

Results for Announcement to the Market

SPDR S&P/ASX Small Ordinaries Fund

(ARSN 149 869 992)

ASX Preliminary final report – 30 June 2014

Lodged with the ASX under Listing Rule 4.3A

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SPDR S&P/ASX Small Ordinaries Fund
For the year ended 30 June 2014

Results for Announcement to the Market

	2014 \$	\$ Change on last year	% Change	2013 \$
Total investment income/(loss) <i>(Appendix 4E item 2.1)</i>	1,122,683	Up by 1,347,809	Up by 598.69	(225,126)
Operating profit/(loss) <i>(Appendix 4E item 2.2)</i>	1,057,631	Up by 1,322,077	Up by 499.94	(264,446)
Profit/(loss) for the year (see explanation below) <i>(Appendix 4E item 2.3)</i>	-	N/A	N/A	-

Distributions <i>(Appendix 4E item 2.4)</i>	Amount per unit	Imputation credit per unit
31 December 2013 Interim Distribution	13.9177 cents	5.8896 cents
30 June 2014 Final distribution	14.9112 cents	4.8120 cents

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

31 December 2013 30 June 2014

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

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

The Fund earns revenue predominantly from the following elements:

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

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

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

Financial instruments designated at fair value through profit or loss at inception is 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 reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Fund is the current bid price and the quoted market price for financial liabilities is the current asking price.

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.

(iv) Offsetting financial instruments

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

SPDR S&P/ASX Small Ordinaries Fund
For the year ended 30 June 2014
(continued)

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

Refer to above commentary.

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

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

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

In accordance with the Fund Constitution, the Fund 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 December and June each year and recognised in profit or loss as finance costs attributable to unitholders.

SPDR S&P/ASX Small Ordinaries Fund
Preliminary abridged statement of comprehensive income
For the year ended 30 June 2014

	Year ended	
	30 June	30 June
	2014	2013
Notes *	\$	\$
Investment income		
Dividend income	309,572	332,231
Interest income	1,741	570
Net gains/(losses) on financial instruments held at fair value through profit or loss	811,288	(558,098)
Other operating income	82	171
Total net investment income/(loss)	1,122,683	(225,126)
Expenses		
Responsible Entity's fees	1,050	709
Investment Manager's fees	44,503	33,587
Transaction costs	16,373	3,181
Withholding taxes on dividends	3,025	1,837
Other operating expenses	101	6
Total operating expenses	65,052	39,320
Operating profit/(loss)	1,057,631	(264,446)
Finance costs attributable to unitholders		
Distributions to unitholders	(230,945)	(216,035)
(Increase)/decrease in net assets attributable to unitholders	(826,686)	480,481
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-

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

SPDR S&P/ASX Small Ordinaries Fund
Preliminary abridged statement of financial position
As at 30 June 2014

	As at	
	30 June 2014	30 June 2013
Notes *	\$	\$
Assets		
Cash and cash equivalents	479,315	220,033
Margin accounts	15,216	15,831
Due from brokers - receivable for securities sold	-	72,434
Receivables	28,986	24,711
Financial assets held at fair value through profit or loss	<u>8,609,663</u>	<u>8,032,426</u>
Total assets	<u>9,133,180</u>	<u>8,365,435</u>
Liabilities		
Due to brokers - payable for securities purchased	-	64,711
Payables	7,524	10,618
Financial liabilities held at fair value through profit or loss	350	-
Distribution payable	<u>119,484</u>	<u>120,989</u>
Total liabilities (excluding net assets attributable to unitholders)	<u>127,358</u>	<u>196,318</u>
Net assets attributable to unitholders - liability	<u>9,005,822</u>	<u>8,169,117</u>

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

SPDR S&P/ASX Small Ordinaries Fund
Preliminary abridged statement of changes in equity
For the year ended 30 June 2014

	30 June 2014 \$	30 June 2013 \$
Total equity at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners		
Total equity at the end of the financial year	-	-

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 Small Ordinaries Fund
Preliminary abridged statement of cash flows
For the year ended 30 June 2014

