42

These financial statements cover the SPDR S&P/ASX 200 Listed Property Fund as an individual entity.

The Responsible Entity of the SPDR S&P/ASX 200 Listed Property Fund is State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL 274900). The Responsible Entity's registered office is:

State Street Global Advisors, Australia Services Limited  
Level 17, 420 George Street  
Sydney NSW 2000.

## Directors' report

The directors of State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441), the Responsible Entity of the SPDR S&P/ASX 200 Listed Property Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2017.

### Principal activities

The Fund invests funds in S&P/ASX 200 listed property securities in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

### Directors

The following persons held office as directors of State Street Global Advisors, Australia Services Limited during the year or since the end of the year and up to the date of this report:

Jonathan Shead (resigned as director 19 December 2016)  
Susan Darroch  
James MacNevin  
Matthew George (appointed as director 19 December 2016)

### Review and results of operations

During the year, the Fund continued to invest its funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The Fund generally invests in the securities that are constituents of the S&P/ASX 200 A-REIT Index (the "Index") and aims to achieve investment returns (before fees and other costs), that closely correspond to the performance of the Index.

### Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2017	30 June 2016
Operating profit/(loss) before finance costs attributable to unitholders (\$)	<u>(39,843,732)</u>	<u>132,421,940</u>
Distribution to unitholders (\$)	<u>23,927,445</u>	<u>22,593,633</u>
Distribution (cents per unit - CPU)	<u>51.97</u>	<u>45.66</u>

## Directors' report (continued)

### Review and results of operations (continued)

The table below demonstrates the performance of the Fund as represented by the total return, which is calculated as the aggregation of the capital return and percentage distribution return. The total return is shown for the past five years to 30 June 2017:

	2017	2016	2015	2014	2013
	%	%	%	%	%
Capital growth	(10.01)	19.61	15.47	4.10	17.25
Distribution of income	3.70	4.46	4.40	6.45	6.44
Total return	(6.31)	24.07	19.87	10.55	23.69
Benchmark: S&P/ASX 200 A-REIT Index	(6.26)	24.57	20.26	11.06	24.22

The movement in the assets and liabilities in the Statement of financial position corresponds with the units issued and redeemed during the year as reflected in note 10 and the performance of the Fund during the year.

Consistent with our statements in the governing documents of the Fund, past performance is not a reliable indicator of future performance.

### Unit redemption prices

Unit redemption prices (quoted ex-distribution) are shown as follows:

	2017	2016	2015	2014	2013
	\$	\$	\$	\$	\$
At 30 June	12.19	13.54	11.32	9.81	9.42

### Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year under review.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Fund's investment objective and strategy remains unchanged which is to track the performance of the Index. Accordingly the future returns of the Fund are dependent on the performance of the Index.



## Directors' report (continued)

### Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of State Street Global Advisors, Australia Services Limited or the auditors of the Fund. So long as the officers of State Street Global Advisors, Australia Services Limited act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

### Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in note 17 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 17 to the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 10 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Statement of financial position and derived using the basis set out in note 2 to the financial statements.

### Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.


### Rounding of amounts to the nearest dollar

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



James MacNevin  
Director

Sydney  
24 August 2017



## Auditor's Independence Declaration

As lead auditor for the audit of SPDR S&P/ASX 200 Listed Property Fund for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Joe Sheeran', followed by a long horizontal line.

Joe Sheeran  
Partner  
PricewaterhouseCoopers

Sydney  
24 August 2017



## Statement of comprehensive income

		Year ended	
		30 June 2017	30 June 2016
	Notes	\$	\$
<b>Investment income</b>			
Dividend income		29,352,930	29,070,990
Interest income		112,468	122,039
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	(66,890,356)	105,434,430
Other operating income/(loss)		19,993	70,548
<b>Total net investment income/(loss)</b>		<u>(37,404,965)</u>	<u>134,698,007</u>
<b>Expenses</b>			
Responsible Entity's fees	17	63,164	62,421
Investment Manager's fees	17	2,184,238	2,151,551
Custody and Administrator fees	17	170,039	20,265
Transaction costs		20,080	11,037
Withholding taxes on dividends		-	29,317
Other operating expenses		1,246	1,476
<b>Total operating expenses</b>		<u>2,438,767</u>	<u>2,276,067</u>
<b>Operating profit/(loss) for the year</b>		<u>(39,843,732)</u>	<u>132,421,940</u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	11	(23,927,445)	(22,593,633)
(Increase)/decrease in net assets attributable to unitholders	10	63,771,177	(109,828,307)
<b>Profit/(loss) for the year</b>		<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position

		As at	
		30 June 2017	30 June 2016
	Notes	\$	\$
<b>Assets</b>			
Cash and cash equivalents	12	3,072,355	4,687,215
Margin accounts		787,888	1,223,638
Receivables	15	9,224,191	9,235,448
Financial assets held at fair value through profit or loss	7	<u>552,574,612</u>	<u>654,566,409</u>
<b>Total assets</b>		<u>565,659,046</u>	<u>669,712,710</u>
<b>Liabilities</b>			
Payables	16	451,073	286,229
Financial liabilities held at fair value through profit or loss	8	118,325	-
Distribution payable	11	<u>8,179,890</u>	<u>7,224,583</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>8,749,288</u>	<u>7,510,812</u>
<b>Net assets attributable to unitholders - liability</b>	10	<u>556,909,758</u>	<u>662,201,898</u>

*The above Statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of changes in equity

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	-	-
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 are classified as a liability rather than equity. As a result there was no equity at the beginning or end of the year.

