

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of the SPDR® Straits Times Index ETF (the “Fund”) and complements the prospectus of the Fund (the “Prospectus”).¹
- It is important to read the Prospectus before deciding whether to purchase units in the Fund (“Units”). If you do not have a copy, please contact us to ask for one.
- You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase Units in the Fund, you will need to make an application in the manner set out in the Prospectus.

SPDR® STRAITS TIMES INDEX ETF
(formerly known as streetTRACKS® Straits Times Index Fund)

SGX counter name (SGX stock code)	STI ETF (ES3)	SGX-ST Listing Date	17 April 2002
Product Type	Exchange Traded Fund	Designated Market Maker	Credit Suisse Securities and Societe Generale Group
Manager	State Street Global Advisors Singapore Limited	Underlying Reference Asset	Straits Times Index
Expense ratio (for financial year ended 30 June 2010)	0.30%	Traded Currency	SGD

PRODUCT SUITABILITY

<p>WHO IS THE PRODUCT SUITABLE FOR?</p> <ul style="list-style-type: none"> • The Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> o seek a low cost “passive approach” to investing in an equity portfolio comprising primarily of the companies in the Straits Times Index; and o seek either an asset allocation tool for long-term investment in the Singapore market or a short-term trading instrument. 	<p><u>Further information</u></p> <p>Refer to the heading “Who Should Invest” in the “Key Information” section of the Prospectus for further information on product suitability.</p>
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¹ The Prospectus is available for collection at the Manager’s office during normal Singapore business hours or accessible at www.spdrs.com.sg.

KEY PRODUCT FEATURES	
<p>WHAT ARE YOU INVESTING IN?</p> <ul style="list-style-type: none"> You are investing in an exchange traded fund constituted as a unit trust in Singapore. The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index, by investing all or substantially all of the Fund's assets in the shares of companies which are constituent components of the Straits Times Index ("Index Shares"), in substantially the same weightings as reflected in the Straits Times Index. The Straits Times Index is maintained by FTSE International Limited. and represents the performance of the top 30 Singapore companies by market capitalisation. The index constituents are reviewed semi-annually in March and September and are diversified across all sectors. 	<p>Details on the values and construction methodology of the Straits Times Index are available online at the website http://www.ftse.com/Indices/FTSE_ST_Index_Series/index.jsp</p>
Investment Strategy	
<ul style="list-style-type: none"> The Manager employs an "indexing" approach intended to replicate as closely as possible the performance, before expenses, of the Straits Times Index. The Manager will generally invest the Fund's assets in all of the stocks comprising the Straits Times Index in the same approximate proportion as their weightings within the Straits Times Index. If the circumstances are such that this is impracticable, the Manager may employ, alone or in combination, other investment techniques in seeking to closely track the Straits Times Index. In addition, given that stocks may be added to or removed from the Straits Times Index from time to time, the Manager may sell stocks that are represented in the Straits Times Index, or purchase stocks that are not yet represented in the Straits Times Index, in anticipation of their removal from or addition to the Straits Times Index. 	
PARTIES INVOLVED	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> The Manager is State Street Global Advisors Singapore Limited. The Trustee is DBS Trustee Limited. The Custodian is State Street Bank and Trust Company. 	<p>Refer to the headings "<i>The Manager</i>" and "<i>The Trustee</i>" in Part I of the Prospectus for further information on their roles and responsibilities and what happens if they become insolvent.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the Units in the Fund (and any income from such Units) is not guaranteed and may go down as well as go up. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to the heading "<i>Principal Risks of Investing in the Fund</i>" in the "<i>Key Information</i>" section of the Prospectus and the heading "<i>Risk Factors</i>" in Part I of the Prospectus for further information on the risks of investing in the Fund.</p>

Market and Credit Risks	
<ul style="list-style-type: none"> • An investment in the Fund involves risks similar to those of investing in any equity fund, such as market fluctuations caused by economic and political developments, changes in interest rates and perceived trends in stock prices. A decline in the value of the Straits Times Index can therefore be expected to result in a similar decline in the net asset value (“NAV”) of the Units. • Units may trade at a discount or premium to their NAV. Although the Fund is listed on the SGX-ST, the trading price of the Units may differ from their NAV. The NAV of the Units will generally fluctuate with changes in the market value of the Index Shares. The trading price of the Units will depend on various factors such as investor confidence in the Singapore market and the level of supply and demand for Units on the SGX-ST. • There can be no assurance that there will be active trading in any of the Index Shares, and the prices at which the Index Shares are purchased or sold by the Fund may be adversely affected if trading markets for the Index Shares are limited or absent. 	
Liquidity Risks	
<ul style="list-style-type: none"> • Units are not individually redeemable. Except when aggregated in multiples of 500,000 Units, the Units are not redeemable. Also Units are usually redeemed in kind and not in cash. • Although the Units are listed on the SGX-ST, investors should be aware that there may be no liquid trading market for the Units. There can be no assurance that active trading markets for Units will develop. Liquidity in the secondary market for the Units may also be adversely affected if there is no market maker for the Fund. • The Fund may be terminated if Units are delisted from the SGX-ST, as there is no assurance that the Fund will be able to continue meeting SGX-ST’s listing requirements. • The SGX-ST may suspend trading in the Units whenever it determines that it is appropriate in the interests of a fair and orderly market to protect investors. During such suspension period investors will not be able to purchase or sell Units on the SGX-ST and creation and redemption of Units will also be suspended. 	<p>Refer to paragraph 24(p) of Part I of the Prospectus for situations in which redemption of Units may be suspended.</p>

Product-Specific Risks

- **The Fund is not actively managed** and the role of the Manager is essentially passive with its responsibility being to closely replicate the composition of the Straits Times Index. The Manager therefore may not sell a stock even if the stock’s issuer was thought to be in financial trouble unless that stock is removed from the Straits Times Index.
- **The Fund may not achieve its investment objective, i.e. it may not track the Straits Times Index exactly.** Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Straits Times Index due to various factors such as the Fund’s fees and expenses, transaction fees and stamp duty incurred in adjusting the Fund’s portfolio, dividends received, but not distributed, by the Fund and the unavailability of any Index Shares.
- **Dividends are not guaranteed.** The ability of the Fund to pay distributions is dependent on the dividends declared and paid by the companies whose shares are held by the Fund and the level of the Fund’s fees and expenses, and there can be no assurance that such companies will declare dividends or make other distributions.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Fees Payable by the Fund to Manager and Trustee

Annual Management Fee:	Currently no more than 0.3% per annum. Maximum 1.0% per annum.
Annual Trustee Fee:	Currently no more than 0.035% per annum, to be paid by the Manager and not by the Fund. Minimum S\$38,000 per annum. Maximum 0.15% per annum.
In-Kind Service Charges payable to Manager or the Trustee for each transaction:	The In-Kind Service Charge for a particular transaction will not in aggregate exceed the Transaction Fee paid to the Fund for that transaction.

Payable directly by you

- For purchases and sales on the SGX-ST: Normal brokerage and other fees apply. Please contact your broker for further details.

Refer to the heading “I. Fees and Charges” in the “Marketing Summary” section of the Prospectus for further information on fees and charges.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

- You may contact the Manager at telephone number +65 6826 7500.

DATED 31 MARCH 2011

Application was made to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 September 2001 for permission to list and deal in and for quotation of all the Units of the SPDR® STRAITS TIMES INDEX ETF (formerly known as streetTRACKS® Straits Times Index Fund) (the “Fund”) which may be issued from time to time. Such permission has been granted by SGX-ST and the Fund has been admitted to the Official List of SGX-ST. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus and admission to the Official List is not to be taken as an indication of the merits of the Fund or its Units.

If you are in doubt as to the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

SPDR®¹ STRAITS TIMES INDEX ETF
(formerly known as streetTRACKS® Straits Times Index Fund)

**PROSPECTUS REQUIRED PURSUANT TO DIVISION 2 OF
PART XIII OF THE SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE**

¹ SPDR® is a trademark of Standard & Poor's Financial Services, LLC and has been licensed for use by the SPDR® Straits Times Index ETF.

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SPDR® STRAITS TIMES INDEX ETF (THE “FUND”)

MARKETING SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus. The meanings of terms not defined in this summary can be found in the Glossary at the end of this Prospectus or in the Deed constituting the Fund.

A. Issue Price

The issue price of Units in the Fund cannot be ascertained as at the date of this Prospectus, but will vary from day to day in line with the price at which Units are issued in exchange for Deposit Investments and a cash payment (calculated in accordance with paragraph 16 of this Prospectus). This price will be affected by the price, number and type of Deposit Investments which Participating Dealers and Approved Applicants are required to supply in exchange for Units, and the sum of the Cash Equivalent Payment and Dividend Equivalent Payment ascertained in accordance with the provisions of Clause 9(B) of the Deed. The issue price can only be determined on the day that a request for creation of Units is made.

Units will not usually be available for cash subscription. Participating Dealers and Approved Applicants can apply to subscribe for Units in exchange for an Index Basket or Index Baskets of Index Shares.

B. Minimum Subscription

Unless investors purchase Units through Participating Dealers in Creation Unit size or whole-number multiples of Creation Units or are accepted as Approved Applicants, they should buy or sell Units in the Fund on the SGX-ST. Creation Requests for issuance of Units must be made through Participating Dealers or by Approved Applicants.

Currently, Creation Requests for Units in the Fund may only be made in a minimum of Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors that choose to subscribe for Units can usually only do so through Participating Dealers, unless they are accepted as Approved Applicants.

Investors are expected to buy Units on the secondary market.

C. Investment Objective

The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. The benchmark for the Fund is the Straits Times Index. There can be no assurance that the Fund will achieve its investment objective. The Fund will seek to achieve this objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Straits Times Index. Within the limits set out in the CPF Investment Guidelines, the Fund may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

D. Unit Trust Included under CPF Investment Scheme

The Fund is included for investment under the CPF Investment Scheme-Ordinary Account (“**CPF-OA**”). The risk classification given by the CPF for the Fund is Higher Risk – Narrowly-Focused (Singapore-Centred Securities).

The CPF interest rate for the CPF-OA is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate.

The new interest rate for the CPF Special, Medisave and Retirement Accounts (“**SMRA**”) will be pegged to the yield of 10-year Singapore government bond plus 1%. For 2010, the minimum interest rate for the SMRA will be 4.0% per annum. After 2010, the 2.5% per annum minimum interest rate, as prescribed by the CPF Act, will apply to the SMRA.

In addition, the CPF Board will pay an extra interest rate of 1% per annum on the first S\$60,000 of a CPF member’s combined balances, including up to S\$20,000 in the CPF-OA. The first S\$20,000 in the CPF-OA and the first S\$30,000 in the CPF Special Account will not be allowed to be invested under the CPFIS.

Investors should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

E. Investment Manager

The investment manager of the Fund is State Street Global Advisors Singapore Limited.

F. Potential Risks

Before investing in the Fund, investors should consider and satisfy themselves as to the risks associated with such an investment. There can be no assurance that the Fund will achieve its investment objective. The value of the Units in the Fund (and any income from them) is not guaranteed and may go down as well as up. An investment in the Fund involves investment risks, including possible loss of the amount invested. Some of the risk factors that should be considered generally by investors are risks specific to the Fund and the Straits Times Index, as well as other risk factors such as regional economic and political risks. More details of the potential risks are set out in the “Key Information” section and paragraph 4 of this Prospectus.

G. Creation and Redemption Procedures

Creations and purchases

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index Baskets, plus or minus a cash payment as determined by the Manager. Currently Units may only be issued in Creation Unit size of 500,000 Units, or whole-number multiples of 500,000 Units. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Redemptions and disposals

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 24 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Listing

The Fund was admitted to the Official List on the SGX-ST on 17 April 2002. Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis. The majority of trading activity in the Units is expected to occur on the SGX-ST.

Further details

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process **described in detail in paragraphs 16, 24 and 35 of this Prospectus.**

H. Not a Typical Unit Trust

Investors should note that the Trust is not like a typical unit trust offered to the public in Singapore. Among other things, Units may not usually be subscribed for or redeemed for cash (see paragraph 4.1(a) of this Prospectus), and Units may generally only be created and redeemed through Participating Dealers or by Approved Applicants, and in Creation Unit and Redemption Unit size which is presently set at 500,000 Units (see paragraphs 4.1(c) and 4.1 (k) of this Prospectus). For so long as Units are listed for quotation on the SGX-ST, investors who are not Participating Dealers or Approved Applicants shall have no right to request the Manager to redeem their Units. These features are not present in a typical unit trust offered to the public in Singapore where units can generally be purchased and redeemed for cash in comparatively smaller multiples of units. Furthermore, most investors will buy and sell Units on the SGX-ST in board lot sizes.

The structure of the Fund is described in full in this Prospectus. Accordingly, investors should read the full text of this Prospectus in order to understand the structural and operational features of the Fund.

I. Fees and Charges

Charges and Fees Payable to the Fund on Creation and Redemption by Participating Dealers and Approved Applicants²	
Transaction Fee on each Creation Request:	Currently no more than \$2,500 per Request. Maximum \$5,000.
Transaction Fee on each Redemption Request:	Currently no more than \$2,500 per Request. Maximum \$5,000.
Fees Payable by Fund to Manager and Trustee	
Annual Management Fee:	Currently no more than 0.3% per annum. Maximum 1.0% per annum.
Annual Trustee Fee:	Currently no more than 0.035% per annum, to be paid by the Manager and not by the Fund. Minimum \$38,000 per annum. Maximum 0.15% per annum.
In-Kind Service Charges payable to Manager for each transaction:	The In-Kind Service Charge for a particular transaction payable to the Manager and the Trustee will not in aggregate exceed the Transaction Fee paid to the Fund for that transaction.
In-Kind Service Charges payable to Trustee for each transaction:	The In-Kind Service Charge for a particular transaction payable to the Manager and the Trustee will not in aggregate exceed the Transaction Fee paid to the Fund for that transaction.
Marketing, Promotional and Advertising Expenses	As required by the Code on Collective Investment Schemes issued by the Authority, all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Manager and not charged to the deposited property of the Fund.

² The Transaction Fee may be passed on in whole or in part to the investor applying for creation or redemption through the Participating Dealer.

J. Cost of Dealing on the SGX-ST

A typical investor dealing on the SGX-ST will not bear any costs related to the creation and redemption of Units. However, investors will need to pay brokers' commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to the investor's individual agreement with, and paid directly by the investor to, the investor's broker, the CDP and other service providers of the investor.

K. Distributions

The amount of income or capital (as the case may be) distributable to investors for each Distribution Period will be determined by the Manager in its absolute discretion. The yield on the Units is anticipated to approximate the yield on the Straits Times Index. The Manager currently intends to make distributions, less the Fund's expenses, to investors in two payments each year.

On 11 August 2009, the Fund made a dividend distribution of S\$0.04 per Unit, totalling S\$10,620,000. The Fund made a second dividend distribution on 2 February 2010 of S\$0.03 per Unit, totalling S\$8,340,000. These dividend distributions are net of corporate tax at the tax rate of 17% (for the Year of Assessment 2010).

L. Information

No person is authorised to give any information or to make any representation other than as set forth in this Prospectus, and such other information or representation should be disregarded and should not be relied upon. Nothing contained herein is or should be relied upon as a warranty or representation as to future results or events. The delivery of this Prospectus, or the issue of the Units in the Fund, does not, under any circumstances, imply that the information contained herein is correct as of any time subsequent to the date hereof.

SPDR® STRAITS TIMES INDEX ETF

MANAGER

State Street Global Advisors Singapore Limited
Company Registration No.: 200002719D
168 Robinson Road, #33-01
Capital Tower,
Singapore 068912.

TRUSTEE

DBS Trustee Limited
6, Shenton Way,
DBS Tower 1, #36-02
Singapore 068809.

DIRECTORS OF THE MANAGER

Hon Wing Cheung
Bernard Patrick Reilly
Kelly Driscoll

CUSTODIAN

State Street Bank and Trust Company
168 Robinson Road, #33-01,
Capital Tower,
Singapore 068912.

AUDITORS

PriceWaterhouseCoopers
8 Cross Street #17-00,
PWC Building,
Singapore 048424.

SOLICITORS TO THE MANAGER

Clifford Chance Pte. Ltd.
One George Street,
19th Floor
Singapore 049145.

SOLICITORS TO THE TRUSTEE

KhattarWong
80, Raffles Place, #25-01,
UOB Plaza 1,
Singapore 048624.

State Street Global Advisors Singapore Limited accepts full responsibility for the accuracy of information contained in this Prospectus other than that given under the heading "REPORT OF THE AUDITORS" and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated, all terms not defined herein have the same meanings as used in the Deed relating to the SPDR® Straits Times Index ETF (formerly known as the streetTRACKS® Straits Times Index Fund) (the "Fund").

Subscribers or investors buying Units on the SGX-ST should seek professional advice to ascertain (a) the possible tax consequences or (b) the legal requirements which may be relevant to the subscription, holding or disposal of Units in the Fund and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of their countries of citizenship, residence or domicile which may be relevant to the subscription, holding or disposal of Units in the Fund.