	30 June 2014 \$	30 June 2013 \$
Notes *		
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	3,020,958	1,865,836
Purchase of financial instruments held at fair value through profit or loss	(2,787,709)	(1,858,582)
Amounts received from/(paid to) brokers for margin	9,490	21,667
Dividends received	305,988	330,442
Interest received	1,050	537
Other income received	82	2,868
Responsible Entity's fees paid	(971)	(764)
Investment Manager's fees paid	(44,169)	(33,028)
Payment of other operating expenses	(23,006)	-
Net cash inflow/(outflow) from operating activities	<u>481,713</u>	<u>328,976</u>
Cash flows from financing activities		
Distributions paid	(222,431)	(207,135)
Net cash inflow/(outflow) from financing activities	<u>(222,431)</u>	<u>(207,135)</u>
Net increase/(decrease) in cash and cash equivalents	259,282	121,841
Cash and cash equivalents at the beginning of the year	<u>220,033</u>	<u>98,192</u>
Cash and cash equivalents at the end of the year	<u>479,315</u>	<u>220,033</u>

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

SPDR S&P/ASX Small Ordinaries Fund
Notes to the preliminary abridged financial statements
For the year ended 30 June 2014

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 Small Ordinaries Index. The performance is determined by the market prices and the dividend yields of those stocks. Expenses are accrued at 50 basis points per annum of the net asset value on a daily basis. Certain transaction costs are expenses in addition to the aforementioned expense accruals.

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

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

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

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

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 Small Ordinaries Fund
Supplementary Appendix 4E information
For the year ended 30 June 2014

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

(a) The reconciliation of profit/(loss) to net cash inflow/(outflow) from operating (activities)

	30 June 2014 \$	30 June 2013 \$
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	826,686	(480,481)
Distribution to unitholders	230,945	216,035
Proceeds from sale of financial instruments held at fair value through profit or loss	3,020,958	1,865,836
Payment for purchase of financial instruments held at fair value through profit or loss	(2,787,709)	(1,858,582)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(811,288)	558,098
Amounts received from/(paid to) brokers for margin	9,490	21,667
Net change in receivables	(4,275)	(1,347)
Net change in payables	(3,094)	7,750
Net cash inflow/(outflow) from operating activities	481,713	328,976

(b) Non-cash financing activities

	30 June 2014 \$	30 June 2013 \$
During the year, the following applications were satisfied by in specie asset transfer	-	4,449,630
During the year, the following redemptions were satisfied by in specie asset transfer	-	2,460,587
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	10,019	4,073

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.

SPDR S&P/ASX Small Ordinaries Fund
Supplementary Appendix 4E information
For the year ended 30 June 2014

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 2014 or on the results and cash flows of the Fund for the period ended on that date.

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

Details of distributions declared or paid during or subsequent to the year ended 30 June 2014 are as follows:

Record date	Payment date	Type	Amount per unit in cents	Total distribution \$	Imputation credit per unit in cents	Foreign sourced distribution amount per unit in cents
31 December 2013	8 January 2014	Interim	13.9177	111,461	5.8896	0.7588
30 June 2014	9 July 2014	Final	14.9112	119,484	4.8120	1.2455

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 *(Appendix 4E item 7)*

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 *(Appendix 4E item 8)*

N/A.

NTA Backing *(Appendix 4E item 9)*

	2014 (\$)	2013 (\$)
Net tangible asset backing per ordinary share	11.24	10.21

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

N/A.

SPDR S&P/ASX Small Ordinaries Fund
Supplementary Appendix 4E information
For the year ended 30 June 2014

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

N/A.

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

N/A.

SPDR S&P/ASX Small Ordinaries Fund
Supplementary Appendix 4E information
For the year ended 30 June 2014
(continued)

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

Operating loss per unit attributable to unitholders

Operating gain per unit was 131.99 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 reinvestment. The distributions are payable at the end of December and June each year and recognised in profit or loss as finance costs attributable to unitholders.

Significant features of operating performance

N/A.

Results of segments

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

Trends in performance

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

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

No other factors affect the current year's results.


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

N/A.

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

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

Approved by the directors of State Street Global Advisors, Australia Services Limited on 26 August 2014.


James MacNevin
Director