*The above Statement of changes in equity should be read in conjunction with the accompanying notes.*

## Statement of cash flows

		Year ended	
		30 June 2017	30 June 2016
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		14,383,993	17,701,939
Purchase of financial instruments held at fair value through profit or loss		(19,944,370)	(17,636,706)
Amount received from/(paid to) brokers for margin		435,750	(641,107)
Dividends received		28,763,147	26,657,999
Interest received		112,882	121,519
Other income received/(paid)		55,943	65,214
Responsible Entity's fees paid		(58,692)	(66,466)
Investment Manager's fees paid		(2,011,250)	(2,254,110)
Custody and Administrator fees paid		(169,954)	(48,509)
Payment of other operating expenses		(21,098)	(38,192)
<b>Net cash inflow/(outflow) from operating activities</b>	13(a)	<u>21,546,351</u>	<u>23,861,581</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		49,971	1,172,764
Payments for redemptions by unitholders		(239,044)	(32,854)
Distributions paid		(22,972,138)	(23,452,173)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(23,161,211)</u>	<u>(22,312,263)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(1,614,860)</u>	<u>1,549,318</u>
Cash and cash equivalents at the beginning of the year		<u>4,687,215</u>	<u>3,137,897</u>
<b>Cash and cash equivalents at the end of the year</b>	12	<u>3,072,355</u>	<u>4,687,215</u>
Non-cash financing activities	13(b)		

The above Statement of cash flows should be read in conjunction with the accompanying notes.

## Contents of the notes to the financial statements

	Page
1 General information	11
2 Summary of significant accounting policies	11
3 Financial risk management	16
4 Offsetting financial assets and financial liabilities	21
5 Fair value measurement	22
6 Net gains/(losses) on financial instruments held at fair value through profit or loss	24
7 Financial assets held at fair value through profit or loss	25
8 Financial liabilities held at fair value through profit or loss	26
9 Derivative financial instruments	26
10 Net assets attributable to unitholders	28
11 Distributions to unitholders	29
12 Cash and cash equivalents	29
13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	30
14 Remuneration of auditors	30
15 Receivables	31
16 Payables	31
17 Related party transactions	31
18 Segment information	33
19 Events occurring after the reporting period	33
20 Contingent assets and liabilities and commitments	33



## 1 General information

These financial statements cover the SPDR S&P/ASX 200 Listed Property Fund (the "Fund") as an individual entity. The Fund was constituted on 24 January 2002 and will terminate on 13 February 2082 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is State Street Global Advisors, Australia Services Limited ("Responsible Entity"), Level 17, 420 George Street, Sydney NSW 2000. The Responsible Entity must operate the Scheme and perform the functions conferred on it by the Scheme's Constitution and, as required by the Corporations Act, and has appointed the following agents to perform various functions on its behalf:

Investment Manager and Promoter: State Street Global Advisors, Australia, Limited

Custodian and Administrator: State Street Australia Limited

Unit Registrar: Link Market Services Limited

The Responsible Entity is responsible for the oversight of the performance of its agents and has arrangements in place to review and monitor their performance.

The financial statements are presented in Australian currency.

The Fund invests funds in S&P/ASX 200 listed property securities in accordance with the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on 24 August 2017. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

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, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of financial position is presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

The Fund invests in financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unitholders, the units are redeemable by unitholders that are Qualifying Australian Residents (as defined in the Product Disclosure Statement ("PDS")), and use a stock broker acting as principal, on demand at the unitholder's option. Other unitholders can sell on the Australian Securities Exchange. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### (i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### (ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2016 that have a material impact on the Fund.

### (b) Financial instruments

#### (i) Classification

The Fund's investments are categorised as held 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 and financial liabilities that are not held for trading purposes and which may be sold. These are investments in listed unit trusts.

Financial instruments 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 instruments 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

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets held at fair value through profit or loss are expensed in the Statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held at fair value through profit or loss' category are presented in the Statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.



## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### (iii) Measurement (continued)

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Further details on how the fair values of financial instruments are determined are disclosed in note 5.

#### (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. Refer to note 4 to the financial statements for further information.

### (c) Net assets attributable to unitholders

Units are redeemable and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Fund at any time by unitholders that are Qualifying Australian Residents (as defined in the PDS) and use a Stockbroker acting as principal.

### (d) Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the Statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

### (e) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

### (f) Investment income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

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

Trust distributions are recognised on an entitlements basis.



## 2 Summary of significant accounting policies (continued)

### (g) Expenses

All expenses, including Responsible Entity's fees, Investment Manager's and Custody and Administrator fees, are recognised in the Statement of comprehensive income on an accruals basis.

