

# **SPDR S&P/ASX Australian Bond Fund**

**(ARSN 159 002 623)**

**ASX Preliminary final report – 30 June 2015**

Lodged with the ASX under Listing Rule 4.3A

Previous corresponding period –year ended 30 June 2014

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**SPDR S&P/ASX Australian Bond Fund**  
**Year ended 30 June 2015**  
**(Previous corresponding period – year ended 30 June 2014)**

Results for Announcement to the Market

	2015 \$	\$ Change on last period	% Change	2014 \$
<b>Total investment income/(loss)</b> (revenue from ordinary activities)	<b>919,006</b>	Up by 309,872	Up by 50.87%	609,134
<b>Operating profit/(loss) for the year</b>	<b>874,565</b>	Up by 294,713	Up by 50.83%	579,852
<b>Profit/(loss) for the year</b> (see explanation below)	-	N/A	N/A	-

<b>Distributions</b>	Amount per unit	Imputation credit per unit
30 September 2014 interim distribution	18.52 cents	-
31 December 2014 interim distribution	24.60 cents	-
31 March 2015 interim distribution	32.87 cents	-
30 June 2015 final distribution	28.41 cents	-

<b>Record date</b> for determining entitlements to the distribution	30 September 2014
	31 December 2014
	31 March 2015
	30 June 2015

### Explanation of Investment income/(loss)

The Fund maintains its investment strategy in S&P/ASX Australian Fixed Interest Index listed 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, and
- Investment income such as 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*].

**SPDR S&P/ASX Australian Bond Fund**  
**Year ended 30 June 2015**  
**(Previous corresponding period – year ended 30 June 2014)**  
**(continued)**

**(i) Classification**

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

- 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 fixed interest securities.

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.

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. Prior to 1 July 2014, the quoted market price used for financial assets was the current bid price and the quoted market price for financial liabilities was the current asking price. The Fund changed its fair value inputs to utilise the last traded prices for both financial assets and financial liabilities. This change does not have a material impact on the Fund.

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. 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.

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

**SPDR S&P/ASX Australian Bond Fund**  
**Year ended 30 June 2015**  
**(Previous corresponding period – year ended 30 June 2014)**  
**(continued)**

**(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 March, June, September and December each year and recognised in profit or loss as finance costs attributable to unitholders.

**SPDR S&P/ASX Australian Bond Fund**  
**Preliminary abridged statement of comprehensive income**  
**For the year ended 30 June 2015**

Notes *	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
<b>Investment income</b>		
Interest income	494,692	344,809
Net gains/(losses) on financial instruments held at fair value through profit or loss	416,051	264,281
Other operating income	8,263	44
<b>Total net investment income/(loss)</b>	<u>919,006</u>	<u>609,134</u>
<b>Expenses</b>		
Responsible Entity's fees	1,598	1,051
Investment Manager's fees	34,543	23,195
Transaction costs	8,300	5,017
Other operating expenses	-	19
<b>Total operating expenses</b>	<u>44,441</u>	<u>29,282</u>
<b>Operating profit/(loss)</b>	<u>874,565</u>	<u>579,852</u>
<b>Finance costs attributable to unitholders</b>		
Distributions to unitholders	(630,633)	(298,895)
(Increase)/decrease in net assets attributable to unitholders	<u>(243,932)</u>	<u>(280,957)</u>
<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 Australian Bond Fund**  
**Preliminary abridged statement of financial position**  
**For the year ended 30 June 2015**

	Notes *	30 June 2015 \$	30 June 2014 \$
<b>Assets</b>			
Cash and cash equivalents		56,071	45,846
Due from brokers – receivable for securities sold		777,227	484,018
Receivables		190,502	123,332
Financial assets held at fair value through profit or loss		15,338,344	10,041,430
<b>Total assets</b>		<u>16,362,144</u>	<u>10,694,626</u>
<b>Liabilities</b>			
Due to brokers – payable for securities purchased		634,799	431,729
Payables		12,713	9,452
Distributions payable		171,960	72,935
<b>Total liabilities</b>		<u>819,472</u>	<u>514,116</u>
<b>Net assets attributable to unitholders - liability</b>		<u>15,542,672</u>	<u>10,180,510</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 Australian Bond Fund**  
**Preliminary abridged statement of changes in equity**  
**For the year ended 30 June 2015**

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</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.