The Fund is a Singapore-authorized standalone unit trust and subscription for Units and redemption of Units may be made on any Business Day as described in paragraphs 16 and 24 of this Prospectus. Subscription for Units (only in Creation Unit size or multiples thereof) must usually only be made by submission of a Creation Request to the Manager by a Participating Dealer or an Approved Applicant. Redemption Requests (only in Redemption Unit size or multiples thereof) must usually only be made in writing to the Manager by a Participating Dealer or an Approved Applicant. The majority of the dealing in Units of the Fund is expected to occur on the SGX-ST.

Subscribers wishing to invest in the Fund should consider the risks which are summarised in paragraph 4 of this Prospectus.

Any holder of Units in the Fund and any depositor named in the Depository Register as having Units in the Fund entered against his name may request all or part of his holding of Units to be redeemed in accordance with and subject to the provisions of the Deed (which are summarised in paragraph 24 of this Prospectus, i.e., in Redemption Unit size or multiples or thereof), which request must generally be made through a Participating Dealer or by an Approved Applicant.

Units in the Fund may be created or redeemed by any person applying through Participating Dealers to the Manager or by Approved Applicants on standard forms or otherwise as permitted by law, as described in this Prospectus. Investors should refer to this Prospectus for more details.

A Glossary containing a list of terms and expressions used in this Prospectus is found at the end of this Prospectus.

All enquiries about the Fund should be directed to the Manager, State Street Global Advisors Singapore Limited.

**KEY INFORMATION
ON
SPDR® STRAITS TIMES INDEX ETF**

The meanings of terms not defined in this section can be found in the Glossary at the end of this Prospectus or in the Deed constituting the Fund.

SPDR® STRAITS TIMES INDEX ETF

SPDR® Straits Times Index ETF (formerly known as streetTRACKS® Straits Times Index Fund) the “**Fund**”) is a unit trust which had applied to the SGX-ST on 14 September 2001 for permission to deal in and for quotation of all its Units which may be issued from time to time. The Fund was admitted to the Official List of the SGX-ST on 17 April 2002.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The Fund’s investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. There can be no assurance that the Fund will achieve its investment objective. The Fund will seek to achieve this objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Straits Times Index. Within the limits set out in the CPF Investment Guidelines, the Fund may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

The Manager employs an “indexing” approach intended to replicate as closely as possible the performance, before expenses, of the Straits Times Index.

The Straits Times Index, Singapore’s main market benchmark created by SPH Data, has evolved as part of a new partnership between SPH Data, FTSE and the Singapore Exchange. Unlike the original broader Straits Times Index, the new tradable Straits Times Index represents the performance of the top 30 Singaporean companies by market capitalisation, and has been designed to provide both domestic and international investors with access to the Singapore market. The index constituents are reviewed semi-annually in March and September and are diversified across all sectors.

A list of the current Straits Times Index constituent stocks is set out in Appendix A. Information on the index methodology and latest updates relating to the Straits Times Index is available at the website http://www.ftse.com/Indices/FTSE_ST_Index_Series/index.jsp.

The Manager will generally invest the Fund’s assets in all of the stocks comprising the Straits Times Index in the same approximate proportion as their weightings within that index. However, various circumstances may make it impossible or impracticable to purchase each component stock in such weightings. In those circumstances, the Manager may employ, alone or in combination, other investment techniques in seeking to closely track the Straits Times Index. In addition, given that stocks may be and are added to or removed from the Straits Times Index from time to time, the Manager may sell stocks that are represented in the Straits Times Index, or purchase stocks that are not yet represented in the Straits Times Index, in anticipation of their removal from or addition to the Straits Times Index.

WHO SHOULD INVEST?

The Fund is designed for investors who seek a low-cost “passive” approach to investing in an equity portfolio comprising primarily of the companies in the Straits Times Index. The Fund is suitable for long-term investment in the Singapore market, as an asset allocation tool, or as a short-term trading instrument. Units in the Fund represent a convenient way for investors to gain diversified exposure to the Singapore stock market with just one transaction on the SGX-ST.

LOW EXPENSES

The total combined management, trustee and other fees for the Fund are currently set at 0.3% per year of its net asset value and will not currently exceed this amount.

LISTING ON THE SGX-ST

The Fund is listed on the SGX-ST and was admitted to the Official List of the SGX-ST on 17 April 2002. A listing on the SGX-ST can provide benefits not available to investors in unlisted unit trusts or investment companies. Unlike conventional unit trusts and investment companies which are typically bought and sold only at closing net asset values (which are unknown at the time of dealing), the Fund’s Units will be tradable on the SGX-ST throughout the trading day. Units are quoted and traded on the SGX-ST in board lots of 1,000 Units.

Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis, and the trading in the Units will be in accordance with SGX-ST’s rules and guidelines governing the clearing and settlement of trades in securities.

An investor who acquires Units directly from a Participating Dealer may apply to the Depository for his Units to be entered against his name in the Depository Register in accordance with the Depository’s terms and conditions for the entering of off-market acquisitions of securities in its records.

TRADING PRICE OF UNITS INTENDED TO CLOSELY REFLECT NET ASSET VALUE PER UNIT

Creation and redemption of Units occur principally in-kind, in multiples of Creation Units, at each day’s next calculated net asset value. These arrangements are designed to protect investors from the adverse effects which arise from frequent cash subscription and redemption transactions which affect the net asset value of typical unit trusts. It is also designed to help keep the trading price of the Units close to the underlying net asset value. Trading strategies involving the Straits Times Index futures market should also further facilitate the alignment of the trading price of the Units with their net asset value. Please refer to the fuller description below of the creation and redemption process under the heading “Creation and Redemption of Units”.

MANAGING RISK BY DIVERSIFICATION

The Fund provides diversification across a number of sectors and industries, and therefore provides an efficient means for investors to reduce stock specific risk, both in terms of number and size of trade. The relatively small value of each board lot of Units provides investors with a flexible tool to match more closely the risk exposure of their portfolio.

LIQUIDITY

It is likely that there will always be a market for the Units issued by the Fund given the listing of the Fund on SGX-ST and the low fees that are charged to investors in the Fund. In addition, brokers are expected to actively trade the Units in the Fund to take advantage of any differences in value of the index shares of the Straits Times Index or futures on the Straits Times Index and that of the Units of the Fund. This will further enhance the likelihood of there being a market for Units. However, investors should note the listing of the Fund on SGX-ST does not guarantee a liquid market for the Units.

THE MANAGER

The Manager, State Street Global Advisors Singapore Limited, is an indirect wholly-owned subsidiary of State Street Corporation. State Street Global Advisors, the investment division of State Street Corporation, is one of the largest investment managers in the world, managing US\$1.9 trillion (approximately S\$2.67 trillion) as of 31 December, 2010 in equity, fixed income, real estate and derivative assets. State Street Global Advisors has offices in 28 worldwide locations, with portfolio management capabilities in Boston, Hong Kong, London, Montreal, Paris, Singapore, Sydney, Tokyo and Zurich.

THE TRUSTEE

The Trustee, DBS Trustee Limited, is an indirect wholly-owned subsidiary of DBS Bank Ltd. DBS Trustee Limited is an active player in the corporate trust business, providing services in respect of share schemes, debt issues, private funds and unit trust funds.

CREATION AND REDEMPTION PROCEDURES

Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis. **The majority of trading activity in the Units is expected to occur on the SGX-ST.**

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process.

The creation and redemption of Units generally may only be effected through Participating Dealers, unless an investor is accepted as an Approved Applicant. The Manager may from time to time accept certain entities as Approved Applicants. Approved Applicants may apply directly to the Manager and not through Participating Dealers, for the creation and redemption of Units in the Fund pursuant to the terms of the relevant Participation Agreement. If an investor wishes to become an Approved Applicant, it must execute an agreed form of Participation Agreement. The Manager has the absolute discretion to accept or reject any investor who wishes to become an Approved Applicant.

Creations and Purchases

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index Baskets, plus or minus a cash payment as determined by the Manager. Currently, Units may only be issued in Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors may not apply to the Manager directly for the issue of Units except in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are issued on a forward pricing basis, and therefore the Issue Price of Units shall not be ascertainable at the time of a Creation Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Redemptions and Disposals

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently, Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Investors may not apply to redeem their Units in the Fund directly except in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 24 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are redeemed on a forward pricing basis, and therefore the Redemption Value of Units shall not be ascertainable at the time of a Redemption Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Issue Price and Redemption Value

The Issue Price and Redemption Value are available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Owing to the nature of the Fund, it is subject to additional risks not usually present in traditional unit trusts. Some of the principal risks include the following:

- The value of the Units in the Fund (and any income which may be from them) is not guaranteed and may go down as well as go up. An investment in the Fund is not a deposit with a bank, and you could lose money by investing in the Fund's Units. Stock values could decline generally or could underperform other types of investments.
- Unlike many unit trusts where the investment management role involves considerable discretion and on ongoing active selection of investments (based on economic, financial, market and other analyses), the Fund is not actively managed. The role of the Manager is essentially passive with the responsibility being to closely replicate the composition of the Straits Times Index. The Manager therefore does not actively manage stock selections, and would not sell a stock because, for example, the stock's issuer was thought to be in financial trouble unless that stock is removed from the Straits Times Index.
- An investment in the Fund involves risks similar to those of investing in any fund of equity securities traded on an exchange, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. A decline in the value of the Straits Times Index can therefore be expected to result in a similar decline in the net asset value of the Units.
- The Fund may not achieve its investment objective. At any time the Fund's return may not match the return of the Straits Times Index for many reasons. For example, the Fund incurs a number of operating expenses not applicable to the Straits Times Index, and incurs costs in buying and selling securities, especially when rebalancing the Fund's holdings to reflect changes in the composition of the Straits Times Index. If the Fund employs a sampling approach, or holds futures or other derivative positions, its return may not correlate as well with the return on the Straits Times Index as would be the case if the Fund purchased all of the stocks comprising the Straits Times Index in precisely their index weights.

- Although the Fund is listed on the SGX-ST, the trading price of the Units may differ to some degree from the Units' net asset value. The Value of the Units will generally fluctuate with changes in the market value of the Index Shares. The market price of the Units will generally fluctuate in accordance with changes in the Value of the Units, as well as supply of and demand for Units of the Fund on the SGX-ST. It is impossible to predict whether Units will trade at, above or below their Value at any given time. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary market for Units will be closely related to, but not identical to, the same forces influencing the market prices of the index Shares. However, given that the Units can be created and redeemed in Creation and Redemption Unit sizes by Participating Dealers and Approved Applicants, as applicable, it is not anticipated that large discounts or premiums will be sustained.
- The Fund only issues Units in multiples of a specified number, referred to as a "Creation Unit" (currently 500,000 Units), in exchange, principally, for the securities which comprise the Straits Times Index at the time of issuance. Units are not individually redeemable. EXCEPT WHEN AGGREGATED IN MULTIPLES OF A REDEMPTION UNIT (currently also 500,000 Units), THE UNITS ARE NOT REDEEMABLE.

Potential investors are urged to consider the additional risk factors set out in paragraph 4 of this Prospectus.

THE INDEX SPONSOR

The Index Sponsor of the Straits Times Index ("**STI**") is FTSE International Limited ("**FTSE**"). The Index Sponsor and the Manager are independent of each other.

The Fund is not in any way sponsored, endorsed, sold or promoted by SPH Data Services Pte Ltd or Singapore Press Holdings Ltd (collectively "**SPH**") or FTSE. SPH and FTSE make no warranties or representations whatsoever, either expressly or impliedly, either as to the results to be obtained from the STI and/or the figure at which the STI stands at any particular time on any particular day or otherwise. SPH and FTSE do not warrant or represent or guarantee to any broker or holder of any units in the Fund sold or marketed by State Street Global Advisors Singapore Limited or any member of the public as to the accuracy or completeness of the STI and its computation or any related information. No warranties, representations or guarantees of any kind are made in relation to the STI or the Fund by FTSE or SPH. The units in the Fund are not issued, endorsed, sold or promoted by FTSE or SPH and neither FTSE nor SPH bear any liability in connection with the administration, marketing or trading of the units in the Fund.

The STI is calculated by FTSE and neither FTSE nor SPH accept any liability (whether in negligence or otherwise) towards any person for any error in the STI and shall not be under any obligation to advise any person of any error therein. The compilation or composition of the STI or the constituent stocks and factors may be altered or changed by FTSE without notice.

All intellectual property rights in the STI vest in SPH.

DISCLAIMER OF FTSE AND SPH

None of FTSE nor SPH, their respective related corporations, nor their respective directors or employees, nor any other party involved in, or related to, making or compiling the Straits Times Index (together, the “**Relevant Persons**”) makes any guarantee, warranty, representation or undertaking, express or implied, as to the accuracy, correctness, timeliness, completeness, originality, satisfactory quality, merchantability or fitness for any particular purpose of any of the values of the Straits Times Index (whether closing values or Intra-Day Proxies), the information provided or calculated by any Relevant Person relating to the Straits Times Index (the “**Information**”) or any information or data included in or referable to such values or Information. None of the Relevant Persons guarantees the uninterrupted or un-delayed calculation or dissemination of the Straits Times Index or any information relating to the Units or the Fund. None of the Relevant Persons guarantees that the Straits Times Index accurately reflects past, present, or future market performance. None of the Relevant Persons makes any guarantee or warranty, express or implied, as to results obtained or to be obtained by the Fund, the Manager, the holders or beneficial owners of the Fund, or any other person or entity from the use of the Straits Times Index, any Intra-Day Proxy, the Information or any information or data included therein. None of the Relevant Persons makes any representation or warranty, express or implied, and bears any liability with respect to the Fund and the Units of the Fund and/or the administration, marketing or trading thereof. None of the Relevant Persons makes any representation or warranty, express or implied, to any person regarding the advisability of investing in the Units or the Fund and none of the Units nor the Fund are sponsored, endorsed, guaranteed, sold or promoted by any of the Relevant Persons. Without limiting any of the foregoing, in no event shall any of the Relevant Persons assume any obligation or bear any responsibility or liability for (i) any losses, expenses or damages arising out of, in relation to or in connection with the trading, creation or redemption of the Units or any transaction in the component shares of the Straits Times Index for the purposes of arbitrage transactions in the Units or any error, omission, mistake, interruption or delay in the calculation or dissemination of the Straits Times Index, any Intra-Day Proxy and their respective values, the Information or any information or data included in, or referable to such values or Information, (ii) any lost profits, (iii) economic loss and/or (iv) any indirect, punitive, special, or consequential damages, even if notified of their possibility.

REPORTS

A copy of the annual report the Fund for the financial period ended 30 June 2010 and a copy of the semi-annual report of the Fund for the six-month period 1 July 2010 to 31 December 2010 are attached as Appendix B.

**PROSPECTUS REQUIRED PURSUANT TO
DIVISION 2 OF PART XIII OF THE
SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE**

The SPDR® Straits Times Index ETF (formerly known as streetTRACKS® Straits Times Index Fund) (the “Fund” or the “Trust”) offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). This Prospectus has been prepared in accordance with the requirements of the SFA. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of the various terms and expressions used in this Prospectus, if not defined here or in the Glossary at the end of this Prospectus can be found in the deed of trust (as amended) constituting the Fund.

**BASIC INFORMATION AND DATE OF REGISTRATION AND EXPIRY OF
PROSPECTUS**

- 1.1 The Fund is a Singapore-constituted authorised standalone unit trust.
- 1.2 The date of registration of this Prospectus is 31 March 2011. This Prospectus shall be valid for a period of 12 months after the date of registration (i.e., up to and including 30 March 2012) and shall expire on 31 March 2012.

THE DEED

2.1 The deed of trust setting up the Fund and relating to the interests being offered to the public for subscription (the “**Principal Deed**”) is dated 26 March 2002, and the parties to the Deed are State Street Global Advisors Singapore Limited (the “**Manager**”) and DBS Trustee Limited (the “**Trustee**”). The Fund is known as the SPDR® Straits Times Index ETF (formerly known as streetTRACKS® Straits Times Index Fund) and came into existence on the date of the Principal Deed in Singapore.

2.2 The Principal Deed has been amended by an Amending and Restating Deed dated 10 April 2003 (the “**Amending and Restating Deed**”), a Second Amending and Restating Deed dated 8 April 2005 (the “**Second Amending and Restating Deed**”), a Third Amending and Restating Deed dated 7 April 2006 (the “**Third Amending and Restating Deed**”), a Fourth Amending and Restating Deed dated 5 April 2007 (the “**Fourth Amending and Restating Deed**”), a Fifth Amending and Restating Deed dated 16 January 2008 (the “**Fifth Amending and Restating Deed**”) and a Sixth Amending and Restating Deed dated 31 March 2011 (the “**Sixth Amending and Restating Deed**”). The Principal Deed as amended by the Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed and the Sixth Amending and Restating Deed shall hereinafter be referred to as the “**Deed**”.

2.3 Under the Deed, the Trust is established as a unit trust, with the investment objective as described in paragraph 3 below.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

3.1 The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. There can be no assurance that the Fund will achieve its investment objective. The Manager will seek to achieve this objective by investing all, or substantially all, of the Fund's assets in Index Shares in substantially the same weightings as reflected in the Straits Times Index. Within the limits set out in the CPF Investment Guidelines, the Manager may invest in futures and derivatives instruments traded on Recognised Stock Exchanges and OTC Markets provided that such instruments are Authorised Investments.