### (h) Income tax

Under current legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

### (i) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are payable in accordance with the Constitution and recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

### (j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

### (k) Foreign currency translation

#### *Functional and presentation currency*

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

### (l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

### (m) Receivables

Receivables may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

### (n) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

## 2 Summary of significant accounting policies (continued)

### (n) Payables (continued)

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the Statement of financial position as unitholders are presently entitled to the distributable income under the Fund's Constitution.

### (o) Applications and redemptions

Application amounts must be in the form of a parcel of prescribed securities transferred to the Responsible Entity's custodian and may not be wholly paid in cash. The parcel of securities related to in-specie applications generally reflect the characteristics of the S&P/ASX 200 A-REIT Index. Investors may purchase units by trading on the Australian Securities Exchange ("ASX").

Unitholders can only redeem units if they are a "Qualifying Australian Resident" as defined in the PDS and use a stockbroker acting as principal. Investors may sell units by trading on the ASX.

Unit prices are determined by reference to the net assets of the Fund divided by the number of units on issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market.

### (p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as Custodial and Administration services, Responsible Entity services and Investment Management services have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC"). Hence Responsible Entity fees, Investment Management fees, Custody and Administrator fees and other expenses have been recognised in the Statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position. Cash flows relating to GST are included in the Statement of cash flow on a gross basis.

### (q) Use of estimates

The Fund may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

### (r) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

### (s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- (i) AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)



## 2 Summary of significant accounting policies (continued)

### (s) New accounting standards and interpretations (continued)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

The Fund has not yet decided when to adopt AASB 9.

### (ii) AASB 15 *Revenue from Contracts with Customers*, (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

### (t) Rounding of amounts

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

### (u) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## 3 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's PDS and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity (the "Board").

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

### 3 Financial risk management (continued)

#### (a) Market risk

##### (i) Price risk

The Fund invests in various investments including securities on the ASX, cash instruments and derivatives. The Fund is exposed to equity securities and derivatives securities price risk. The risk is that the value of a fund's investment portfolio will fluctuate as a result of changes in market prices. The risk is influenced by economic, technological, political and legal conditions and sentiment, all of which can change. This can mean that assets held by the Fund in these markets may fall in value. Growth assets are generally considered to have a higher risk/return profile than income producing assets such as fixed interest securities and cash.

The Investment Manager manages the price risk by following a clearly established investment mandate for the Fund's investments. The Fund's equity investments are listed securities that are constituents of the S&P/ASX 200 A-REIT Index while the cash deposits with banks are at a minimum rating of A1 or higher as rated by Standard & Poor's. The use of derivatives is limited to a small level of the total value of the Fund. Compliance with the Fund's PDS and investment mandate is monitored on a daily basis and reports are provided to the Board and Compliance Committee on a regular basis.

The table on page 19 shows the impact on net asset value of the Fund of a reasonably possible shift in the S&P/ASX 200 A-REIT Index, assessed as an increase of 24% (2016: 24%) and decrease of 24% (2016: 24%) in the S&P/ASX 200 A-REIT Index (with all other variables held constant).

##### (ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund has no significant direct foreign exchange risk exposure as the Fund operates solely in Australia and the majority of the Fund's assets and liabilities are denominated in Australian currency.

##### (iii) Interest rate risk

Interest rate risk is the risk that interest rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Fund.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

The table below summarises the Fund's direct exposure to interest rate risks.

30 June 2017	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	3,072,355	-	-	3,072,355
Margin accounts	787,888	-	-	787,888
Receivables	-	-	9,224,191	9,224,191
Financial assets held at fair value through profit or loss	-	-	552,574,612	552,574,612
<b>Liabilities</b>				
Payables	-	-	(451,073)	(451,073)
Distributions payable	-	-	(8,179,890)	(8,179,890)
Financial liabilities held at fair value through profit or loss	-	-	(118,325)	(118,325)
Net exposure	<u>3,860,243</u>	<u>-</u>	<u>553,049,515</u>	<u>556,909,758</u>
30 June 2016	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	4,687,215	-	-	4,687,215
Margin accounts	1,223,638	-	-	1,223,638
Receivables	-	-	9,235,448	9,235,448
Financial assets held at fair value through profit or loss	-	-	654,566,409	654,566,409
<b>Liabilities</b>				
Payables	-	-	(286,229)	(286,229)
Distributions payable	-	-	(7,224,583)	(7,224,583)
Net exposure	<u>5,910,853</u>	<u>-</u>	<u>656,291,045</u>	<u>662,201,898</u>

An analysis of financial liabilities by maturities is provided in note 3 paragraph (d) below.

The table in note 3 paragraph (b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 200 basis points (2016: +/- 200 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of cash and cash equivalents.



### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to the various market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk		Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders			
	-24%	+24%	-200bps	+200bps
	\$	\$	\$	\$
30 June 2017	(133,264,875)	133,264,875	(77,205)	77,205
30 June 2016	(157,967,858)	157,967,858	(118,217)	118,217

The sensitivity factors for 30 June 2016 were +/- 24% for price risk and +/- 200bps for interest rate risk.

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio based on market information in order to determine a reasonably possible shift in assumptions.

#### (c) Credit risk

Credit risk primarily arises from investments in derivative financial instruments. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or part. Credit risk is managed primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved in accordance with the Investment Manager's criteria; and
- Ensuring that transactions are undertaken with a range of counterparties.