**SPDR S&P/ASX Australian Bond Fund**  
**Preliminary abridged statement of cash flows**  
**For the year ended 30 June 2015**

Notes*	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	6,025,269	4,159,359
Purchase of financial instruments held at fair value through profit or loss	(11,117,899)	(4,266,988)
Interest received	549,159	358,360
Other income received	8,254	77
Responsible Entity's fees paid	(1,461)	(1,149)
Investment Manager's fees paid	(31,584)	(25,225)
Payment of other operating expenses	(8,135)	(2,585)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(4,576,397)</b>	<b>221,849</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	5,057,631	-
Distributions paid	(471,009)	(279,271)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>4,586,622</b>	<b>(279,271)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,225</b>	<b>(57,422)</b>
Cash and cash equivalents at the beginning of the year/period	45,846	103,268
<b>Cash and cash equivalents at the end of the year</b>	<b>56,071</b>	<b>45,846</b>

\* 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 Australian Bond Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2015**

**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 Australian Fixed Interest Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 24 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, and other sundry receivables. Liabilities consist of open buy trades not yet paid, accrued expenses not yet paid, the unpaid distribution based on the taxable income of the Fund and sundry items.

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

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

**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 Australian Bond Fund**  
**Notes to the preliminary abridged financial statements**  
**For the year ended 30 June 2015**  
**(continued)**

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

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
<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	243,932	280,957
Distribution to unitholders	630,633	298,895
Proceeds from sale of financial instruments held at fair value through profit or loss	6,025,269	4,159,359
Purchase of financial instruments held at fair value through profit or loss	(11,117,899)	(4,266,988)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(416,051)	(264,281)
Net interest bought/(sold)	121,628	6,192
Net change in receivables	(67,170)	7,392
Net change in payables	3,261	323
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(4,576,397)</b>	<b>221,849</b>

**(b) Non cash financing activities**

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

<b>60,599</b>	<b>20,992</b>
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**Segment note**

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.

**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 2015 or on the results and cash flows of the Fund for the year ended on that date.

**SPDR S&P/ASX Australian Bond Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2015**

**Additional distribution information**

Details of distributions declared or paid during or subsequent to the year ended 30 June 2015 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 2014	9 October 2014	Interim	18.52	111,675	-	-
31 December 2014	9 January 2015	Interim	24.60	148,468	-	-
31 March 2015	10 April 2015	Interim	32.87	198,530	-	-
30 June 2015	9 July 2015	Final	28.41	171,960	-	-

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**

Investors can elect to reinvest at the net asset value of the Fund under the terms of the current Distribution Reinvestment Plan. No discount applies to the issue of units under the Distribution Reinvestment Plan. An application to participate in the plan will be effective in respect of the first Distribution after receipt of the application form provided it is received on or before the books closing date for that Distribution.

**Retained Earnings**

N/A.

**NTA Backing**

	2014 \$	2014 \$
Net tangible asset backing per ordinary share	25.68	25.26

**Controlled entities acquired or disposed of**

N/A.

**SPDR S&P/ASX Australian Bond Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2015**  
**(continued)**

**Associates and Joint Venture entities**

N/A.

**Other significant information**

N/A.

**Foreign Accounting standards**

N/A.

**SPDR S&P/ASX Australian Bond Fund**  
**Supplementary Appendix 4E information**  
**For the year ended 30 June 2015**  
**(continued)**

**Commentary on results**

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

Operating profit was 144.49 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 September, December, March and June 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 Australian Fixed Interest Index.

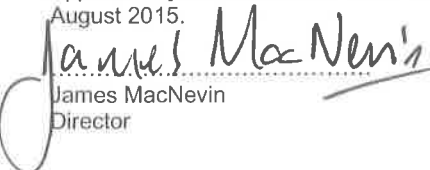
***Other factors that affected results in the period or which are likely to affect results in the future***

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 27 August 2015.

  
James MacNevin  
Director