3.2 The Manager employs an "indexing" approach intended to replicate as closely as possible the performance, before expenses, of the Straits Times Index. The Straits Times Index, Singapore's main market benchmark created by SPH Data has evolved as part of a new partnership between SPH Data, FTSE and the Singapore Exchange. Unlike the original broader Straits Times Index, the new tradable Straits Times Index represents the performance of the top 30 Singaporean companies by market capitalisation, and has been designed to provide both domestic and international investors with access to the Singapore market. A list of the current STI constituent stocks is set out in Appendix A.

The Manager will generally invest the Fund's assets in all of the stocks comprising the Straits Times Index in the same approximate proportion as their weightings within that index. However, various circumstances may make it impossible or impracticable to purchase each component stock in such weightings. In those circumstances, the Manager may employ, alone or in combination, other investment techniques in seeking to closely track the Straits Times Index. In addition, given that stocks may be and are added to or removed from the Straits Times Index from time to time, the Manager may sell stocks that are represented in the Straits Times Index, or purchase stocks that are not yet represented in the Straits Times Index, in anticipation of their removal from or addition to the Straits Times Index.

3.3 The Manager may invest in options, warrants, Futures Contracts and unlisted securities to the extent allowed by the CPF Investment Guidelines and any other applicable laws and regulations.

3.4 The Fund does not have a foreign exchange policy, and there are no relevant foreign exchange controls or restrictions.

RISK FACTORS

4.1 Investors in the Fund should consider and satisfy themselves as to the risks of investing in the Fund generally, and in securities and, in particular, securities quoted or listed in the SGX-ST. Some of the general risk factors that should be considered by the investors in the Fund include those set out under the heading “Principal Risks of Investing in The Fund” in the “Key Information” section of this Prospectus. In addition, investors should be mindful of the specific risks set out below:

- (a) Units will not be usually be redeemed for cash. Units may generally only be redeemed in kind by investors in Redemption Unit size (currently 500,000 Units), or whole-number multiples thereof through Participating Dealers or by Approved Applicants. Redeeming investors will receive Index Shares (plus or minus a cash payment (being the sum of the Cash Equivalent Payment and Dividend Equivalent Payment)). Redeeming investors may not be able to realise the value of Index Shares received on a redemption of Units in a timely manner or at any particular price if there is no liquid trading market for the Index Shares. However, if the Manager determines in its sole discretion that an Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by an investor, then the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming investor. **It is expected that most investors will dispose of their Units by selling them on the SGX-ST.**

- (b) Trading market in the Units. Although the Units are listed on the SGX-ST, investors should be aware that there may be no liquid trading market for the Units. There can be no assurance that active trading markets for Units will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Liquidity in the secondary market for the Units may also be adversely affected if there is no market maker for the Fund. A market maker is a broker or dealer registered by the SGX-ST as a designated market maker to act as such by making a market for the Units in the secondary market on the SGX-ST. A market maker’s obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid and offer prices for Units on the SGX-ST. Market makers accordingly facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SGX-ST. For so long as the Units are listed on the SGX-ST, the Manager intends to appoint at least one designated market maker for the Fund. The current designated market makers are Credit Suisse Securities and Societe Generale Group. Any change to the designated market makers will be announced on SGXNET.

- (c) Minimum creation and redemption size. Units will normally only be issued or redeemed in Creation Unit or Redemption Unit size aggregates (currently 500,000 Units). Investors who do not hold Redemption Unit size aggregates may only be able to realise the value of their Units by selling their Units on the SGX-ST (see also “Trading market in the Units” in sub-paragraph (b) above).
- (d) Units may trade at a discount or premium to Net Asset Value. The nature of the Fund is such that the Value of the Fund may differ from the trading price of the Units on the SGX-ST. Whilst the Value of Units will reflect the market value of the Deposited Property, trading prices of the Units on the SGX-ST may be lower or higher than the Value per Unit. Trading prices will be dependant upon a number of factors, including, without limitation, economic conditions in Singapore, investor confidence in the Singapore stock market and the level of supply and demand for Units. Creations or redemptions of Units are expected to reduce any significant discount or premium of the Units’ traded price to the Fund’s Value.
- (e) Value will not track Straits Times Index exactly. Changes in the Value of the Fund are unlikely to replicate exactly changes in the Straits Times Index. This is due to, amongst other things, the fees and expenses payable by the Fund, transaction fees and stamp duty incurred in adjusting the composition of the Fund’s portfolio to reflect changes in the Straits Times Index and dividends received, but not distributed, by the Fund. In addition, as a result of the unavailability of Index Shares, the transaction costs in making an adjustment outweighing the anticipated benefits of such adjustment, or for certain other reasons, there may be timing differences between changes in the Straits Times Index and a corresponding adjustment to the composition of the Fund’s portfolio. During times when Index Shares are unavailable or when the Manager determines it is in the best interests of the Fund to do so, the Fund may maintain a small cash position or invest in other permitted contracts or investments until Index Shares become available. The Fund may also hold Future Index Shares and/or Former Index Shares. Such costs, expenses, cash balances, timing differences or holdings could cause the Fund’s Value to be lower or higher than the relative level of the Straits Times Index.
- (f) Distributions are contingent on dividends paid on Index Shares. The ability of the Fund to pay distributions on the Units is dependent on the dividends declared and paid by the companies whose shares are held by the Fund and the level of fees and expenses payable by the Fund. Dividend payment rates of these companies are based on numerous factors, including their current financial condition, general economic conditions and their dividend policies. There can be no assurance that such companies will declare dividends or make other distributions. In addition, changes to the composition of the Straits Times Index (for example, the substitution of one constituent stock in the Straits Times Index with another paying higher or lower dividends) will

affect the level of dividends received by the Fund as a percentage of Value. To the extent possible, the Fund's fees and expenses will be paid out of the dividends the Fund receives. To the extent dividends received by the Fund are insufficient to meet its fees and expenses, the excess will be met by disposing of part of the Fund's portfolio of Index Shares and/or by short-term borrowing. Any such disposition of Index Shares or borrowing may cause the Fund's Value to fall, and may adversely affect the trading price of the Units. Investors may not therefore receive any distributions. Investors will not receive any dividends or other distributions directly from the companies in which the Fund invests.

- (g) Dependence upon trading market for Index Shares, Future Index Shares and Former Index Shares. All of the Index Shares are listed on the SGX-ST. The existence of a liquid trading market for the Index Shares may depend on whether there is supply of, and demand for, such Index Shares. There can be no assurance that there will be active trading in any of the Index Shares. The price at which the Index Shares may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the Value of the Fund may be adversely affected if trading markets for the Index Shares, Future Index Shares and Former Index Shares are limited or absent.
- (h) Lack of discretion by Manager to adapt to market changes. The Index Shares held by the Fund will passively reflect the distribution of companies whose shares comprise the Straits Times Index. Therefore, adverse changes in the financial condition or share performance of any company included in the Straits Times Index will not result in the sale of the shares of such company, and will be likely to affect adversely the Fund's Value and the trading price of the Units. The Manager will have limited discretion to remove the shares of such company from the Fund.
- (i) Trading in Units on SGX-ST may be suspended. Investors will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Units will also be suspended in the event that the trading of Units on the SGX-ST is suspended.
- (j) Units may be delisted from SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change its listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST.

- (k) Reliance on Participating Dealers. The creation and redemption of Units can only be effected through Participating Dealers, except for Approved Applicants and in restricted circumstances determined in the sole discretion of the Manager, with the approval of the Trustee. The number of Participating Dealers at any given time may be limited. Participating Dealers are under no obligation to accept instructions to create or redeem Units on behalf of investors. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities in the central clearing and settlement system established by the Depository is disrupted or clearing and settlement of in-kind transactions on the system established by the SGX-ST is disrupted or the Straits Times Index is not compiled or published. In addition, Participating Dealers will not be able to create or redeem Units if some other event occurs which impedes the calculation of the Value of the Fund by the Manager or during which delivery of Index Shares or disposal of the Fund's investments cannot be effected normally.
- (l) Suspension of Creations and Redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended in the event that the creation and redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.
- (m) Investing in derivatives. As the Fund may invest in derivatives (provided that such instruments are Authorised Investments), it may be subject to risks associated with such investments. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives be monitored closely. The Manager has the necessary controls for investment in derivatives and has in place systems to monitor any derivative positions for the Fund.
- (n) Use of Futures Contracts and options contracts involve certain risks. The Manager may use Futures Contracts and options for the purpose of hedging and achieving the Fund's Investment Objective. In particular, the Manager may invest the Fund's assets in Futures Contracts and options in order to try to minimise tracking error between the Straits Times Index and the Value of the Fund. There is no guarantee that such techniques will achieve their desired result. There are certain investment risks in using Futures Contracts and options. Such risks may include: (i) the inability to close out a Futures Contract or option caused by the non-existence of a liquid secondary market; and (ii) an imperfect correlation between price movements of the Futures Contracts or options with price movements of the subject portfolio securities or subject securities index. Further, the risk of loss in trading Futures Contracts is potentially great, due to both the low margin deposits required,

and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a Futures Contract may result in immediate and substantial loss (or gain) to the Fund.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results in either a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see above). If the option expires worthless, the Fund will suffer a total loss of its investment which will consist of the option premium plus transaction costs.

- (o) Changes in the Straits Times Index. The Straits Times Index is subject to regular review and revisions. Announcements that are made with respect to potential deletions from and additions to the Straits Times Index can affect the price of affected companies as well as other companies and the Straits Times Index as a whole. The Fund will, typically, hold securities issued by companies that may be deleted from the Straits Times Index and will, typically, begin to acquire securities issued by companies that may be added to the Straits Times Index. The relative performance of these two groups of stocks can have an adverse impact on the Fund.
- (p) Termination of Trust. The commercial success of the Fund is dependent on attracting assets under management significantly larger than a traditional unit trust. In the event that the size of the Fund falls below \$100,000,000 on any day falling two years or more after the date of the Deed, the Manager may terminate the Fund. Please see paragraph 12 of this Prospectus for full details as to the circumstances under which the Fund may be terminated.
- (q) Licence to use Straits Times Index may be terminated. The Manager has been granted a licence (the “**Licence**”) under the Licence Agreement to use the Straits Times Index as a basis for the composition of the Fund, and to use certain trade names and trademarks associated with the Straits Times Index. The Manager is unlikely to be able to fulfil the Investment Objective in the event that the Licence is terminated. The Licence is valid for a period of 2 years from 14 September 2001 (the “**Fixed Term**”), and will be renewed automatically thereafter for two year periods (each a “**Renewal Term**”) subject to the Manager and the Index Sponsor reaching agreement on the licence fee. The Licence/Licence Agreement may be terminated in certain circumstances, including the following:
 - (i) prior to the end of each Renewal Term, the Manager or the Index Sponsor has the option to terminate the Licence Agreement by giving no less than 3 months’ prior notice in writing to the other party of such intention to terminate with such notice to take effect at the end of the then Renewal Term;

- (ii) by the Index Sponsor upon written notice to the Manager in the event of any change in the applicable laws or regulations that materially impacts upon the Index Sponsor's ability to grant the Licence, or materially increases the Index Sponsor's costs in connection with the granting of the Licence and the Manager does not reimburse the Index Sponsor for such increased costs;
- (iii) if the Index Sponsor ceases to publish the Straits Times Index, and the Index Sponsor does not intend to publish a replacement or substitute index, or if the Manager elects not to use the replacement or substitute index, the Licence Agreement will terminate on the last day of publication of the Straits Times Index;
- (iv) in the event that the Manager is in material breach of the Licence Agreement, and does not, in the case of a remediable breach, remedy the breach within 30 days of receiving notice in writing from the Index Sponsor specifying the breach and requiring the same to be remedied;
- (vi) in the event that the Manager is in material breach of any laws of the relevant jurisdiction or jurisdictions or is convicted of any offence relating to the Units or to the trading thereof;
- (v) in the event the Manager is found by any relevant exchange or self-regulating organisation or authority or government body to be in material breach of any of the laws, by-laws, rules and codes of practice of that exchange or organisation or authority or government body applicable from time to time to the Manager; or
- (vi) in the event the Manager:–
 - (1) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due or fails to satisfy a statutory demand served on it;
 - (2) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (3) institutes or has instituted against it proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or judicial management or any similar corporate administration;
 - (4) has a resolution passed for its winding-up or judicial management or any similar corporate administration;

- (5) seeks or becomes subject to the appointment of a judicial manager, provisional liquidator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; or
 - (6) has a mortgagee, chargee or other secured party take possession of all or any part of its undertaking or assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or any part of its assets.
- (r) Foreign Exchange Risks. All or substantially all of the Fund's assets will be invested in instruments denominated in Singapore dollars. Investors whose base currency is other than the Singapore dollar will be subject to the risk of fluctuations in the value of their base currency vis-a-vis the Singapore dollar.
- (s) Errors or inaccuracies in the Straits Times Index. There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Straits Times Index, which may result in significant deviations between the Value of the Units and the value of Deposited Property. The Manager and the Trustee are not responsible or involved in the compilation or calculation of the Straits Times Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

SEMI-ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS

5.1 Copies of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Fund may be obtained from the Manager upon request.

THE TRUSTEE

6.1 The Trustee under the Deed is DBS Trustee Limited whose registered office is at 6, Shenton Way, DBS Tower 1, #36-02, Singapore 068809. The Trustee does not have any material conflict of interest with its position as trustee of the Fund.

6.2 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Trustee:–

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee.

In the event of the Trustee desiring to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Trust in the place of the retiring Trustee upon and subject to such corporation entering into a deed supplemental to the Deed providing for such appointment.

If no new trustee is appointed by the Manager as aforesaid within a period of three months after the date of receipt by the Manager of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new trustee of the Trust constituted by the Deed on the same basis as aforesaid.

The Trustee may be removed by notice in writing to the Trustee by the Manager in any of the following events:–

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
- (b) if the Trustee ceases to carry on business;
- (c) if the Trustee fails or neglects after reasonable written notice from the Manager to carry out or satisfy any duty imposed on the Trustee by the Deed;
- (d) if the Holders or (as the case may be) the Depositors by a resolution proposed and duly passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution ("**Extraordinary Resolution**") at a meeting of Holders or (as the case may be) the Depositors, held in accordance with the provisions contained in the First Schedule to the

Deed and of which not less than twenty-one days' written notice has been given to the Trustee and the Manager shall so decide; or

- (e) if the Authority directs the removal of the Trustee.

In any of such events the Manager shall appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Trust and the Trustee shall upon receipt of notice by the Manager execute such deed as the Manager shall require under the common seal of the Trustee appointing the new trustee to be trustee of the Trust and shall thereafter ipso facto cease to be the Trustee.

THE MANAGER

7.1 The management company relating to the interests under the Deed is State Street Global Advisors Singapore Limited whose registered office and principal place of business is at 168 Robinson Road, #33-01 Capital Tower, Singapore 068912. The Manager was incorporated on 31 March 2000, in Singapore. The Manager is an indirectly wholly owned subsidiary of State Street Corporation, a bank holding company in the United States of America whose shares are traded on the New York Stock Exchange. The Manager was formed to offer investment management services to clients in the South East Asian region and is licensed with the Monetary Authority of Singapore under the SFA. The Manager converted from a private company limited by shares to a public company limited by shares on 29 March 2001. The issued share capital of the Manager is 1,360,000 ordinary shares of \$1.00 each.

7.2 The relevant experience of the Manager includes the following:

The Manager is a fund manager in Singapore licensed to provide fund management services and has been providing such services since 2000. From Singapore, the Manager provides fund management services for clients in the South East Asian region.

7.3 The other investment funds managed by the Manager are the following:

The Manager manages the ABF Pan Asia Bond Index Fund, which is a Singapore unit trust authorised by the Authority for offer to the public in Singapore.

7.4 The names, descriptions and addresses of all the directors of the Manager are:–

- (a) Hon Wing Cheung, director, c/o 168 Robinson Road, #33-01, Capital Tower, Singapore 068912. His relevant experience includes portfolio management roles in State Street Global Advisors in London, Hong Kong and Singapore. He is also a director of Asia Securities Industry and Financial Markets Association;

- (b) Bernard Patrick Reilly, director, c/o Level 17, 420 George Street, Sydney NSW 2000, Australia. His relevant experience includes management roles in State Street Global Advisors in the Asia Pacific region. He also holds directorships in State Street Global Advisors, Australia, Ltd, State Street Global Advisors Asia Limited, SSgA Investment Research Services Private Limited and Korea Venture Fund Management Company; and
- (c) Kelly Driscoll, director, c/o 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Kelly is a director of State Street Global Advisors Asia Limited and State Street Global Advisors Singapore Limited.

7.5 The principal officers of the Manager are its directors, as described in paragraph 7.4 above.

7.6 The Manager will remain as manager of the Fund until it is terminated in accordance with the provisions of the Deed.

8.1 The Manager will be assisted in the management of the Fund in a limited way by State Street Global Advisors Asia Limited, which will provide non-discretionary investment advice.

8.2 State Street Global Advisors Asia Limited's registered address is 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The Manager and State Street Global Advisors Asia Limited are members of the State Street group of companies.