For derivative financial instruments, the Investment Manager has established limits such that, at any time, the maximum exposure of the Fund to derivative instruments shall be limited to 25%.

Compliance with the Fund's mandate is monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

The clearing and depositary operations of the Fund's security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. At 30 June 2017, State Street Australia Limited had a credit rating of A (2016: A). As at 30 June 2017, substantially all cash and investments are held in custody by State Street Australia Limited.

#### (d) Liquidity risk

The Fund has no significant liquidity risk exposure as the redemptions of redeemable units by unitholders are made through in specie asset transfers and not payable wholly in the form of cash.

The Fund's listed securities are considered readily realisable, as they are listed on the ASX.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### (i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

Units are redeemed on demand at the unitholder's option. It is not expected that the contractual maturity disclosed in the table below will be representative of the actual cash outflows.

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	No stated maturity \$
<b>At 30 June 2017</b>					
Payables	451,073	-	-	-	-
Distributions payable	8,179,890	-	-	-	-
Net assets attributable to unitholders	<u>556,909,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding net settled derivatives)	<u>565,540,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	No stated maturity \$
<b>At 30 June 2016</b>					
Payables	286,229	-	-	-	-
Distributions payable	7,224,583	-	-	-	-
Net assets attributable to unitholders	<u>662,201,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding net settled derivatives)	<u>669,712,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

##### (ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Fund's investment strategy.

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	Not stated maturity \$
<b>At 30 June 2017</b>					
Net settled derivatives					
Australian share price index futures	-	(118,325)	-	-	-

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	Not stated maturity \$
<b>At 30 June 2016</b>					
Net settled derivatives					
Australian share price index futures	-	102,375	-	-	-



### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

#### 4 Offsetting financial assets and financial liabilities

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. The gross and net positions of financial assets and liabilities that have been offset in the Statement of financial position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of financial position	Net amount of financial assets presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received	Net Amount
	\$	\$	\$	\$	\$	\$
<b>30 June 2017</b>						
Derivative financial instruments (i)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>30 June 2016</b>						
Derivative financial instruments (i)	102,375	-	102,375	-	-	102,375
<b>Total</b>	102,375	-	102,375	-	-	102,375
Financial liabilities	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of financial position	Net amount of financial liabilities presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral pledged	Net Amount
	\$	\$	\$	\$	\$	\$
<b>30 June 2017</b>						
Derivative financial instruments (i)	118,325	-	118,325	-	(118,325)	-
<b>Total</b>	118,325	-	118,325	-	(118,325)	-
<b>30 June 2016</b>						
Derivative financial instruments (i)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

#### 4 Offsetting financial assets and financial liabilities (continued)

(i) *Master netting arrangement – not currently enforceable*

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statement of financial position, but have been presented separately in the above table.

#### 5 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities designated at fair value through profit or loss (see note 7)
- Financial assets / liabilities held for trading (see note 7 and 8)
- Derivative financial instruments (see note 9)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) *Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) *Valuation techniques used to derive level 2 and level 3 fair value*

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

## 5 Fair value measurement (continued)

### (ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

### Recognised fair value measurement

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2017 and 30 June 2016.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2017</b>				
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss:				
Equity securities	-	-	389,618	389,618
Unit trusts	552,184,994	-	-	552,184,994
<b>Total</b>	<b>552,184,994</b>	<b>-</b>	<b>389,618</b>	<b>552,574,612</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Derivatives	118,325	-	-	118,325
<b>Total</b>	<b>118,325</b>	<b>-</b>	<b>-</b>	<b>118,325</b>
<b>As at 30 June 2016</b>				
<b>Financial assets</b>				
Financial assets held for trading:				
Derivatives	102,375	-	-	102,375
Financial assets designated at fair value through profit or loss:				
Unit trusts	654,464,034	-	-	654,464,034
<b>Total</b>	<b>654,566,409</b>	<b>-</b>	<b>-</b>	<b>654,566,409</b>

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### (i) Transfers between levels

There were no transfers between the levels for the fair value hierarchy for the year ended 30 June 2017 and 2016. There were also no changes made to any of the valuation techniques applied as of 30 June 2017.



## 5 Fair value measurement (continued)

### Recognised fair value measurement (continued)

#### (ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2017 by class of financial instrument.

	Equity securities \$
As at 30 June 2017	
Opening balance	-
Purchases	-
Sales	-
Transfers into/(out of) level 3	-
Gains and losses recognised in profit or loss	389,618
Closing balance	389,618
Total gains or losses for the year included in the Statement of comprehensive income for financial assets and liabilities at the end of the year	-

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2017.

