

SPDR S&P/ASX Small Ordinaries Fund

(ARSN 149 869 992)

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 Small Ordinaries 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 \$
Total net investment income/(loss) (revenue from ordinary activities)	164,704	Drop by 957,979	Drop by 85.33%	1,122,683
Operating profit/(loss) for the year	100,965	Drop by 956,666	Drop by 90.45%	1,057,631
Profit/(loss) for the year (see explanation below)	-	N/A	N/A	-

Distributions	Amount per unit	Imputation credit per unit
31 December 2014 interim distribution	14.07 cents	5.31 cents
30 June 2015 Final distribution	18.17 cents	6.05 cents

Record date for determining entitlements to the distribution	31 December 2014
	30 June 2015

Explanation of Investment income/(loss)

The Fund maintains its investment strategy in S&P/ASX Small Ordinaries 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, and
- 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]*.

SPDR S&P/ASX Small Ordinaries 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 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 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 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.

SPDR S&P/ASX Small Ordinaries Fund
Year ended 30 June 2015
(Previous corresponding period – year ended 30 June 2014)
(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.

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 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
As at 30 June 2015

	Notes *	Year ended 30 June 2015	Year ended 30 June 2014
		\$	\$
Investment income			
Dividend income		314,234	309,572
Interest income		3,067	1,741
Net gains/(losses) on financial instruments held at fair value through profit or loss		(152,597)	811,288
Other operating income/(loss)		-	82
Total investment income/(loss)		<u>164,704</u>	<u>1,122,683</u>
Expenses			
Responsible Entity's fees		931	1,050
Investment Manager's fees		43,986	44,503
Transaction costs		15,118	16,373
Withholding taxes on dividends		3,704	3,025
Other operating expenses		-	101
Total operating expenses		<u>63,739</u>	<u>65,052</u>
Operating profit/(loss)		<u>100,965</u>	<u>1,057,631</u>
Finance costs attributable to unitholders			
Distributions to unitholders		(240,553)	(230,945)
(Increase)/decrease in net assets attributable to unitholders		<u>139,588</u>	<u>(826,686)</u>
Profit/(loss) for the year		<u>-</u>	<u>-</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<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 Small Ordinaries Fund
Preliminary abridged statement of financial position
As at 30 June 2015

	Notes *	30 June 2015 \$	30 June 2014 \$
Assets			
Cash and cash equivalents		81,723	479,315
Margin accounts		8,350	15,216
Receivables		27,299	28,986
Financial assets held at fair value through profit or loss		7,709,598	8,609,663
Total assets		<u>7,826,970</u>	<u>9,133,180</u>
Liabilities			
Payables		7,084	7,524
Financial liabilities held at fair value through profit or loss		-	350
Distributions payable		127,703	119,484
Total liabilities (excluding net assets attributable to unitholders)		<u>134,787</u>	<u>127,358</u>
Net assets attributable to unitholders - liability		<u>7,692,183</u>	<u>9,005,822</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 Small Ordinaries 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 \$
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 2015

Notes*	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	2,635,919	3,020,958
Purchase of financial instruments held at fair value through profit or loss	(3,076,200)	(2,787,709)
Amounts received from/(paid to) brokers for margin	6,866	9,490
Distributions received	310,221	305,988
Interest received	3,662	1,050
Other income received/(paid)	-	82
Responsible Entity's fees paid	(944)	(971)
Investment Manager's fees paid	(44,546)	(44,169)
Payment of other operating expenses	(18,830)	(23,006)
Net cash inflow/(outflow) from operating activities	(183,852)	481,713
Cash flows from financing activities		
Distributions paid	(213,740)	(222,431)
Net cash inflow/(outflow) from financing activities	(213,740)	(222,431)
Net increase/(decrease) in cash and cash equivalents	(397,592)	259,282
Cash and cash equivalents at the beginning of the year	479,315	220,033
Cash and cash equivalents at the end of the year	81,723	479,315

* 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 Small Ordinaries 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 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 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 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
Notes to the preliminary abridged financial statements
For the year ended 30 June 2015

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

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
(a) Reconciliation of profit/loss to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(139,588)	826,686
Distribution to unitholders	240,553	230,945
Proceeds from sale of financial instruments held at fair value through profit or loss	2,635,919	3,020,958
Purchase of financial instruments held at fair value through profit or loss	(3,076,200)	(2,787,709)
Net (gains)/losses on financial instruments held at fair value through profit or loss	152,597	(811,288)
Distribution income reinvested	(5,246)	-
Net change in receivables	1,687	(4,275)
Net change in payables	(440)	(3,094)
Amounts received from/(paid to) brokers for margin accounts	6,866	9,490
Net cash inflow/(outflow) from operating activities	(183,852)	481,713

(b) Non cash financing activities

During the year, the following redemptions were satisfied by in specie asset transfer	1,192,701	-
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	18,594	10,019

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

SPDR S&P/ASX Small Ordinaries 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
31 December 2014	9 January 2015	Interim	14.07	112,850	5.31	1.50
30 June 2015	9 July 2014	Final	18.17	127,703	6.05	1.48

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

	2015 \$	2014 \$
Net tangible asset backing per ordinary share	10.94	11.24

Controlled entities acquired or disposed of

N/A.

Associates and Joint Venture entities

N/A.

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

Other significant information

N/A.

Foreign Accounting standards

N/A.

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

Commentary on results

Operating loss per unit attributable to unitholders

Operating gain per unit was 14.36 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. 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.

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