8.3 The fees charged by State Street Global Advisors Asia Limited will be paid by the Manager and these fees will not be charged to the Fund.

9. The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Manager:–

9.1 The Manager shall be subject to removal by notice in writing given by the Trustee in any of the following events:–

- (a) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager;
- (b) if the Manager ceases to carry on business;
- (c) if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any obligations imposed on the Manager by the Deed;

- (d) if for good and sufficient reason the Trustee is of the opinion, and so states in writing, that a change of Manager is desirable in the interests of the Holders or (as the case may be) the Depositors Provided That if the Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act (Chapter 10), before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and third of whom shall be appointed by the President for the time being of the Law Society of Singapore (failing which appointment the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant thereto shall be binding on the Manager, the Trustee, the Holders and (as the case may be) the Depositors;
- (e) if the Holders and (as the case may be) the Depositors by Extraordinary Resolution passed at a meeting of Holders and (as the case may be) the Depositors duly convened and held in accordance with the provisions of the First Schedule to the Deed shall so decide; or
- (f) if the Authority directs the Trustee to remove the Manager.

In the cases under sub-paragraphs (a), (b), (c) and (e) above, the Manager shall upon notice by the Trustee as aforesaid ipso facto cease to be the Manager. In the case under sub-paragraph (d) above, if the matter has been referred to arbitration, the removal of the Manager shall only take effect when a decision that the Manager shall be removed is made pursuant to such arbitration.

9.2 The Manager may, in its absolute discretion, retire as manager by giving not less than six months' notice in writing to the Trustee given so as to expire at the end of the Accounting Period current at the end of the third year after the date of the Deed or any year thereafter. Upon so retiring and upon payment to the Trustee of all sums due by the Manager to the Trustee under the Deed at the date thereof, the Manager shall be absolved and released from all further obligations under the Deed, but without prejudice to the rights of the Trustee or of any Holder, former Holder, Depositor or former Depositor, or other person in respect of any act or omission prior to such retirement.

9.3 Upon the removal or retirement of the Manager for any reason, the Trust will be terminated.

THE AUDITORS

10. The Auditors of the accounts relating to the interests under the Deed are PriceWaterhouseCoopers, of 8, Cross Street, #17-00, PWC Building, Singapore 048424 (the "**Auditors**").

11. The following is a summary of the provisions in the Deed regulating the appointment, retirement, removal and replacement of the Auditors:–

- (a) the Auditors shall be appointed by the Manager with the prior written approval of the Trustee;
- (b) the Auditors may voluntarily retire by notice in writing to the Manager. Upon the retirement of the Auditors, the Manager shall, with the prior written consent of the Trustee, appoint other auditors in their place;
- (c) the Manager with the prior written consent of the Trustee may from time to time remove the Auditors and appoint other auditors in their place; and
- (d) the Auditors may be removed, and other auditors appointed, by Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors.

DURATION AND TERMINATION OF THE TRUST

12.1 The Trust constituted by the Deed is of indeterminate duration and shall continue until terminated in the manner provided in the Deed.

12.2 Under the provisions of the Deed:–

- (a) the Trust may be terminated by the Manager in its absolute discretion by not less than six months' notice in writing to the Trustee, given so as to expire at the end of the Accounting Period current at the end of the fifth year after the date of the Deed or any year thereafter. The Manager shall be entitled by notice in writing as aforesaid to make the continuation of the Trust beyond any such date conditional on the revision to its satisfaction at least three months before the relevant date of its remuneration under the Deed. In the event that the Trust shall fall to be terminated or discontinued, the Manager shall give notice thereof to all Holders and (as the case may be) the Depositors not less than three months in advance;
- (b) subject to section 295 of the SFA, the Trust may be terminated by the Trustee by notice in writing if:–
 - (i) the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business;

- (ii) any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust; and
 - (iii) within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire, the Manager shall have failed to appoint a new trustee within the terms of Clause 30 of the Deed;
- (c) the Trust may be terminated by the Manager in its absolute discretion by notice in writing if:–
 - (i) on the second anniversary of the date of the Deed or on any date thereafter the aggregate Value of the Deposited Property shall be less than \$100,000,000;
 - (ii) any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust;
 - (iii) the Trust ceases to be listed on the SGX-ST;
 - (iv) the STI (or any successor index) ceases to be compiled or published; or
 - (v) the Licence Agreement is terminated.
- (d) the Trust may be terminated at any time after five years from the date of the Deed by Extraordinary Resolution of a meeting of the Holders and (as the case may be) the Depositors duly convened and held in accordance with the provisions contained in the First Schedule to the Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide; or
- (e) the Trust will terminate automatically if the Manager is removed or retires.

The party terminating the Trust shall give notice thereof to the Holders and (as the case may be) the Depositors fixing the date at which such termination is to take effect and such date shall not be less than three months after the service of such notice.

The Trustee may (with the consent of the Manager) remove the Trust to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Trust and in the interests of the Holders and (as the case may be) the Depositors to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

12.3 Upon the Trust being terminated, the Trustee or the Manager, as appropriate, shall, subject to authorisations or directions (if any) given to it by the Holders and (as the case may be) the Depositors pursuant to their powers contained in the First Schedule to the Deed, proceed as follows:–

EITHER

- (a) the Trustee and/or the Manager shall sell all Authorised Investments then remaining in its hands as part of the Deposited Property and the Trustee shall repay out of the Deposited Property any borrowing effected by the Trust under Clause 14(C) of the Deed (together with any interest accrued but remaining unpaid) for the time being outstanding and such sale shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee thinks advisable; and
- (b) the Trustee shall from time to time distribute to the Holders and the Depository in respect of the Depositors in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property and available for the purposes of such distribution Provided That the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay in respect of each undivided share in the Deposited Property 10 per cent. of the Redemption Value of the Unit on the last Dealing Day before the termination of the Trust and Provided Also That the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of Clause 34 of the Deed full provision for all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of this Trust and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution shall be made to the Holders and the Depository in respect of the Depositors in accordance with the provisions of Clause 18(A) of the Deed and upon delivery to the Trustee of such form of request for payment as the Trustee shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Trustee under the provisions of Clause 34 of the Deed may at the expiration of 12 months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

OR

- (c) the Trustee and/or the Manager shall at such time or times as it may deem convenient distribute in specie to the Holders and the Depository in respect of the Depositors *pro rata* to the number of Units held or deemed to be held by them respectively all shares and other property then remaining in its hands as part of the Deposited Property. Each Holder and Depositor shall be entitled to receive approximately a proportionate amount of the Deposited Property (provided that no fraction of any share shall be distributed and nothing shall oblige the Trustee or the Manager (as the case may be) to distribute any shares other than in round lots, although at the discretion of the Trustee or the Manager (as the case may be), it may distribute any shares in odd lots available for distribution together with a balancing payment in cash in the case of Holders or Depositors who shall not receive the full proportionate amount of any shares and for such purpose the Trustee or the Manager, as applicable, may sell any shares remaining in its hands as part of the Deposited Property. Such distribution shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee and/or the Manager, in its or their respective absolute discretion, thinks advisable.

THE TRUST AND THE INTERESTS ISSUED OR OFFERED

13.1 The interests issued or offered to the public are represented by Units comprised in the Trust, the property of which is or shall be invested in Authorised Investments as are authorised in the Deed.

13.2 Authorised Investments means:–

- (a) any Index Shares including options and warrants on such Index Shares;
- (b) any Future Index Shares including options and warrants on such Future Index Shares;
- (c) any Former Index Shares;
- (d) any Futures Contracts including options on such Futures Contracts;
- (e) for the duration that the Trust shall be a CPF Fund, any investment for the time being included by the Minister for Manpower or other relevant authority for the purposes of unit trust schemes included as CPF Funds under the CPFIS Regulations, which qualifies as an Index Share; and
- (f) any other investments not covered by sub-paragraphs (a), (b), (c), (d) and (e) of this definition as determined by the Manager and approved by the Trustee (such approval to be confirmed in writing).

13.3 “Index Shares” is defined in the Deed to mean the shares listed on the SGX-ST being the shares of the companies which are from time to time constituent components of the Straits Times Index.

13.4 A “Future Index Share” is defined in the Deed to mean a share listed or to be listed on the SGX-ST and which the Index Sponsor has announced will be included in the Straits Times Index or which the Manager and the Trustee reasonably believe will be included in the Straits Times Index within 30 days of including it in the Deposited Property and/or Index Basket.

13.5 A “Former Index Share” is defined in the Deed to mean a share which was formerly, but has ceased to be, an Index Share.

13.6 A “Futures Contract” is defined in the Deed to mean any futures contract which is traded on the Singapore Exchange Derivatives Trading Limited.

13.7 The investment restrictions as set out in the CPF Investment Guidelines and in the Non-Specialised Funds Investment Guidelines shall apply to the Trust.

13.8 The Deed provides that in relation to the Fund as a CPF Fund, the provisions set out in the CPF Investment Guidelines relating to borrowings shall apply to the Fund in addition to Clause 14(C) of the Deed. Subject to the CPF Investment Guidelines and the Non-Specialised Funds Investment Guidelines, which impose limits on the amount of borrowing that may take place, the Trustee may at any time at the request of the Manager concur with the Manager in making and varying arrangements for the borrowing by the Trustee for account of the Trust of any currency for the purposes of the Trust.

NATURE OF INTERESTS AND RIGHTS OF HOLDERS AND DEPOSITORS

14. The Deposited Property of the Fund is held on trust by the Trustee for the benefit of the Holders and (as the case may be) the Depositors pari passu according and subject to provisions of the Deed. In addition to rights conferred by the Companies Act, the rights of the Holders and (as the case may be) the Depositors under the Deed include the right to remove the Trustee, the Manager and the Auditors, to terminate the Fund or the Trust, to conduct meetings of Holders and the Depositors, and to require the Manager to redeem Units held by it.

REGISTER OF HOLDERS

15. The Register of Holders is kept at the business office of the registrar, DBS Trustee Limited at 180, Clemenceau Avenue, #03-01/04, Haw Par Centre, Singapore 239922 and is accessible to the public for inspection during normal business hours.

ISSUE OF UNITS AND ISSUE PRICE

16.1 The Manager shall have the exclusive right in writing to cause the Trustee to effect for the account of the Trust on and after the Initial Issue Date, the creation and issue of Units in Creation Unit size pursuant to a Creation Request from a Participating Dealer or as the case may be, a Depositor (through a Participating Dealer) or an Approved Applicant in accordance with Clause 9 (A) (ii) of the Deed by way of exchange for an Index Basket (the Index Shares and/or Authorised Investments comprised therein being “**Deposit Investments**”) and for a cash amount comprising, in Creation Unit increments, the Cash Equivalent Payment and the Dividend Equivalent Payment in respect of the number of Units in a Creation Unit, at prices ascertained in accordance with Clause 9(B) of the Deed; Provided That the Manager shall not accept a Creation Request so as to give rise to a holding of fewer than that number of Units comprising one Creation Unit size or whole multiples thereof, and Provided further that the provisions of Clause 9(D) of the Deed have been satisfied. Issues of Units shall only be made as of the day the Creation Request therefor is received and accepted by the Manager if such Creation Request is made on or before the Dealing Deadline on a Dealing Day but otherwise on the following Dealing Day.

16.2 To be effective a Creation Request:–

- (a) must be given by a Participating Dealer (or, at the sole discretion of the Manager, by more than one Participating Dealer) in accordance with a Participating Dealer Agreement or by an Approved Applicant in accordance with a Participation Agreement provided always that the Manager shall have discretion (upon notification to the Trustee) to accept a Creation Request given in writing signed by a Holder or, as the case may be, a Depositor;
- (b) must specify the number of Creation Units forming the subject of the Creation Request; and
- (c) may not be in respect of Units other than as comprising a Creation Unit (or multiples thereof).

16.3 The Manager shall have absolute discretion to accept or not accept in whole or in part any Creation Request for any reason, including without limitation where the acceptance of such Creation Request may in the opinion of the Manager result in the non-compliance of any terms or conditions of such Creation Request, any applicable Participating Dealer Agreement or Participation Agreement or any provisions of the Deed, or any law or regulation made pursuant thereto, or any decree, order or judgement of any court, or any guideline, request or announcement (whether legally binding or not) made by any authority or otherwise for such reason as the Manager may deem necessary to protect the interests of all Holders, or as the case may be, Depositors, and the Trust.

16.4 Subject to the provisions of Clause 9(K) of the Deed, a Creation Request once given cannot be revoked or withdrawn without the consent of the Manager.

16.5 On and after the Initial Issue Date, the Issue Price at which Units in Creation Unit size to be issued in exchange for Deposit Investments and the sum of the Cash Equivalent Payment and Dividend Equivalent Payment, will, in respect of each Unit, be ascertained as follows:

- (a) by ascertaining the Index Basket Value at the relevant Valuation Point on the Trade Date in accordance with paragraph 25 of this Prospectus;
- (b) by dividing the Index Basket Value at the relevant Valuation Point on the Trade Date by the number of Units in a Creation Unit;
- (c) by adding to the figure in sub-paragraph (b) the Cash Equivalent Payment at the relevant Valuation Point on the Trade Date;
- (d) by adding to the figure in sub-paragraph (c) the Dividend Equivalent Payment at the relevant Valuation Point on the Trade Date; and
- (e) by adjusting the resulting total upwards on a per Creation Unit size basis to the nearest two decimal places.

A worked example of this is set out in the Third Schedule to the Deed for illustrative purposes only.

16.6 The Manager may add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges and the Transaction Fee which shall be for the account of the Trust. If Units in Creation Unit size are to be issued to a person resident outside Singapore, the Manager shall be entitled to charge for the account of the Trust, in addition to the amount derived by multiplying the number of Units that are to be issued by the Issue Price, an amount which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.

16.7 In the event that the Trustee shall at any time (after consultation with the Manager) determine that it would be detrimental to existing Holders, or, as the case may be, Depositors, for the Manager to issue or continue to issue Units at a price based on the Index Basket Value as described in the Deed then the Trustee shall instruct the Manager to substitute such Value with the fair value as determined in accordance with paragraph 2(E) of the Third Schedule to the Deed. The circumstances under which the Trustee would instruct the Manager to adjust the Issue Price pursuant to this paragraph include, without limitation, breakdown in the means of communication which affects the process of valuation of the Deposited Property, turmoil in the financial markets which causes unnaturally large movements in the prices of the Authorised Investments forming any part of the Deposited Property or the absence of any trading on the SGX-ST or any period when settlement or clearing of securities in the Depository is disrupted or when the Straits Times Index is not compiled or published. The Trustee may instruct the Manager to temporarily suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this paragraph. Such suspension shall take effect

forthwith upon the declaration in writing thereof to the Manager by the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph shall exist upon the declaration in writing thereof by the Trustee.

16.8 The Value of the Deposit Investments vested in the Trustee shall be calculated on the basis set out in Clause 9(B) of the Deed. If the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment, multiplied by the number of Units to be issued, result in a negative amount, no cash shall be payable or paid by an applicant for Units in accordance with paragraph 16.10(d), but a cash amount equal to such negative amount shall be paid by the Trustee out of the Deposited Property to the applicant for such Units within five Business Days of the relevant Trade Date (and the provisions of Clause 9 of the Deed shall be construed accordingly).

16.9 The Trustee shall be under no obligation to check the calculation of the amount payable in connection with any issue of Units pursuant to this paragraph but shall be entitled at any time to require the Manager to justify the same.

16.10 The Manager may only effect the creation and issue of Units in Creation Unit size by way of exchange for Deposit Investments and the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units to be created or issued if, and only if, the Manager is of the opinion that each of the following provisions has been satisfied:–

- (a) the Deposit Investments in respect of that issue of Units in Creation Unit size have been approved by the Manager as comprising an Index Basket as fixed by the Manager at the start of business on the relevant Trade Date;
- (b) the aggregate of (i) the Value of the Deposit Investments at the Valuation Point on the relevant Trade Date to be delivered to the Trustee on the relevant Settlement Date and (ii) the amount of cash to be paid to or to the order of the Trustee on the relevant Trade Date in respect of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for (as the consideration for the issue of such Units in such Creation Unit size) shall be equal to the Value of the Deposited Property as at the Valuation Point on the relevant Trade Date divided by the number of Units then in issue and deemed to be in issue (as calculated pursuant to Clause 9(B) of the Deed for the purpose of calculating the Issue Price of such Units in such Creation Unit size) and multiplied by the number of such Units applied for;
- (c) such Deposit Investments have been vested by or on the relevant Settlement Date upon the trusts hereof in the Trustee to the Trustee's satisfaction or satisfactory evidence of title and instruments of transfer shall have been produced to or to the order of the Trustee;

- (d) the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for shall have been received in full in cleared funds by or on behalf of the Trustee by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe; and
- (e) such Duties and Charges and Transaction Fee as are payable have been received in full in cleared funds by or on behalf of the Trustee by such time on or before the Settlement Date as the Trustee and the Manager shall for the time being prescribe,

provided that this paragraph shall not prevent the Manager from creating (but not issuing) any Units following the receipt of a Creation Request before the Trustee has received all the Deposit Investments and the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units applied for subject nevertheless to Clause 9(E) of the Deed. The applicant shall not be entered on the Register in respect of such Units until the date such Units are issued.