#### (iii) Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

#### (iv) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

## 6 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments held at fair value through profit or loss:

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
<b>Financial assets</b>		
Net gain/(loss) on financial assets held for trading	(100,012)	735,157
Net gain/(loss) on financial assets designated at fair value through profit or loss	(66,781,419)	104,699,273
Net gain/(loss) on financial assets held at fair value through profit or loss	(66,881,431)	105,434,430

**6 Net gains/(losses) on financial instruments held at fair value through profit or loss  
(continued)**

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
<b>Financial liabilities</b>		
Net gain/(loss) on financial liabilities held for trading	(8,925)	-
Net gain/(loss) on financial liabilities held at fair value through profit or loss	(8,925)	-
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>(66,890,356)</b>	<b>105,434,430</b>

**7 Financial assets held at fair value through profit or loss**

	As at	
	30 June 2017	30 June 2016
	\$	\$
<b>Held for trading</b>		
Derivatives (note 9)	-	102,375
Total held for trading	-	102,375
<b>Designated at fair value through profit or loss</b>		
Equity securities	389,618	-
Unit trusts	552,184,994	654,464,034
Total designated at fair value through profit or loss	552,574,612	654,464,034
<b>Total financial assets held at fair value through profit or loss</b>	<b>552,574,612</b>	<b>654,566,409</b>

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in note 3.

**Material investments**

Investments which constitute 5% or more by value of the total investments of the Fund are disclosed below:

2017 Security Description	Principal Activities	Total Fair Value \$	% of Total Fund Investments
SCENTRE GROUP	Property Trust	108,184,475	19.58
WESTFIELD CORPORATION	Property Trust	77,013,706	13.94
GOODMAN GROUP	Property Trust	62,878,325	11.38
STOCKLAND GROUP	Property Trust	52,849,851	9.57
DEXUS PROPERTY GROUP	Property Trust	47,929,467	8.67
GPT GROUP	Property Trust	43,132,369	7.81

## 7 Financial assets held at fair value through profit or loss (continued)

### Material investments (continued)

2017 Security Description	Principal Activities	Total Fair Value \$	% of Total Fund Investments
VICINITY CENTRES	Property Trust	42,125,795	7.62
MIRVAC GROUP	Property Trust	39,593,944	7.17

2016 Security Description	Principal Activities	Total Fair Value \$	% of Total Fund Investments
SCENTRE GROUP	Property Trust	141,813,268	21.66
WESTFIELD CORPORATION	Property Trust	110,215,849	16.84
GOODMAN GROUP	Property Trust	60,645,029	9.26
STOCKLAND GROUP	Property Trust	60,622,561	9.26
VICINITY CENTRES	Property Trust	58,721,205	8.97
GPT GROUP	Property Trust	52,566,238	8.03
DEXUS PROPERTY GROUP	Property Trust	46,885,807	7.16
MIRVAC GROUP	Property Trust	39,936,662	6.10

## 8 Financial liabilities held at fair value through profit or loss

	As at 30 June 2017 \$	30 June 2016 \$
<b>Held for trading</b>		
Derivatives (note 9)	118,325	-
Total held for trading	118,325	-
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>118,325</b>	<b>-</b>

An overview of the risk exposures relating to financial liabilities held at fair value through profit or loss is included in note 3.

## 9 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

## 9 Derivative financial instruments (continued)

Derivative transactions include many different instruments, such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivative instruments:

### (a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are settled daily with the exchange. Index futures are contractual obligations to receive or pay a net amount based on changes in indices at a future date at a specified price, established in an organised financial market.

The Fund's derivative financial instruments at year end are detailed below:

	Contract/ notional \$	Fair values	
		Assets \$	Liabilities \$
<b>30 June 2017</b>			
Australian share price index futures	<u>2,695,700</u>	-	<u>118,325</u>
	<u>2,695,700</u>	-	<u>118,325</u>

	Contract/ notional \$	Fair values	
		Assets \$	Liabilities \$
<b>30 June 2016</b>			
Australian share price index futures	<u>3,735,375</u>	<u>102,375</u>	-
	<u>3,735,375</u>	<u>102,375</u>	-

### Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in note 3 and note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.



## 10 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	30 June 2017 No.	30 June 2016 No.	Year ended 30 June 2017 \$	30 June 2016 \$
Opening balance	48,900,001	48,900,001	662,201,898	553,656,037
Applications	1,000,000	1,800,000	12,858,624	21,537,741
Redemptions	(4,200,000)	(1,800,000)	(54,379,587)	(22,820,187)
Increase/(decrease) in net assets attributable to unitholders	-	-	(63,771,177)	109,828,307
Closing balance	45,700,001	48,900,001	556,909,758	662,201,898

As stipulated within the Fund's Constitution, a unit confers an equal undivided, vested, and infeasible interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

### Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

### Unaudited information on capital gains/losses

#### (a) Unrealised capital gains/losses

At the end of the reporting period, the Fund had unrealised capital gains of \$76,185,100 (2016: capital gains: \$124,150,186), which if realised, and after any offset of realised capital losses, would be assessable.

#### (b) Realised capital gains/losses

At the end of the reporting period, the Fund had realised capital gains of \$28,014,559 (2016: capital losses: \$7,275,149) which were distributed to the unitholders.

#### (c) Realised capital gains distributed in specie

The Fund had realised capital gains of \$24,975,372 (2016: \$0), which were distributed to redeeming unitholders by way of in specie asset redemptions.

## 11 Distributions to unitholders

The distributions for the year were as follows:

	Year ended			
	30 June 2017	30 June 2017	30 June 2016	30 June 2016
	\$	CPU	\$	CPU
Distributions paid	15,747,555	34.07	15,369,050	30.89
Distributions payable	<u>8,179,890</u>	<u>17.90</u>	<u>7,224,583</u>	<u>14.77</u>
Total distributions	<u>23,927,445</u>	<u>51.97</u>	<u>22,593,633</u>	<u>45.66</u>

Distributions as disclosed above are excluding any realised capital gains streamed to unitholders. In accordance with the Constitution, such gains are streamed as part of the redemption activity and total proceeds are composed of Withdrawal Unit Capital Gain Entitlements and the Redemption Price.

## 12 Cash and cash equivalents

	As at	
	30 June 2017	30 June 2016
	\$	\$
Cash at bank	<u>3,072,355</u>	<u>4,687,215</u>
	<u>3,072,355</u>	<u>4,687,215</u>

As at 30 June 2017, these accounts were bearing a floating interest rate of 1.25% (2016: 1.50%).

### 13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(63,771,177)	109,828,307
Distributions to unitholders	23,927,445	22,593,633
Proceeds from sale of financial instruments held at fair value through profit or loss	14,383,993	17,701,939
Purchase of financial instruments held at fair value through profit or loss	(19,944,370)	(17,636,706)
Net (gains)/losses on financial instruments held at fair value through profit or loss	66,890,356	(105,434,430)
Dividend income reinvested	(551,747)	(2,010,503)
Net change in receivables	11,257	(379,025)
Net change in payables	164,844	(160,527)
Amount received from/(paid to) brokers for margin accounts	435,750	(641,107)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>21,546,351</b>	<b>23,861,581</b>
<b>(b) Non-cash financing activities</b>		
During the year, the following applications were satisfied by an in specie asset transfer	12,808,653	20,364,977
During the year, the following redemptions were satisfied by an in specie asset transfer	54,140,543	22,787,333

### 14 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
<b>PricewaterhouseCoopers Australian firm</b>		
<b>Audit and other assurance services</b>		
Audit and review of financial statements	22,715	22,715
Audit of compliance plan	1,130	1,130
Total remuneration for audit and other assurance services	23,845	23,845
<b>Taxation services</b>		
Tax compliance services	23,796	20,280
Total remuneration for taxation services	23,796	20,280
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>47,641</b>	<b>44,125</b>

In 2017 and 2016, the Investment Manager has paid the remuneration of auditors on behalf of the Fund.

## 15 Receivables

	As at	
	30 June 2017	30 June 2016
	\$	\$
Interest receivable	5,419	5,833
Dividend receivable	9,217,489	9,192,382
Other receivables	<u>1,283</u>	<u>37,233</u>
	<u>9,224,191</u>	<u>9,235,448</u>

## 16 Payables

	As at	
	30 June 2017	30 June 2016
	\$	\$
Management fee payable	377,909	204,921
Other payables	<u>73,164</u>	<u>81,308</u>
	<u>451,073</u>	<u>286,229</u>

## 17 Related party transactions

### Responsible Entity

The Responsible Entity of SPDR S&P/ASX 200 Listed Property Fund is State Street Global Advisors, Australia Services Limited. The ultimate holding company of the Responsible Entity is State Street Corporation (incorporated in the United States of America).

Under the terms of the Fund's Constitution, the Responsible Entity is entitled to receive fees of 0.50% (2016: 0.50%) per annum of the Net Asset Value, calculated as at the last day of each month and payable within 7 days of the end of the month. In accordance with the PDS, the Responsible Entity only charged 0.01% of the net asset value during 2017 (2016: 0.01% per annum).

### Key management personnel

Key management personnel includes persons who were directors of State Street Global Advisors, Australia Services Limited at any time during the financial year as follows:

Jonathan Shead (resigned as director 19 December 2016)  
Susan Darroch  
James MacNevin  
Matthew George (appointed as director 19 December 2016)

### Key management personnel compensation

Key management personnel are paid by State Street Global Advisors, Australia Limited. Payments made from the Fund to State Street Global Advisors, Australia Services Limited do not include any amounts attributable to the compensation of key management personnel remuneration.



## 17 Related party transactions (continued)

### Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

### Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving director's interests existing at year end.

### Investment Manager's fees and other fees for transactions provided by related parties

The Investment Manager of SPDR S&P/ASX 200 Listed Property Fund is State Street Global Advisors, Australia, Limited. The ultimate holding company of the Investment Manager is State Street Corporation (incorporated in the United States of America).

During the year the Investment Manager's fees were capped at 0.390% p.a. (2016: 0.389% p.a.). The cap takes account of both GST payable on the operating fees and expenses of the Fund and also the benefit of RITC. Additional information on the remuneration of the Investment Manager and its terms of appointment under an Investment Manager Alliance Deed are contained in the Fund's Product Disclosure Statement located at [www.spdrs.com.au](http://www.spdrs.com.au).

During the year the total annual management costs for the Fund (the Indirect Cost Ratio) were capped at 0.400% p.a. (2016: 0.400% p.a.).

The Custodian and Administrator of SPDR S&P/ASX 200 Listed Property Fund is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity, Investment Manager, the Custodian and Administrator were as follows:

	30 June 2017	30 June 2016
	\$	\$
Responsible Entity's fees for the year	63,164	62,421
Investment Manager's fees for the year	2,184,238	2,151,551
Custody and Administrator fees for the year	170,039	20,265
Related party transaction fees for the year	3,900	3,047
Aggregate amounts payable to the Responsible Entity/Investment Manager/Custodian and Administrator at the end of the reporting period	387,487	209,942

The Fund held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2017, the balance in the account was \$3,072,355 (2016: \$4,687,215).