16.11 In circumstances where the Manager creates Units before all the Deposit Investments in respect of the Issue Price thereof have vested upon the terms hereof in the Trustee and/or before the full amount of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units created in cleared funds have been received by or on behalf of the Trustee in respect of the balance of the Issue Price thereof, the Trustee shall cancel such Units if all the Deposit Investments have not vested upon the trusts set out in the Deed in the Trustee and the full amount of (i) the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units created and (ii) the Duties and Charges and the Transaction Fee have not been received in cleared funds by or on behalf of the Trustee by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe.

16.12 Upon the cancellation of any Units as provided for in Clause 9(E) of the Deed, such Deposit Investments (or equivalent Index Shares and/or Authorised Investments of the same type) as have been vested in the Trustee and any cash received by or on behalf of the Trustee comprising the Cash Equivalent Payment and the Dividend Equivalent Payment in respect of the number of Units applied for (in either case in respect of such cancelled Units) shall be redelivered to the applicant and the relevant Units shall be deemed for all purposes never to have been created (except that the Transaction Fee therefor shall remain due and payable) and the applicant therefor shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that (whether or not the Units were created in accordance with Clause 9(D) of the Deed):–

- (a) the Manager may, but shall not be bound to, charge the applicant (for the account of the Trust) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Creation Request for such Units from such applicant and redelivering any Deposit Investments; and

- (b) the Manager may, but shall not be bound, to require the applicant to pay to the Trustee for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Manager had received on the date on which such Units are cancelled a request from such applicant for the redemption of such Units in accordance with the provisions of Clause 10 of the Deed.

16.13 Notwithstanding anything in Clause 9 of the Deed:–

- (a) if the Manager determines in its sole discretion (following a specific application by an applicant) that one or more Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with a Creation Request for any Creation Units pursuant to Clause 9 of the Deed, then the Manager shall have the right in its sole discretion to accept cash equal to the Value of such Index Share (such cash amount to be included in the Issue Price of such Units) in lieu of accepting such Index Share comprising part of the Deposit Investments, provided that the Manager shall be entitled in its sole discretion to charge (for the account of the Trust) to the applicant of any Units for which cash is paid in lieu of delivering any Index Shares in accordance with Clause 9(G) of the Deed such additional sum it may consider represents the appropriate provision for Duties and Charges; or
- (b) if the Manager (following a specific application by such applicant) is satisfied that in connection with the issue of any Creation Units pursuant to Clause 9 of the Deed, an applicant is prevented by law on or otherwise from investing or engaging in a transaction in any Index Share, the Manager shall have the right in its sole discretion to accept cash equal to the Value of such Index Share (such cash amount to be included in the Issue Price of such Units) in lieu of accepting such Index Share comprising part of the Deposit Investments, provided that the Manager shall be entitled in its sole discretion to charge (for the account of the Trust) to the applicant of any Units for which cash is paid in lieu of delivering any Index Shares in accordance with Clause 9(G) of the Deed such additional sum it may consider represents the appropriate provision for Duties and Charges.

16.14 The Manager may charge a Transaction Fee for each Creation Request for the issuance of Units, and may on any day in its sole discretion differentiate between applicants as to the amount of the Transaction Fee it charges in relation to Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow to any person or persons a discount or discounts on the Transaction Fee of their Units on such basis or on such scale as the Manager may think fit. The Transaction Fee shall be paid by or on behalf of the Participating Dealer or Approved Applicant submitting the request to create such Units (and may be set off and deducted against the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being created).

16.15 The Trustee shall be entitled to refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of Clause 9 of the Deed with regard to the issue of Units are being infringed; but nothing in Clause 9(l) of the Deed or anything else in the Deed shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of Clause 9 of the Deed.

16.16 The Manager may, with the prior written approval of the Trustee, suspend the issue of Units during:–

- (a) any period when the SGX-ST or the Depository is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) any period when settlement or clearing of securities in the Depository is disrupted;
- (c) the existence of any state of affairs as a result of which delivery of Index Shares or disposal of Authorised Investments for the time being comprised in the Trust cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders and Depositors;
- (d) any period when the Straits Times Index is not compiled or published;
- (e) any breakdown in the means normally employed in determining the Value of the Deposited Property, or when for any other reason the Value of any Authorised Investments or the current prices thereof on the SGX-ST cannot be promptly and accurately ascertained;
- (f) the existence of any state of affairs which in the opinion of the Manager, might seriously prejudice the interests of the Holders, and the Depositors, as a whole or of the Deposited Property;
- (g) 48 hours (or such other period as the Manager and Trustee may agree) prior to the date of any meeting of Holders of any adjournment thereof; or
- (h) any period when dealing of Units is suspended pursuant to any order or direction of the Authority.

Such suspension shall take effect forthwith upon the declaration thereof in writing to the Trustee by the Manager and thereafter there shall be no issue of Units until the Manager shall declare the suspension at an end, except that the suspension shall terminate on the Business Day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under Clause 9(J) of the Deed shall exist. Each declaration by the Manager pursuant to this paragraph shall be consistent with such laws, rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Trust and as shall be in effect at the time. To the extent not inconsistent with such laws, rules and regulations, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive.

During any such suspension by reason of any of the circumstances set out above, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Value) may also be suspended and the Manager shall be under no obligation to Rebalance the Deposited Property, in either case at the discretion of the Manager and with the approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension lasting for more than one month in such newspaper or newspapers in Singapore as the Manager may from time to time think fit.

16.17 Any Participating Dealer or Approved Applicant may at any time after such a suspension has been declared and before termination of such suspension withdraw any Creation Request or any application for the issue of Units by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If no such notification of the withdrawal of any such request or application has been received by the Trustee before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Deed, create Units in respect of which it has received a valid Creation Request and the Trustee and the Manager shall consider Creation Requests as at the Dealing Day next following the termination of such suspension.

16.18 The Issue Price and Redemption Value will not be published but will be available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

16.19 Where the Manager allows a Creation Request to be made by more than one Participating Dealer (a "**Team Creation Request**") pursuant to Clause 9(A)(ii)(a) of the Deed

- (a) any reference in Clause 9 of the Deed to a Participating Dealer or an applicant will, in relation to the Team Creation Request, be construed to refer to all the Participating Dealers who made the Team Creation Request; and
- (b) any fees, charges or other sums whatsoever payable under the terms of Clause 9 of the Deed in relation to the Team Creation Request by a Participating Dealer or an applicant, as the case may be, will be apportioned amongst and be payable by the Participating Dealers who made the Team Creation Request in such proportions as may be determined by the Manager in its sole discretion.

DUTIES AND OBLIGATIONS OF TRUSTEE

17. The duties and obligations imposed on the Trustee are:–

- (a) to exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of Holders and (as the case may be) the Depositors;

- (b) to cause the Accounts to be audited at the end of each Accounting Period by the Auditors, other than in such cases as may be specified by the Authority in the Code, and to ensure that the report of the Auditors is prepared in English;
- (c) that it will send or cause to be sent to each Holder:–
 - (a) the semi-annual accounts and Accounts of the Trust;
 - (b) the report of the Auditors on the Accounts; and
 - (c) the semi-annual report and annual report relating to the Trust,in accordance with the Code;
- (d) to use its best endeavours to ensure that the Trust is listed on the SGX-ST at all times;
- (e) to conduct all transactions with or for the Trust at or on an arm's length basis; and
- (f) to send or cause to be sent to the Manager all notices, reports, accounts, circulars and other documents which are received by it or on its behalf as the holder of any Authorised Investment for the time being constituting part of the Deposited Property.

CONTRACTS AND DIRECTOR'S INTERESTS

18. A Holder and a Depositor is not required, obliged or entitled in connection with the Trust to enter into any contract with any person or corporation whether by way of lease or otherwise.

19. In view of paragraph 18 above, the requirement to disclose particulars of directors of corporations referred to in paragraph 18 above does not apply.

VESTING OF THE DEPOSITED PROPERTY IN THE TRUSTEE

20. All cash and other property which ought in accordance with the provisions of the Deed to form part of the Deposited Property of the Fund shall be paid or transferred to the Trustee forthwith upon receipt (and, in the case of cash, not more than five Business Days after receipt) by the Manager and all cash shall (except insofar as such cash may in the opinion of the Manager be required for transfer to the Distribution Account) be applied at the discretion of the Manager (but subject always to the provisions of the Deed and so that no Unit of the Fund shall confer on any Holder or Depositor or person claiming under or through him any interest or share in any particular part of the Deposited Property to the Fund) in the acquisition of Authorised Investments. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Manager and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof.

PROPERTY OF THE TRUST

21. The Units offered for subscription described in this Prospectus do not consist of any rights or interests in or arising out of an investment relating to property that ordinarily depreciates in value through use or effluxion of time.

22. The Units relate to marketable securities and other Authorised Investments which were, or will be, purchased or acquired at not more than the ruling market price and the requirement to disclose particulars of vendors of property to which such interest relates does not apply.

23. In view of paragraph 22 above, the requirement to disclose the true nature and extent of the interest of each director of the Manager, whether as a director, direct or indirect shareholder, partner or otherwise in the business of the vendor of the property to which the interest relates and to such property does not apply.

REDEMPTION AND CANCELLATION OF UNITS

24. The following concerns the redemption and (where appropriate) cancellation of Units upon the request of a Holder or of a Depositor:–

- (a) No Holder or Depositor shall be entitled to redeem part only of his holding of Units if such redemption would result in such Holder or Depositor holding fewer Units after such redemption than the Minimum Holding (defined in the Deed to mean such number of Units or such amount as may from time to time be determined by the Manager either generally or in respect of any particular case or cases upon giving prior written notice to the Trustee and as may be permitted by the relevant authorities from time to time) for the time being prescribed by the Manager.
- (b) The Manager shall have the exclusive right at any time (subject to Clause 10(N) of the Deed) and from time to time by prior notice in writing to the Trustee to effect reductions of the Trust on any Dealing Day for the cancellation of the Units represented thereby and by requiring the Trustee to cancel the number of Units specified in such notice following the receipt by the Manager of a Redemption Request in accordance with Clause 10(B) of the Deed.
- (c) On receipt by the Manager of a Redemption Request which complies with the requirements of Clause 10(C) of the Deed (subject as provided below, the Dealing Day on which the Redemption Request is received shall be the Trade Date for these purposes), the Manager shall (subject to, *inter alia*, the provisions of Clauses 10(L) and 10(N) of the Deed) effect the redemption of the Units, in Redemption Unit increments only, specified in the Redemption Request by way of exchange for an Index Basket (the Index Shares and/or Authorised Investments comprised therein being “**Redemption Investments**”) and for a cash amount comprising, in Redemption Unit increments, the

sum of the Cash Equivalent Payment and the Dividend Equivalent Payment (if positive) multiplied by the number of Units to be redeemed at prices ascertained in accordance with Clause 10 of the Deed, but so that, if any Redemption Request is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Request shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the Trade Date for the purposes of that Redemption Request. Units, the subject of a Redemption Request, shall be redeemed and cancelled on the Settlement Date therefor (and the name of the Holder of such Units shall be removed from the Register in respect thereof or the name of the Depositor of such Units shall be removed from the Depository Register by the Depository) but, for valuation purposes only, shall be deemed to have been redeemed and cancelled on the Trade Date.

- (d) To be effective a Redemption Request:–
- (i) must be given by a Participating Dealer (or, at the sole discretion of the Manager, by more than one Participating Dealer) in accordance with a Participating Dealer Agreement or by an Approved Applicant in accordance with a Participation Agreement provided always that the Manager shall have discretion (with the approval of the Trustee) to accept a Redemption Request given in writing signed by a Holder or, as the case may be, Depositor, and provided that, in the event that the Units (a) are suspended from trading for 60 calendar days on all securities exchanges on which the Units have been listed for quotation; (b) cease to be listed for quotation or all securities exchanges on which the Units have been listed for quotation, the Manager shall offer to purchase Units from the Holders or, as the case may be, Depositors in accordance with the provisions of the Deed and the requirements set out in the Second Schedule of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005;
 - (ii) must specify the number of Redemption Units the subject of the Redemption Request; and
 - (iii) may not be in respect of Units other than as comprising a Redemption Unit (or a multiple thereof).

provided always that the Manager shall have the discretion to not accept in whole or in part any Redemption Request if it would, in the reasonable opinion of the Manager result in the non-compliance of any terms or conditions of such Redemption Request, (in connection with a Redemption Request from a particular Participating Dealer) the terms of the applicable Participating Dealer Agreement, (in connection with a Redemption Request from an Approved Applicant) the terms of the applicable Participation Agreement, any provisions of the Deed, or any applicable law or regulation made pursuant thereto, or

any decree, order or judgement of any court, or any guideline, request or announcement (whether legally binding or not) made by any authority.

For the purpose of this sub-paragraph 24(d), “approved stock exchange” means a stock exchange in Singapore approved under the Securities and Futures Act, Chapter 289.

- (e) Subject to the provisions of Clause 10(P) of the Deed, a Redemption Request once given cannot be revoked or withdrawn without the consent of the Manager.
- (f) The Redemption Value at which any redemption and cancellation of Units for Redemption Investments and the Cash Equivalent Payment and the Dividend Equivalent Payment shall be effected shall, in respect of each Unit, be ascertained as follows:–
 - (i) by ascertaining the Index Basket Value at the relevant Valuation Point on the Trade Date in accordance with paragraph 25 of this Prospectus;
 - (ii) by dividing the Index Basket Value at the relevant Valuation Point on the Trade Date by the number of Units in a Redemption Unit;
 - (iii) by adding to the figure in sub-paragraph (ii) the Cash Equivalent Payment at the relevant Valuation Point on the Trade Date;
 - (iv) by adding to the figure in sub-paragraph (iii) the Dividend Equivalent Payment at the relevant Valuation Point on the Trade Date; and
 - (v) by adjusting the resulting total on a per Redemption Unit size basis down to the nearest two decimal places.

A worked example of this computation is set out in the Third Schedule to the Deed for illustrative purposes only.

- (g) If Units in Redemption Unit sizes are redeemed by a person resident outside Singapore, the Manager shall be entitled to charge for the account of the Trust an additional amount to the Redemption Value multiplied by the number of Units being redeemed which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- (h) In the event that the Trustee shall at any time (after consultation with the Manager) determine that it would be detrimental to existing Holders, or, as the case may be, Depositors, for the Manager to redeem Units at a price based on the Index Basket Value as described in the Deed then the Trustee shall instruct the Manager to substitute such Value with the fair value as determined in accordance with paragraph 2(E) of the Third Schedule to the

Deed. The circumstances under which the Trustee would instruct the Manager to adjust the Redemption Value pursuant to this paragraph include, without limitation, breakdown in the means of communication which affects the process of valuation of the Deposited Property, turmoil in the financial markets which causes unnaturally large movements in the prices of the Authorised Investments forming part of the Deposited Property or the absence of any trading on the SGX-ST or any period when settlement or clearing of securities in the Depository is disrupted or when the Straits Times Index is not compiled or published. The Trustee may instruct the Manager to temporarily suspend the redemption of Units solely for the purpose and during any period of consultation or adjustment arising from the provisions of this paragraph. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Manager by the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph shall exist upon the declaration in writing thereof by the Trustee.

- (i) If the Manager determines in its sole discretion that an Index Share is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by a Holder or (as the case may be), a Depositor (through a Participating Dealer), then the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming Holder or (as the case may be), the redeeming Depositor comprising part of the Redemption Investments.
- (j) If the Manager is satisfied (upon a specific application by such Holder or Depositor) that in connection with the redemption of any Units by a Holder or (as the case may be), a Depositor (through a Participating Dealer), that Holder or Depositor or its customer to the extent it may be beneficially interested in those Units is prohibited by law or is restricted by applicable rules or regulation or otherwise from investing or engaging in a transaction in any Index Share, the Manager shall have the right in its sole discretion to pay cash equal to the Value of such Index Share in lieu of delivering such Index Share to the redeeming Holder or (as the case may be), the redeeming Depositor (through such Participating Dealer) comprising part of the Redemption Investments.
- (k) The Value of the Redemption Investments to be delivered to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) redeeming its Units shall be calculated on the basis set out in the Third Schedule to the Deed.