## 17 Related party transactions (continued)

### Related party unitholdings

Parties related to the Fund (including State Street Global Advisors, Australia Services Limited, its related parties and other schemes managed by State Street Global Advisors, Australia Services Limited), held units in the Fund as follows:

#### 30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
State Street Global Advisors	1	1	12	-	-	-	1

#### 30 June 2016

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
State Street Global Advisors	1	1	14	-	-	-	1

### Investments

The Fund did not hold any investments in State Street Global Advisors, Australia Services Limited, its related parties or other funds managed by State Street Global Advisors, Australia Services Limited during the year (2016: Nil).

## 18 Segment information

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

The Fund operates in Australia and holds investments in Australia.

## 19 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact the financial position of the Fund disclosed in the Statement of financial position as at 30 June 2017 or the results and cash flows of the Fund for the year ended on that date.

## 20 Contingent assets and liabilities and commitments

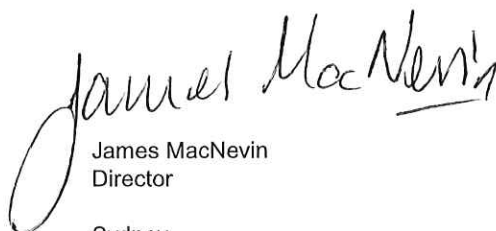
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2017 or 30 June 2016.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 33 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2017 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



James MacNevin  
Director

Sydney  
24 August 2017





## *Independent auditor's report*

To the unitholders of SPDR S&P/ASX 200 Listed Property Fund

### *Report on the audit of the financial report*

---

#### *Our opinion*

In our opinion:

The accompanying financial report of SPDR S&P/ASX 200 Listed Property Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Registered Scheme's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Directors' declaration.

---

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

#### ***Independence***

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)  
Liability limited by a scheme approved under Professional Standards Legislation.

## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Registered Scheme, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
<ul style="list-style-type: none"> <li>For the purpose of our audit we used overall materiality of \$5.6m which represents approximately 1% of the Registered Scheme's net assets</li> <li>We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.</li> <li>We chose net assets as the benchmark because, in our view, it is the most significant area of interest to the investors in the Registered Scheme and is a generally accepted benchmark in the fund</li> </ul>	<ul style="list-style-type: none"> <li>Our audit focused on where the directors of the Responsible Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.</li> <li>Our audit approach reflects the nature of the investments held by the Registered Scheme and the consideration of the work undertaken by third party service providers. The key service providers relevant to our audit are State Street Global Advisors, Australia, Limited (Investment Manager), who manages the Registered Scheme's investments and State Street Australia Limited (the appointed Administrator and</li> </ul>	<ul style="list-style-type: none"> <li>Amongst other relevant topics, we communicated the following key audit matter to the Board of Directors: <ul style="list-style-type: none"> <li>Investments in financial assets and financial liabilities</li> </ul> </li> <li>This is further described in the <i>Key audit matters</i> section of our report.</li> </ul>





industry.

- We selected 1% based on our professional judgement, noting that it is also within the range of commonly acceptable asset related thresholds in the industry.

Custodian for the Registered Scheme), who maintains the accounting records of the Registered Scheme and provides custodian services for the investments.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
<p><b>Investments in financial assets and financial liabilities</b></p> <p><i>Refer to note 2 (Summary of significant accounting policies) and note 5 (Fair value measurement)</i></p> <p>At 30 June 2017, the investment in financial assets and financial liabilities of \$553m and \$118k, respectively, was comprised of investments in equity instruments, unit trusts and futures contracts.</p> <p>This was a key audit matter because investments in financial assets and financial liabilities represent the principal element of the Statement of Financial Position in the financial statements, accounting for approximately 99% of net assets. A discrepancy in the valuation or existence of investments could cause the net asset value to be materially misstated which would also impact the Registered Scheme's reported performance as the valuation of investments is the main driver of movements in the profit of the fund.</p>	<p>We assessed independent auditor's reports over the Administrator's and Custodian's controls over the valuation and existence of investments. We assessed the reports by considering the other auditor's independence, competency and results of procedures. The assurance reports were unqualified although some individual controls were found to not be operating effectively. We assessed the nature and number of exceptions and evaluated whether there were compensating controls in the reports.</p> <p>We also performed the following procedures, amongst others:</p> <ul style="list-style-type: none"><li>• Together with PwC valuation experts, we obtained price data from third party price vendors and compared it to the price used by the Registered Scheme to value the investments.</li></ul> <p>For investments held in custody at the Custodian:</p> <ul style="list-style-type: none"><li>• We obtained a confirmation from the Custodian of the holdings at year end.</li><li>• We obtained the period end reconciliations of holdings per the custody records and holdings per the accounting records.</li><li>• We compared the total holdings per the reconciliations to the Custodian confirmation and the accounting records.</li></ul>



- We tested a sample of the largest reconciling items by obtaining supporting evidence to explain the differences noted.

For investments not held in custody at the Custodian, we obtained confirmations of the investment position from the relevant third party and compared the confirmed balance to the accounting records. Where we did not receive the third party confirmation, we performed alternative procedures such as obtaining the cash statement post year end showing the settlement of the investment position.

---

### *Other information*

The directors of the Responsible Entity are responsible for the other information. The other information comprises the Directors' Report, Unitholder Information and Corporate Directory included in the Registered Scheme's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### *Responsibilities of the directors of the Responsible Entity for the financial report*

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Scheme to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Registered Scheme or to cease operations, or have no realistic alternative but to do so.



---

### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

A stylized blue ink signature of the PricewaterhouseCoopers firm, written in a cursive script.

PricewaterhouseCoopers

A stylized blue ink signature of Joe Sheeran, written in a cursive script.

Joe Sheeran  
Partner

Sydney  
24 August 2017



## Unitholder Information

The following unitholder information set out below was applicable as at 30 June 2017.

There is only one class of units, being ordinary units.

### Distribution of holdings

Holding description	Number of unitholders
1 - 1,000	4,469
1,001 - 5,000	7,290
5,001 - 10,000	1,172
10,001 - 100,000	403
100,001 and over	18
Total	<u>13,352</u>

There were 47 holders of less than a marketable parcel.

### Top 20 holders

The names of the largest twenty holders of ordinary units in the Fund as at 30 June 2017 are listed below:

Name	Ordinary units	
	Number held	Percentage of units on issue %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,632,516	7.95
IOOF INVESTMENT MANAGEMENT LIMITED	848,981	1.86
CITICORP NOMINEES PTY LIMITED	830,696	1.82
NULIS NOMINEES (AUSTRALIA) LIMITED	799,209	1.75
BNP PARIBAS NOMS (NZ) LTD	769,748	1.68
BOND ST CUSTODIANS LTD	693,729	1.52
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	477,763	1.05
NATIONAL NOMINEES LIMITED	461,430	1.01
NETWEALTH INVESTMENTS LIMITED	390,286	0.85
NETWEALTH INVESTMENTS LIMITED	322,382	0.71
BAINPRO NOMINEES PTY LIMITED	318,977	0.70
IOOF INVESTMENT MANAGEMENT LIMITED	227,205	0.50
NAVIGATOR AUSTRALIA LTD	223,905	0.49
GUMALA INVESTMENTS PTY LTD	200,000	0.44
CUSTODIAL SERVICES LIMITED	174,946	0.38
IOOF INVESTMENT MANAGEMENT LIMITED	141,978	0.31
BT PORTFOLIO SERVICES LIMITED	120,950	0.26
BATIHA PTY LIMITED	110,000	0.24
PORTMAN TRADING PTY LIMITED	100,000	0.22
J P MORGAN NOMINEES AUSTRALIA LIMITED	<u>93,523</u>	<u>0.20</u>
Total	<u>10,938,224</u>	<u>23.94</u>



## Unitholder Information (continued)

### Substantial holder

Substantial holder in the Fund is set out below:

	Number held	Percentage of units on issue %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,632,516	7.95

The information set out above is summarised from substantial holder notices received by the RE during the year to 30 June 2017. This information may not accurately reflect current holdings. Unitholders in the Fund have been granted relief by ASIC so that they are only required to file substantial holder notices twice per year (within 2 business days of each 1 July and 31 December). Please see the current PDS for the Fund for further information.

There is currently no on-market buy-back in operation.

### Voting rights

Unitholders in the Fund are entitled to:

- On a show of hands - each member of the Fund has 1 vote;
- On a poll - each member of the Fund has 1 vote for each dollar value of the total interests they hold in the Fund.

Subject to the Corporations Act, ASX Listing Rules and the Fund Constitution, at meetings of unitholders of the Fund, SSGA, ASL as the RE, is entitled to vote in respect of units it holds for other registered managed investment schemes.

## **Corporate Directory**

### **Responsible Entity**

State Street Global Advisors, Australia Services Limited  
ABN 16 108 671 441  
Australian Financial Services Licence 274900

### **Registered Office**

Level 17  
420 George Street  
Sydney NSW 2000

Phone: (02) 9240 7600

### **Directors of the Responsible Entity**

Jonathan Shead (resigned as director 19 December 2016)  
Susan Darroch  
James MacNevin  
Matthew George (appointed as director 19 December 2016)

### **Secretary**

Phil Maher (resigned as secretary 19 December 2016)  
Peter Hocking (appointed as secretary 19 December 2016)

### **Compliance Committee**

Penni James (Chair, independent);  
James MacNevin (State Street Global Advisors, Australia Services Limited); and  
Richard E Stokes (independent)

### **Auditors of the Fund**

PricewaterhouseCoopers  
One International Towers Sydney  
Watermans Quay, Barangaroo  
GPO Box 2650, Sydney NSW 2001

### **Principal Registry**

Link Market Services Limited  
1a Homebush Bay Dr  
RHODES NSW 2138

Phone: 1300 665 385

### **Stock Exchange Quotations**

The Fund is quoted on the Australian Securities Exchange Limited. Its code is SLF.