- (l) The Manager may deduct from and set off against the Cash Equivalent Payment plus the Dividend Equivalent Payment multiplied by the number of Units being redeemed payable to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) on the redemption of Units such sum (if any) as the Manager may, in its sole discretion, consider represents the appropriate provision for Duties and Charges and the Transaction Fee. To the extent that the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed is insufficient to pay such Duties and Charges and the Transaction Fee payable on such redemption, the redeeming Holder or (as the case may be), a Depositor (through a Participating Dealer) shall promptly pay the shortfall in Dollars to or to the order of the Trustee and the Trustee shall not be obliged to deliver (and shall have a general lien over) the Redemption Investments until such shortfall is paid in full to or to the order of the Trustee.
- (m) Unless specifically requested by the Holder or former Holder, or the Depositor or former Depositor or the Participating Dealer or former Participating Dealer concerned to do so not later than one month after the relevant Trade Date the Trustee shall be under no obligation to check the calculation of the Redemption Value in connection with any redemption or cancellation of Units pursuant to Clause 10(B) of the Deed but shall be entitled at any time before the audited accounts of the Trust have been prepared covering the relevant Trade Date to require the Manager to justify its calculation of the Redemption Value.
- (n) Any Redemption Investments distributable and the Cash Equivalent Payment and the Dividend Equivalent Payment payable (less any amount deducted pursuant to Clause 10(J)) of the Deed to a Holder or (as the case may be), a Depositor, (through a Participating Dealer) in respect of the redemption of Units, may be transferred or paid sooner but shall, subject to the provisions of Clause 10(O) of the Deed, be distributable and payable, on the Settlement Date in accordance with Clause 10(N) of the Deed provided that the Manager shall have received the Redemption Request duly signed (to the satisfaction of the Manager) by such Participating Dealer or Approved Applicant and provided further that the Manager shall have received the full amount of any Duties and Charges and the Transaction Fee payable under Clause 10(J) of the Deed have been deducted or otherwise paid in full.
- (o) Where Units are to be redeemed on any Settlement Date, but subject as provided in Clause 10(O) of the Deed, the Manager shall proceed to effect any sales necessary to provide the cash required to pay the sum of the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed and notify the Trustee that those Units are to be redeemed and cancelled in accordance with the provisions of Clause 10 of the Deed. In such event (but subject as provided below) the Trust shall be reduced by the cancellation of those Units on that Settlement Date and (subject as otherwise provided in the Deed including, without limitation,

Clause 10(L) of the Deed) for settlement on that Settlement Date (or such later date as may from time to time be determined by the Manager with the consent of the Trustee) the Trustee shall transfer the applicable Redemption Investments out of the Deposited Property to the Approved Applicant or the Participating Dealer through which the redeeming Holder or (as the case may be), Depositor made his Redemption Request and shall pay the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed (with such deductions as are permitted by the Deed) in accordance with and subject to the provisions of Clause 15 of the Deed as if the same were a distribution payable to the relevant Holder or (as the case may be), the relevant Depositor. Notwithstanding the foregoing, no Redemption Investments shall be delivered and no Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed shall be paid under Clause 10(N) of the Deed unless Units, the subject of the Redemption Request, have been delivered to the Manager for redemption by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe for such Redemption Request. In the event that Units are not delivered to the Manager for redemption in accordance with the foregoing: (i) the Redemption Request shall be deemed never to have been made (except that the Transaction Fee therefor shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the applicant (for the account of the Trust) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Redemption Request. In addition, the Manager may, but shall not be bound to, require the applicant to pay to the Trustee for the account of the Trust in respect of each Unit, the subject of the Redemption Request, the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Manager had received on the date on which such Units were to be redeemed a Creation Request from such applicant for the creation of such Units in accordance with the provisions of Clause 9 of the Deed.

- (p) The Manager may at any time with the written approval of the Trustee suspend the right of the Holders and the Depositors to require the redemption of Units under Clause 10 of the Deed and/or delay the payment of any moneys and distribution of any Redemption Investments in respect of any such redemption during any of the following periods:–
- (i) any period when the SGX-ST or the Depository is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
 - (ii) any period when settlement or clearing of securities in the Depository is disrupted;

- (iii) the existence of any state of affairs as a result of which delivery of Index Shares or disposal of Authorised Investments for the time being comprised in the Trust cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders or Depositors;
- (iv) any period when the Straits Times Index is not compiled or published;
- (v) any breakdown in the means normally employed in determining the Value of the Deposited Property or when for any other reason the Value of any Authorised Investment or the current prices thereof on the SGX-ST cannot be promptly and accurately ascertained;
- (vi) the existence of any state of affairs which in the opinion of the Manager, might seriously prejudice the interests of the Holders and Depositors as a whole or of the Deposited Property;
- (vii) 48 hours (or such other period as the Manager and Trustee may agree) prior to the date of any meeting of Holders or any adjournment thereof; and
- (viii) any period when dealing Units is suspended pursuant to any order or direction of the Authority.

Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof in writing to the Trustee by the Manager and thereafter there shall be no redemption of Units and/or distribution of such Redemption Investments and payment of the Cash Equivalent Payment and the Dividend Equivalent Payment for each Unit in respect of any such redemption until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the Business Day following the first Business Day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised under Clause 10 of the Deed shall then exist. Each declaration by the Manager pursuant to this paragraph shall be consistent with such laws, rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Trust and as shall be in effect at the time. To the extent not inconsistent with such laws, rules and regulations, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out in Clauses 10(O)(i) through 10(O)(vi) of the Deed, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Value) may also be suspended and the Manager shall be under no obligation to Rebalance the Deposited Property, in either case at the discretion of the Manager and with the approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the

Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension lasting for more than one month in such newspaper or newspapers in Singapore as the Manager may from time to time think fit.

- (q) Any Participating Dealer or Approved Applicant may at any time after such a suspension has been declared and before termination of such suspension withdraw any Redemption Request by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If no such notification of the withdrawal of any such request has been received by the Trustee before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Deed, redeem Units in respect of which it has received a valid Redemption Request and the Trustee and the Manager shall consider Redemption Requests as at the Dealing Day next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.
- (r) The Manager may charge a Transaction Fee for each Redemption Request and may on any day in its sole discretion differentiate between applicants as to the amount of the Transaction Fee it charges in relation to Units redeemed by them respectively and likewise the Manager may on any day on the redemption of Units allow to any person or persons a discount or discounts on the Transaction Fee of their Units on such basis or on such scale as the Manager may think fit. The Transaction Fee shall be paid by or on behalf of the Participating Dealer or Approved Applicant submitting the request to redeem such Units (and may be set off and deducted against the Cash Equivalent Payment and the Dividend Equivalent Payment multiplied by the number of Units being redeemed).
- (s) Unless requested by the Holder concerned so to do the Trustee shall be under no obligation to check the calculation of the amount payable in connection with the cancellation of Units pursuant to Clause 10 of the Deed but shall be entitled at any time it so desires to require the Manager to justify the same.
- (t) The Trustee shall be entitled to refuse to redeem and cancel a Unit if at any time the Trustee is of the opinion that the provisions of Clause 10 of the Deed with regard to the redemption and cancellation of Units have been and/or are being infringed; but nothing in sub-Clause 10(S) of the Deed or anything else in the Deed shall impose upon the Trustee any responsibility for satisfying itself before redeeming Units that the Manager has complied with the conditions of Clause 10 of the Deed.

- (u) Where the Manager allows a Redemption Request to be made by more than one Participating Dealer (a “Team Redemption Request”) pursuant to Clause 10(C)(i) of the Deed:
 - (i) any reference in Clause 10 of the Deed to a Participating Dealer or an applicant will, in relation to the Team Redemption Request, be construed to refer to all the Participating Dealers who made the Team Redemption Request; and
 - (ii) any fees, charges or other sums whatsoever payable in relation to the Team Redemption Request under the terms of Clause 10 of the Deed by a Participating Dealer or an applicant, as the case may be, will be apportioned amongst and be payable by the Participating Dealers who made the Team Redemption Request in such proportions as may be determined by the Manager in its sole discretion.

VALUATION

25.1 The Manager or its agent shall in relation to each Dealing Day determine the Value of the Fund in accordance with the provisions set out in this paragraph.

25.2 The Value of the Trust shall be calculated by the Manager as at each Valuation Point by valuing the Deposited Property in accordance with sub-paragraphs 25.3 and 25.4, and deducting the liabilities of the Trust in accordance with sub-paragraph 25.4, as at such Valuation Point.

25.3 The Value of the Deposited Property shall be ascertained on the following basis:–

- (A) the Value of any Authorised Investment quoted, listed or normally dealt in on the SGX-ST shall be calculated by reference to the price appearing to the Manager to be the SGX-ST’s nominal closing price for that Authorised Investment, provided that:–
 - (i) subject to sub-paragraph 25.3(A)(ii), if an Authorised Investment is quoted, listed or normally dealt in on more than one market, the Manager shall adopt the SGX-ST’s closing price notwithstanding the fact that the SGX-ST may not be the principal market for such Authorised Investment;
 - (ii) in the case of any Authorised Investment which is quoted, listed or normally dealt in on the SGX-ST but in respect of which, for any reason and subject to the provisions relating to suspension set out in Clause 10(O) of the Deed, prices on the SGX-ST may not be available at any relevant time or the SGX-ST’s nominal closing price is not considered to provide a fair value by the Manager, the Value thereof shall be certified by an Approved Broker or other professional person as may be appointed for such purpose by the Manager with the approval of the Trustee;

- (iii) there shall be taken into account interest accrued on interest-bearing Authorised Investments up to and including the relevant Dealing Day, except for that interest accrued on Authorised Investments quoted, listed or normally dealt in on the SGX-ST which is included in the quoted or listed price; and
 - (iv) for the purposes of the foregoing provisions the Manager shall be entitled to use and rely on electronically transmitted information from such source as it may from time to time, acting reasonably, think fit with regard to the pricing of Authorised Investments.
- (B) The Value of any Authorised Investment which is not as at the time of valuation (though historically had been) quoted, listed or normally dealt in on the SGX-ST shall be the initial Value thereof ascertained in accordance with sub-paragraph 25.3(B)(i) or the Value thereof as assessed on the latest revaluation thereof made in accordance with sub-paragraph 25.3(B)(ii). For this purpose:–
- (i) the initial Value of such an Authorised Investment shall be the SGX-ST's nominal closing price immediately before such Investment ceased to be quoted, listed or normally dealt in on the SGX-ST; and
 - (ii) the Manager may at any time with the prior written approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any such Authorised Investment by such Approved Broker or other professional person as the Manager may consider, with the prior written approval of the Trustee, to be qualified to value such Authorised Investment.
- (C) The Value of any Futures Contract shall be:–
- (i) in the case of a Futures Contract expressed as being for the sale of the subject matter thereof, the positive or negative amount produced by applying the following formula:–

$$a - (b+c)$$
 - (ii) in the case of a Futures Contract expressed as being for the purchase of the subject matter thereof, the positive or negative amount produced by applying the following formula:

$$b - (a+c)$$
- where:
- a = the Contract Value of the relevant Futures Contract (“the relevant Contract”);

- b = the amount determined by the Manager to be the Contract Value of such Futures Contract as would be required to be entered into by the Manager on behalf of the Trust in order to close the relevant Contract, such determination to be based on the closing price on the Singapore Exchange Derivatives Trading Limited; and
 - c = the amount expended out of the Deposited Property in entering into the relevant Contract, including the amount of all Duties and Charges but excluding any depositor margin provided in connection therewith.
- (D) Cash, deposits and similar property shall be valued at face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof.
 - (E) Notwithstanding any of the foregoing sub-paragraphs, the Manager may, with the consent of the Trustee, adjust the Value of any Authorised Investment or permit some other method of valuation to be used if, having regard to currency, applicable rates of interest, maturity, marketability and such other considerations as the Manager may deem relevant, the Manager considers that such adjustment or other method of valuation is required to reflect more fairly the Value of such Authorised Investment or other property.
 - (F) Property other than Authorised Investments and Futures Contracts (if any) shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.

25.4 In calculating the Value of the Trust at any Valuation Point (the “relevant Time”):-

- (A) every Unit agreed to be issued at the relevant Time shall be deemed to be in issue (and, in particular but not limited to, every Unit applied for in accordance with Clause 9 of the Deed shall be deemed to be in issue on the Trade Date) and the Deposited Property shall be deemed to include the amount of any cash and/or Value of any Deposit Investments to be paid and/or received in respect of each such Unit;
- (B) the Manager may base the calculation of the Value on the amount of the Deposited Property held by the Trust at some earlier time on the same Dealing Day than the relevant Time, or at any time on an earlier Dealing Day, and the Manager may change the day and time on which the calculation of the Value is based from time to time. The initial determination of the day and time on which the calculation of the Value will be based will be notified in writing by the Manager to the Trustee within 14 days after the execution of the Deed. Subsequently, if the Manager decides to change the day and time on which the calculation of the Value will be based, it will seek the prior written

approval of the Trustee to each such change, and the Trustee shall in its sole discretion decide if the Holders and the Depositors should be informed of the change;

- (C) where, in consequence of any Redemption Request duly given pursuant to Clause 10 of the Deed, the redemption of Units has been or is to be effected by their cancellation at the relevant Time but payment of any cash and/or transfer of any Redemption Investments in respect of such redemption has not been completed, the Units in question shall be deemed not to be in issue (and, in particular, every Unit the subject of a Redemption Request given in accordance with Clause 10 of the Deed shall be deemed not to be in issue with effect from the Trade Date) and any amount payable in cash and the Value of the Redemption Investments transferable out of the Deposited Property in pursuance of such reduction shall be deducted;
- (D) where any Authorised Investment has been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Investment shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (E) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise pursuant to the provisions of Clause 8(A) of the Deed less the amount thereof which have previously been or are then to be written off;
- (F) the outstanding liabilities, costs and expenses attributable to the Trust shall be deducted from the Deposited Property which shall include (without limitation):
 - (i) any amount of Management Fee and Trustee Fee accrued up to and including the relevant Time but remaining unpaid;
 - (ii) the amount of tax (if any) on gains or profits accrued up to the end of the last Accounting Period or part thereof but remaining unpaid;
 - (iii) the aggregate amount for the time being outstanding of any borrowing effected under Clause 14(C) of the Deed and the amount of any interest and expenses referred to in Clause 14(C) of the Deed but not paid;
 - (iv) an amount equal to the Value of any Futures Contract which is a negative amount;
 - (v) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Deed to be payable out of the Deposited Property;

- (vi) an appropriate allowance for any contingent liabilities; and
 - (vii) there shall be taken into account such sum (if any) as in the estimate of the Manager will fail to be paid or reclaimed in respect of taxation related to income and transactions prior to or on the relevant Day;
- (G) any Value (whether of a liability or of an Authorised Investment or cash) otherwise than in Dollars shall be translated into Dollars at the exchange rate used by SGX-ST or as otherwise determined by the Trustee in accordance with any policies for the time being established by the Manager, having regard to any premium or discount which may be relevant and to costs of exchange;
- (H) where the current price of an Investment is quoted ex dividend (including stock dividend) or interest or other rights to which the Trust is entitled but such dividend, interest or the property or cash to which such rights relate has not been received and is not taken into account under any other provision of the Third Schedule to the Deed, the amount of such dividend, interest, property or cash shall be taken into account; and
- (I) liabilities shall (where appropriate) be treated as accruing from day to day.

VARIATION OF AUTHORISED INVESTMENTS

26. The Deed provides that subject to the provisions relating to the borrowing powers of the Trustee in Clause 14(C) of the Deed and in particular to the requirements therein mentioned any Authorised Investments comprised in the Deposited Property may at any time be realised at the discretion of the Manager either in order to invest the proceeds of sale in other Authorised Investments or to provide cash required to be paid out of the Deposited Property of the Fund for the purpose of any provision in the Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly the other.

REMUNERATION OF THE MANAGER AND THE TRUSTEE

27.1 The Manager shall be entitled:–

- (a) to receive for its own account out of the Deposited Property of the Fund as soon as practicable after the last Dealing Day of every calendar quarter the amount of Management Fee accrued to it and remaining unpaid; and
- (b) to alter the rate of Management Fee to some smaller percentage than that provided in the Deed by notice to the Trustee in writing Provided That the Manager shall give written notice of any increase in the rate of Management Fee up to the permitted rate to all Holders, the Depositors via the Depository and the Trustee not less than three months prior to the date of effect thereof.

27.2 The Management Fee shall not exceed the rate of 1.0 per cent. (.01) per annum of the Value of the Deposited Property or such higher percentage as may be fixed by an

Extraordinary Resolution of a Meeting of Holders or, as the case may be, Depositors, duly convened and held in accordance with the provisions of the First Schedule to the Deed.

The Management Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of that calendar quarter and on the first to occur of such Dealing Days also in respect of the period from the date of the first issue of Units up to and including the last day of that calendar quarter in which the Units are first issued. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Value of the Deposited Property calculated on the preceding Dealing Day divided by three hundred and sixty-five.

The “appropriate percentage” shall be the rate of the Management Fee applicable on the relevant day. The Management Fee shall be payable out of such part of the Deposited Property as the Manager in its discretion shall decide. The amount of the Management Fee payable to the Manager shall be net of all Taxes and Levies, which shall in turn be borne by the Deposited Property in accordance with Clause 22(D) of the Deed.

27.3 The remuneration of the Trustee (“**Trustee Fee**”) shall be payable out of the Deposited Property quarterly in arrears in four instalments as soon as practicable after the last Dealing Day of every calendar quarter. The Trustee shall be entitled to alter the rate of the Trustee Fee to some smaller percentage than that provided in the Deed by notice to the Manager in writing Provided That the Trustee shall give written notice of any increase in the rate of the Trustee Fee up to the permitted rate to all Holders and the Depository in respect of the Depositors and the Manager not less than three months prior to the date of effect thereof. The Trustee Fee shall not exceed the rate of 0.15 per cent (0.0015) per annum of the Value of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution of a Meeting of Holders, or, as the case may be, Depositors, duly convened and held in accordance with the provisions of the First Schedule to the Deed.

The Trustee Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of the calendar quarter and on the first to occur of such Dealing Days also in respect of the period from the date of the first issue of Units up to and including the last Dealing Day of that calendar quarter in which the Units are first issued. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Value of the Deposited Property calculated on the preceding Dealing Day divided by three hundred and sixty-five.

The “appropriate percentage” shall be the rate of the Trustee Fee applicable on the relevant day.

The Trustee shall in addition to such remuneration be entitled to be paid out of the Deposited Property all reasonable out-of-pocket expenses (including fees payable by the Trustee to its professional advisers) incurred by it in the performance of its duties under the Deed until the Trust is terminated in accordance with the Deed. All remuneration due to the Trustee shall be payable out of such part of the Deposited Property as the Manager in its sole discretion shall decide.

The amount of remuneration payable to the Trustee shall be net of all applicable Taxes and Levies, which shall in turn be borne by the Deposited Property in accordance with Clause 22(D) of the Deed. The Manager may at its sole discretion but is not obligated to pay the Trustee Fee and/or some or all of the expenses described herein out of its own account, in which event the Trustee Fee and such portion of the expenses described herein will not be charged to the Trust.

27.4 In addition to any charges or fees expressly authorised by the Deed, the Manager and the Trustee shall each be entitled to charge a fee payable out of the Deposited Property with respect to each Creation Request and Redemption Request (referred to in each case as the “**In-kind Service Charge**”). The aggregate of the In-kind Service Charges paid to the Manager and the Trustee shall not exceed the Transaction Fee received by the Trust.

27.5 Where any goods and services tax or other application sales tax, governmental impositions, duties and levies whatsoever, whether imposed in Singapore or elsewhere (“**Taxes and Levies**”), are payable by the Manager or the Trustee in relation to goods purchased by or services rendered to them in connection with the exercise of the powers and discretion and/or the performance of the obligations of the Manager or the Trustee (as the case may be) under the Deed, the Manager or the Trustee (as the case may be) shall be reimbursed therefor out of the Deposited Property. Where any Taxes and Levies are payable in connection with the reimbursement of expenses or services rendered by the Manager, the Trustee or the Custodian pursuant to the Deed, such Taxes and Levies shall be paid out of the Deposited Property as the Manager shall determine. In connection with Taxes and Levies payable in connection with the Trustee or the Custodian, the Manager may at its discretion but is not obligated to pay such Taxes and Levies out of its own account, in which event such Taxes and Levies will not be charged to the Trust.

TRANSFER OF UNITS

28.1 Every Holder shall be entitled to transfer such Units held by him or in the case of Joint Holders by both the Joint-All Holders or by either one of the Joint-Alternate Holders by instrument in writing in common form (or such other form as the Manager and the Trustee may from time to time approve); Provided That no transfer of part of a holding of Units shall be registered without the approval of the Manager and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding and Provided Further that Units which are purchased with monies from a CPF Investment Account are not transferable and Provided Further That an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.

28.2 For so long as Units are listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register of the Units that have been transferred in accordance with Depository Requirements and sub-paragraph 28.1 will not apply to such transfers.

28.3 No transfer of part of a holding of Units of the Fund will be registered if in consequence thereof either the transferor or the transferee would be the owner of less than the Minimum Holding or such other number of Units or amount as may from time to time be determined by the Manager either generally or in respect of any particular case or cases upon giving prior written notice to the Trustee and as permitted by the relevant authorities.

DISTRIBUTION

29.1 The following is a summary of the provisions in the Deed relating to distribution to the Holders and Depositors of income or capital (as the case may be) of the Trust:–

- (a) The Manager shall have the absolute discretion to determine whether a distribution is to be made and, as and when the Manager shall decide, the Manager may by notice in writing direct the Trustee to distribute such part or all of the Deposited Property for each Distribution Period or part thereof at such time and in accordance with such method of calculations as the Trustee and the Manager may agree having regard to the provisions of the Deed.
- (b) In the event the Manager shall decide pursuant to Clause 15(A) of the Deed that a distribution is to be made in respect of any Distribution Period or part thereof, the Trustee shall on each Ex. Dividend Date allocate, and on each Distribution Date distribute, among the Holders, or, as the case may be, cause the Depository to distribute among the Depositors of Units rateably in accordance with the number of Units held by them respectively on the relevant Record Date the amount available for distribution. In determining the amount for distribution under Clause 15(A) of the Deed, the Manager may in its discretion decide that no fraction of or any fraction of one cent per Unit is to be distributed in connection with any such distribution. In the event of a distribution being made, an appropriate amount shall be paid to the distribution account (the “**Distribution Account**”) to effect such distribution.
- (c) Any amount standing to the credit of the Distribution Account shall not for any of the purposes of the Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute or apply the same as provided in the Deed.

29.2 Any or all of the Deposited Property shall be available for distribution in the discretion of the Manager, in accordance with such methods of computation as the Manager shall in its sole discretion and from time to time employ. In particular, but without limiting the discretion of the Manager, distributions may be made and paid to the extent that they are covered by income received from underlying investments and by share of profits of associated companies which are received by the Fund and are available for distribution, or in such other circumstances and from such other parts of the Deposited Property as the Manager in its discretion may decide.

YIELD

30. The yield on the Units is anticipated to approximate to the yield on the Straits Times Index. This is because the Investment Objective is to provide investment results that closely correspond with the performance of the Straits Times Index, by investing all, or substantially all, of the assets of the Fund in Index Shares in substantially the same weightings as they appear in the Straits Times Index. Cash receipts by way of dividends, interest, bonuses or other income, and the Dividend Equivalent Payment or other capital receipts, will be taken into account in calculating the yield.

MEETING OF HOLDERS AND DEPOSITORS

31. The following is a summary of the provisions in the Companies Act and the Deed regulating the convening of meetings of Holders and Depositors of Units:–

- (a) meetings of Holders and Depositors may be convened by the Trustee or the Manager, and shall be convened by the Manager at the request in writing of not less than 50 Holders and Depositors or one-tenth in number of the Holders and Depositors of the Trust, as the case may be, whichever is the lesser;
- (b) notice of the meeting shall be sent by post to each of the Holders or left at his address as appearing in the Register of Holders or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register, at least fourteen days before the proposed meeting. Notice of the meeting will be given to Depository in respect of the Depositors in the manner provided in the Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed; and
- (c) where a meeting of Holders and Depositors is held for the purpose of terminating the Trust as provided in Clause 33(F) of the Deed or Section 295 of the SFA, the Holders and the Depositors (via the Depository), shall be given at least twenty-one days' notice of such meeting in the manner referred to in sub-paragraph (b) above and by publishing, at least twenty-one days before the proposed meeting, an advertisement giving notice of the meeting in at least four local daily newspapers, one each published in the English, Malay, Chinese and Tamil languages.

OTHER FUNDS MANAGED BY THE MANAGER

32. Other than the ABF Pan Asia Bond Index Fund, which is a Singapore unit trust authorised by the Authority for offer to the public in Singapore, the Manager has not, within the five years immediately preceding the date of this Prospectus, operated any other unit trust or other undertakings, schemes, enterprises or investment contracts involving the issue of interests to the public.

DECLARATION

33. It is hereby declared that:–

- (a) no Units issued pursuant to this Prospectus shall be allotted later than 12 months after the date of this Prospectus (or any other period as may be prescribed by law for the time being in force); and
- (b) no Certificates shall be issued to purchasers of or subscribers for Units.

ALLOTMENT OF UNITS

34.1 The Manager shall have the exclusive right to effect for the account of the Trust the issue of Units Provided That the Manager shall not accept an application for Units in less than Creation Unit size or multiples thereof or such other number of Units or amount as may from time to time be determined by the Manager either generally or in respect of any particular case or cases upon giving prior written notice to the Trustee and as may be permitted by the relevant authorities

34.2 Units shall be offered to the public for subscription at prices ascertained in accordance with the provisions of the Deed and be allotted to such persons who accept such offer.

34.3 The Trustee shall be entitled to refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of Clause 9 of the Deed with regard to the issue of Units are being infringed. However, the Trustee shall be under no responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of Clause 9 of the Deed.

PROCEDURES FOR CREATION AND REDEMPTION OF UNITS

35.1 Creation

Investors who wish to acquire less than a Creation Unit block of Units may only acquire such an amount on the secondary market. Investors may buy Units, and sell their Units, on the SGX-ST through brokers in the same way as they may trade shares in companies listed on the SGX-ST. Investors have a choice of paying for listed Units in the Fund either with cash or with their CPF savings.

In order to create Units directly from the Fund, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the issue of Units on any Dealing Day by tendering Index Shares comprising an Index Basket or Index Baskets, plus or minus a cash payment as determined by the Manager. Currently, Units may only be issued in Creation Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for issue of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Creation Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be issued at that Dealing Day's Issue Price calculated in accordance with

paragraph 16 of this Prospectus. Creation Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are issued on a forward pricing basis, and therefore the Issue Price of Units shall not be ascertainable at the time of a Creation Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

The Fund currently issues Units in whole-number multiples of 500,000 Units in exchange for an Index Basket comprising a portfolio of Index Shares in kind (plus or minus a cash payment as determined by the Manager). Based on the above, it is not possible to give a numerical example of the number of Units which will be issued for a cash investment.

A confirmation note detailing the number of Units allotted in the Fund will be sent to Holders within two Business Days from the date of issue of Units.

35.2 Redemption

Investors who wish to dispose of less than a Redemption Unit block of Units may only dispose of such an amount on the secondary market.

In order to redeem Units, investors may request Participating Dealers to apply to the Manager (and Approved Applicants may apply directly to the Manager) for the redemption of Units on any Dealing Day for the underlying Index Shares comprising an Index Basket, plus or minus a cash payment as determined by the Manager. Currently, Units may only be redeemed in Redemption Unit size of 500,000 Units or whole-number multiples of 500,000 Units. Requests for redemption of Units must usually only be made through Participating Dealers or by Approved Applicants. Units in respect of Redemption Requests received from Participating Dealers and Approved Applicants and accepted by the Manager before the Dealing Deadline will be redeemed at that Dealing Day's Redemption Value calculated in accordance with paragraph 24 of this Prospectus. Redemption Requests received from Participating Dealers and Approved Applicants after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

Units are redeemed on a forward pricing basis, and therefore the Redemption Value of Units shall not be ascertainable at the time of a Redemption Request. The dealing cut-off time imposed on Participating Dealers and Approved Applicants is the Dealing Deadline on a Dealing Day, though Participating Dealers and Approved Applicants may not be able to effect orders without sufficient notice.

Index Shares (plus or minus a cash payment as determined by the Manager) are received upon the redemption of Units in whole-number multiples of 500,000 Units. Based on the above, it is not possible to give a numerical example of the realisation proceeds received for a redemption of Units.

Realisation proceeds (consisting of Index Shares, plus or minus a cash payment as determined by the Manager) shall normally be delivered to investors within three Business Days of receipt and acceptance of the Realisation Request by the Manager.

35.3 Issue Price and Redemption Value

The Issue Price and Redemption Value are available from the Participating Dealer effecting the transaction. In addition, the IOPV of the Units will be updated periodically by the IOPV Provider and will be made available online at www.spdrs.com.sg. Such figures are only indicative of that day's Issue Price and Redemption Value.

35.4 Listing on the SGX-ST

Application had been made to the SGX-ST for the listing of, and permission to deal in, the Units to be issued. Units bought on the SGX-ST will be at prices negotiated on a willing buyer willing seller basis. The majority of trading activity in the Units is expected to occur on the SGX-ST.

It is intended that direct creations and redemptions of Units from the Fund may occur only through an in-kind process.

35.5 Not a Typical Unit Trust

Investors should note that the Trust is not like a typical unit trust offered to the public in Singapore. Units may not usually be redeemed for cash (see paragraph 4.1(a) of this Prospectus); Units may usually only be created and redeemed in Creation Unit and Redemption Unit sizes through Participating Dealers or by Approved Applicants (see paragraphs 4.1(c) and 4.1(k) of this Prospectus), and Units may not usually be subscribed for in cash. These features are not usually present in a typical unit trust offered to the public in Singapore where units can generally be purchased and redeemed for cash in comparatively smaller multiples of units.

DEALINGS WITH THE TRUST BY THE MANAGER AND THE TRUSTEE

36. The Manager and the Trustee are not in any position of conflict in relation to the Trust. The Manager and the Trustee have covenanted to conduct all transactions with or for the Trust at arm's length.

REPORTS TO HOLDERS

37.1 The financial year-end for the Fund is 30 June.

37.2 The annual report, annual accounts and the auditor's report on the annual accounts will be prepared and sent to the Holders within 3 months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent to the Holders within 2 months of the financial half-year end, i.e., 31 December (or such other period as may be permitted by the Authority).

37.3 The Manager or its agent shall also, based on records kept in the Register, furnish to each Holder on a semi-annual basis (or such other period as may be agreed between the Manager and the Trustee and upon written notice being given to all Holders not less than three months prior to the date of effect thereof) as soon as practicable after each relevant Record Date a Statement of Holdings. A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the half yearly period preceding such Record Date and the transactions in respect of such Units in that time and shall be in such form as may from time to time be agreed between the Manager and the Trustee.

37.4 The cost and expenses of providing statements and reports to Holders, or, as the case may be, Depositors, mentioned in this paragraph will be borne by the Fund.

EXEMPTIONS

38.1 The Trustee and the Manager shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

38.2 The Trustee and the Manager shall incur no liability to the Holders or (as the case may be), the Depositors for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgement of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Manager shall be under any liability therefor or thereby.

38.3 Neither the Trustee nor the Manager shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any document or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

38.4 Notwithstanding anything contained in the Deed:—

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian not selected or appointed by it.

38.5 The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Manager. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee is for the time being authorised by the Manager under its common seal to accept and may act on verbal and telefacsimile instructions given by authorised officers of the Manager specified in writing by the Manager to the Trustee.

38.6 Any indemnity expressly given to the Trustee or the Manager in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Manager from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.

SOFT-DOLLAR COMMISSIONS/ARRANGEMENTS AND CASH REBATES

39.1 The Manager shall be entitled to receive soft-dollar commissions/arrangements in respect of the Trust. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements which the Manager may for the time being receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

39.2 Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

39.3 The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would reasonably assist it in its management of the Trust, and the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, do not prejudice the interests of the Trust and/or the Holders and the Depositors, and no unnecessary trades are entered into in order to qualify for such soft dollar commissions/arrangements.

PERFORMANCE OF THE FUND AND BENCHMARK

40.1 The past performance of the Fund and its benchmark (which is the Straits Times Index) as of 31 January 2011 are as follows:

Fund/Benchmark	1 year	3 years (annual compounded returns)	5 years (annual compounded returns)	Since inception on 11 April 2002 (annual compounded returns)
SPDR Straits Times Index ETF (inclusive of dividends) ³	18.26%	5.46%	9.25%	10.87%
SPDR Straits Times Index ETF (exclusive of dividends) ⁴	15.82%	2.16%	5.70%	7.29%
Straits Times Index (excluding dividends)	15.82%	2.17%	5.68%	7.23%

Investors should note that the past performance of the Fund is not indicative of future performance.

³ The performance of the Fund is based on average annual compounded returns, calculated on a single pricing basis (NAV-NAV), inclusive of all transaction costs and in SGD terms. The performance of the Fund, inclusive of dividends, is net of all charges payable upon reinvestment.

⁴ The performance of the Fund is based on average annual compounded returns, calculated on a single pricing basis (NAV-NAV), inclusive of all transaction costs and in SGD terms.

40.2 **Expense ratio**

The expense ratio⁵ for the Fund for the period from 1 July 2009 to 30 June 2010 is 0.30%.

40.3 **Turnover ratio**

The turnover ratio for the Fund for the period from 1 July 2009 to 30 June 2010 is 6.78%.

DEPOSITORY REGISTER

41.1 The Manager will pursuant to a Depository Agreement appoint the Depository as the Unit depository for the Trust. The holdings of all Depositors will be represented by book-entries in the Depository Register to be maintained by the Depository.

41.2 Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Manager shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. In the case where a Depositor has purchased Units with monies from his CPF Account or his CPF Investment Account, the Depository shall not be bound to register in the Depository Register more than one person as the owner of Units and joint holding of such Units is not permitted and in the case where a Depositor has purchased Units with cash, the Depository shall not be bound to register in the Depository Register more than two persons as joint Depositors of Units, Provided That the Depository shall not register in the Depository Register a Depositor who has purchased Units with monies from his CPF Account or his CPF Investment Account and a Depositor who has purchased Units with cash as joint Depositors.

QUERIES AND COMPLAINTS

42. If you have questions concerning your investment in the Fund, you may call the Manager at telephone number 6826 7500.

CUSTODIAN

43. The Custodian of the Fund is State Street Bank and Trust Company, Singapore Branch, an offshore bank licensed in Singapore on 19 September 2001. Its business address in Singapore is 168 Robinson Road, #33-01, Capital Tower, Singapore 068912. The Custodian's head office's registered address is 225, Franklin Street, Boston, Massachusetts 02110, U.S.A. and it was incorporated on 14 April 1961 in the Commonwealth of Massachusetts, U.S.A. The Custodian has been appointed by the Trustee, and its remuneration is to be paid by the Manager out of the Management Fee and not by the Fund.

⁵ The following expenses are excluded from the calculation of the expense ratio:
(a) interest expense;
(b) brokerage and other transaction costs;
(c) foreign exchange gains and losses;
(d) tax deducted at source or arising from income received; and
(e) dividends and other distributions paid to Holders.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on the Fund's latest audited accounts.

PROHIBITION ON VOTING

44. The Manager and the Custodian and any of their connected persons and any director of the Manager are prohibited from voting their own shares at, or being part of a quorum for, any meeting to approve any matter which it has a material interest in the business to be conducted.

BROKERAGE FEES

45. The Manager will not be entitled to receive any part of any brokerage charged to the Fund. The Manager will be entitled to receive such part of any fees, allowances, benefits, etc., received on purchases charged to the Fund as set out in this Prospectus and the Deed.

DOCUMENTS AVAILABLE FOR INSPECTION

46. Copies of the following documents are available for inspection at the Manager's business premises at 168 Robinson Road, #33-01, Capital Towers, Singapore 068912 during normal business hours for a period of 12 months from the date of this Prospectus:

- Deed
- Depository Agreement between the Manager, the Trustee and the Central Depository (Pte) Limited
- Form of the application to use the ETF Transfer System established by the Central Depository (Pte) Limited, and the ETF Transfer System Terms governing the use of the system. The Trustee and the Participating Dealers and Approved Applicants, or their respective Depository Agents, if any, are expected to apply to use the ETF Transfer System, and they and the Central Depository (Pte) Limited will be bound by the ETF Transfer System Terms
- Registrar Services Agreement between the Manager and the Development Bank of Singapore Limited

TAXES

47.1 The purpose of this paragraph 47 is to provide investors with an overview of the tax implications in Singapore of investing in the Fund and should not be regarded as advice on the tax position of any person (whether a Singapore resident or otherwise). The taxation consequences of transactions can vary depending on the circumstances of each investor. Each investor should therefore consult his or her own tax adviser in his or her respective jurisdiction as to the taxation implications of investing in the Fund, including the consequences of investing in or disposing of units in the Fund and receiving income from the Fund. Investors should note that the overview of the tax implications of investing in the Fund provided in this paragraph 47 is based on current Singapore tax laws and that these laws may change at any time.

47.2 All income and gains earned by the Fund are generally exempt from tax with the exception of Singapore dividends paid prior to 1 January 2008. However, as the one-tier corporate tax system fully took effect from 1 January 2008 for all companies, income arising from dividends received from Singapore companies in 2008 and subsequent years will be exempt from tax.

- 47.3 In respect of investors (individuals only) who purchase Units with CPF moneys:
- (a) Distributions of the Fund made out of all income including foreign dividends, interest and gains from the disposal of securities are exempt from tax in the hands of the investors. Distributions of the Fund made out of all Singapore dividends which are paid to the Fund on or after 1 January 2008 are also exempt from tax.
 - (b) Redemption of Units by investors will not be treated as a distribution and will not be taxable on individual investors.

47.4 In respect of investors who purchase Units with cash:

- (a) For tax-resident investors who are individuals, distributions of the Fund made out of all income arising from foreign dividends, interest, gains from the disposal of securities and certain other income (such as discount from qualifying debt securities) are exempt from tax in the hands of the investors, provided such income is not derived through a partnership in Singapore or from the carrying on of a trade, business or profession. Distributions of the Fund made out of all Singapore dividends which are paid to the Fund on or after 1 January 2008 are also exempt from tax.
- (b) For tax-resident investors other than individuals, distributions of the Fund made out of dividends, interest, gains from the disposal of securities and other income are generally taxable at the prevailing corporate tax rate. The prevailing corporate tax rate is 17.0 per cent with effect from Year of Assessment 2010. However, interest derived from qualifying debt securities (including bonds and notes) is taxable at the concessionary rate of 10.0 per cent., except in relation to financial sector incentive (standard tier) companies which would be taxed at 12.0 per cent. Subject to certain conditions, income for all investors from qualifying debt securities (which are issued in the period 16 February 2008 to 31 December 2013) that are debt securities with a tenure of at least 10 years, or are Islamic bonds or sukuks will also be exempt from income tax.
- (c) For investors who are not tax-resident, distributions of the Fund made out of foreign dividends, interest, gains from disposal of securities and certain other income (such as discount, prepayment fee, redemption premium or break cost, if applicable, from qualifying debt securities) are exempt from tax. Distributions of the Fund made out of Singapore dividends which are paid to the Fund on or after 1 January 2008 are also exempt from tax. There is also no withholding tax on such distributions.
- (d) Redemption of Units by investors will not be treated as a distribution. The tax implications on redemption will depend on the circumstances and tax status of each investor.

47.5 For tax-resident investors who are in the trade of dealing in securities, distributions of the Fund made out of capital may be taxable if a gain arises.

GLOSSARY

DEFINED TERMS AND EXPRESSIONS

“Accounting Date” means the 30th day of June each year (commencing with the 30th day of June, 2002) or (in the case of the final Accounting Period) the date on which the moneys required for the distribution in respect of that period shall have been transferred to the Distribution Account, provided that the Manager may, with the prior written consent of the Trustee, change the Accounting Date to any other date approved by the Trustee upon giving not less than 30 days’ prior written notice to the Trustee and the Holders and the Depository for distribution to Depositors;

“Accounting Period” means the period ending on and including an Accounting Date and commencing from the Initial Issue Date or from the end of the preceding Accounting Period (as the case may require);

“Accounts” in respect of each Accounting Period means the Accounts referred to in Clause 28 of the Deed;

“Administration Fund” shall have the meaning ascribed to it in Clause 8(A) of the Deed;

“Approved Applicant” means a person, other than a Participating Dealer, who is approved by the Manager to apply for creation and redemption of Units and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee;

“Approved Bank” shall have the meaning ascribed to it under the CPFIS Regulations;

“Approved Stockbroker” means a member of the SGX-ST for the time being approved by the Manager and the Trustee and appointed by the Manager for the purpose of valuing any particular Authorised Investment constituting part of the Deposited Property;

“Associate” means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary or a subsidiary of any such holding company or a corporation (or a subsidiary of a corporation) at least one-fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body, the expression **“Associate”** means and includes any corporation directly or indirectly controlled by such person;

“Auditors” means a company auditor or auditors as described in the Accountants Act, Chapter 2 of Singapore and for the time being appointed as auditor or auditors of the Trust by the Manager with the prior written approval of the Trustee;

“Authorised Investments” means any and all of the following:–

- (i) any Index Shares including options and warrants on such Index Shares;

- (ii) any Future Index Shares including options and warrants on such Future Index Shares;
- (iii) any Former Index Shares;
- (iv) any Futures Contracts including options on such Futures Contracts;
- (v) for the duration that the Trust shall be a CPF Fund, any investment for the time being included by the Minister for Manpower or other relevant authority for the purposes of unit trust schemes included as CPF Funds under the CPFIS Regulations, which qualifies as an Index Share; and
- (vi) any other investments not covered by paragraphs (i), (ii), (iii), (iv) and (v) of this definition as determined by the Manager and approved by the Trustee (such approval to be confirmed in writing);

“**Bank**” means a bank or other financial institution recognised or licensed by banking authorities in any jurisdiction, and reference to “**Banker**” shall be construed accordingly;

“**Business Day**” means any day (other than a Saturday or Sunday) on which (i) commercial banks are open for business in Singapore and (ii) trading takes place on the SGX-ST, or any other day as the Manager and the Trustee may agree in writing;

“**Cash**” means any amount standing to the credit of any bank account, and includes amounts represented by money market instruments;

“**Cash Equivalent Payment**” means an amount equal to the difference between the Value of the Deposited Property at the relevant Valuation Point on the Trade Date divided by the number of Units then in issue or deemed to be in issue, and the aggregate of:–

- (i) the Index Basket Value at the relevant Valuation Point on the Trade Date divided by the number of Units in a Creation Unit, or Redemption Unit (as the case may be); and
- (ii) the Dividend Equivalent Payment;

“**CIS**” means, for the purposes of the CPFIS Regulations, a collective investment scheme;

“**Code**” means the Code on Collective Investment Schemes issued by the Authority pursuant to the SFA;

“**Companies Act**” means the Companies Act, Chapter 50 or any successor statute thereto;

“**Contract Value**” in relation to any Futures Contract means the full amount expressed therein as being due to be paid or received by the holder of such Futures Contract upon settlement thereof or (as the case may be) upon delivery of the subject matter of such Futures Contract;

“**CPF**” means the Central Provident Fund;

“**CPF Accounts**” means the accounts (whether designated as Ordinary Accounts, Special Accounts or any other relevant accounts) of CPF members maintained with the CPF;

“**CPF Act**” means the Central Provident Fund Act, Chapter 36;

“**CPF Board**” means the Board of the CPF established pursuant to the CPF Act;

“**CPF Fund**” means a unit trust scheme or exchange traded fund included by the CPF Board for investment by members of the CPF under the CPFIS;

“**CPF Investment Account**” means an account opened by a member of CPF with an Approved Bank from which money may be withdrawn for the purchase of units in a CPF Fund or other such investments approved by the CPF Board or such other relevant competent authority;

“**CPF Investment Guidelines**” means the CPF Investment Guidelines issued by the CPF Board and as the same may be modified, amended, supplemented or revised from time to time;

“**CPFIS**” means the CPF Investment Scheme (as defined in the CPFIS Regulations) or such other scheme as shall from time to time replace it;

“**CPFIS Regulations**” means the Central Provident Fund (Investment Schemes) Regulations and the terms and conditions for fund management companies included under the CPFIS from time to time issued by the CPF Board or such other relevant competent authority thereunder, as the same may be modified, amended, supplemented, re-enacted or reconstituted from time to time;

“**Creation Request**” means an application to have Units issued in Creation Unit size;

“**Creation Unit**” means 500,000 Units or such other number of Units as from time to time determined by the Manager, with the prior consultation of the Trustee, and as notified in the Prospectus;

“**Custodian**” means the person or persons appointed by the Trustee to be the custodian of any of the Deposited Property pursuant to Clause 25(A) of the Deed; and “**Custodians**” shall be construed accordingly;

“**Dealing Day**”, in connection with the issuance, cancellation and redemption of Units means every Business Day or such other day or days at such intervals as the Manager may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Manager to all Holders, or, as the case may be, Depositors, at such time and in such manner as the Trustee may approve;

“Dealing Deadline” in relation to any particular place and any particular Dealing Day, means 15 minutes after the SGX-ST officially closes for trading on that Dealing Day or such other time on that Dealing Day as the Manager may with the prior consultation of the Trustee from time to time determine;

“the Deed” means the deed of trust dated 26 March 2002, whose parties to are State Street Global Advisors Singapore Limited (the **“Manager”**) and DBS Trustee Limited (the **“Trustee”**), as from time to time altered, modified or added to in accordance with the provisions herein contained and shall include any deed supplemental thereto executed in accordance with the provisions of the Deed;

“Deposit Investments” shall have the meaning ascribed to it in Clause 9(A) of the Deed;

“Deposited Property” means all the assets, including Cash, for the time being held or deemed to be held upon the trusts of the Deed in respect of the Trust excluding any amount for the time being standing to the credit of the Distribution Account;

“Depositor” means:–

- (i) a direct account holder with the Depository; or
- (ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of Units held by it;

“Depository” means the Central Depository (Pte) Limited or any successor thereof established by SGX-ST as a depository company which operates a central depository system for the holding and transfer of book-entry securities;

“Depository Agent” means a member company of the SGX-ST, a trust company (registered under the Trust Companies Act, Chapter 336), a banking corporation or merchant bank (approved by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act, Chapter 186) or any other person or body approved by the Depository who or which:–

- (i) performs services as a depository agent for holders of accounts maintained by a depository agent in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent;
- (ii) deposits book-entry securities with the Depository on behalf of Sub-Account Holders; and
- (iii) establishes an account in its name with the Depository;

“Depository Agreement” means the Depository Agreement entered into between the Depository, the Manager and the Trustee on the arrangements relating to the Units being deposited with the Depository;

“Depository Register” means the electronic sub-register of Units deposited with the Depository maintained by the Depository;

“Depository Requirements” means the requirements imposed by the Depository in relation to the trading of unit trusts on the SGX-ST applicable to the Trust;

“Distribution Account” means the Distribution Account referred to in Clause 15(C) of the Deed;

“Distribution Date” means the date on which a distribution is to be made as provided under Clause 15(A) of the Deed, which date, if any, shall be no later than 120 days after the Accounting Date or Interim Accounting Date (as the case may be) in respect of any financial year;

“Distribution Period” means a period commencing (in the case of the first such period) on the Initial Issue Date or (in any other case) from the end of the preceding Distribution Period and ending on (but excluding) the Ex. Dividend Date immediately preceding the relevant Record Date;

“Dividend Equivalent Payment” means an amount equal to the Value of the Income Property at the relevant Valuation Point on the Trade Date divided by the number of Units then in issue or deemed to be in issue;

“Duties and Charges” means a sum which is charged to cover the imputed transaction and other imputed costs including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges incurred in connection with the purchase and sale of Authorised Investments of the Trust;

“Ex. Dividend Date” means that date in each year which falls two Business Days (or such other number of days as may from time to time be determined by the Manager with the consent of the Trustee) immediately prior to a Record Date being the date or dates in each year for the purpose of allocating the amount distributable pursuant to Clause 16(A) of the Deed for distribution to Holders or, as the case may be, Depositors of record on the following Record Date;

“Extraordinary Resolution” means a resolution proposed and passed as such by a majority consisting of seventy-five per cent. or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be), Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager;

“Fitch Inc.” means Fitch Incorporated;

“Former Index Share” means a share which was formerly, but has ceased to be, an Index Share;

“FTSE” means FTSE International Limited;

“Futures Contract” means any futures contract which is traded on the Singapore Exchange Derivatives Trading Limited;

“Future Index Share” means a share listed or to be listed on the SGX-ST and which the Index Sponsor has announced will be included in the Straits Times Index or which the Manager and the Trustee reasonably believe will be included in the Straits Times Index within 30 days of including it in the Deposited Property and/or Index Basket;

“Holder” means the registered holder for the time being of a Unit including persons so registered as Joint Holders on the Register;

“Income” means all interest, dividends and other receipts received with respect to the Deposited Property, and interest received with respect to property held in the Distribution Account (including taxation repayments) considered by the Manager after consulting the Auditors to be in the nature of income;

“Income Property” means, with respect to the Deposited Property:–

- (i) all Income;
- (ii) all Transaction Fees received by the Trust; and
- (iii) all interest received in respect of (i) and (ii),

but excluding

- (iv) any amount for the time being standing to the credit of the Distribution Account or previously distributed to Holders; and
- (v) any sums applied towards payment of any fees, costs and expenses payable pursuant to the Deed.

Income Property shall for all purposes under the Deed be a part of the Deposited Property;

“Index Basket” means a portfolio of Index Shares (including Future Index Shares) and other Authorised Investments, as determined by the Manager, and notified in writing to the Trustee, substantially similar in composition and weighting to the Straits Times Index provided that such portfolio shall comprise only whole numbers of Index Shares and/or Authorised Investments, and no fractions thereof or, if the Manager so determines (either generally or on any Dealing Day), shall comprise only round lots and not any odd lots, which may be exchanged for the number of Units in a Creation Unit, or Redemption Unit (as the case may be), in accordance with the terms of the Deed;

“Index Basket Value” means the aggregate Value at the relevant Valuation Point of an Index Basket;

“Index Shares” means the shares listed on the SGX-ST being the shares of the companies which are from time to time constituent components of the Straits Times Index;

“Index Sponsor” means, in relation to the Straits Times Index, FTSE International Limited.

“Indicative Optimised Portfolio Value” or **“IOPV”** means the estimated value of an Index Basket which will be calculated as follows:–

- (i) multiplying the nominal price of the Index Shares in the Index Basket by the number of the respective Index Shares in the Index Basket;
- (ii) adding the estimated total of the cash amount that must be paid on the creation of Units in the Fund in Creation Unit size to the figure obtained from the calculation under paragraph (i); and
- (iii) dividing the figure obtained from the calculation under paragraph (ii) by the number of Units in a Creation Unit;

“Initial Issue Date” means the date of the first issue of Units;

“In-kind Service Charges” shall have the meaning ascribed to it in Clause 22(C) of the Deed;

“Interim Accounting Date” means 31 December in each year and such other date or dates as the Manager may determine with the consent of the Trustee;

“Intra-Day Proxy” means a mark-to-market calculation of the Straits Times Index, made from time to time on any given Market Day, as an interim measure of the value of the Straits Times Index, but not constituting the official close of business calculation made at the end of each Market Day, and **“Intra-Day Proxies”** shall be construed accordingly;

“Investment Objective” shall have the meaning ascribed to it in Clause 13(B) of the Deed;

“IOPV Provider” means such corporation as may be engaged by the Manager from time to time to calculate the IOPV;

“Issue Price” means the price per Unit at which Units are from time to time issued or to be issued in Creation Unit increments by way of exchange for Deposit Investments, the Dividend Equivalent Payment and the Cash Equivalent Payment, ascertained in accordance with the provisions of Clause 9(B) of the Deed;

“Joint Depositors” means such persons, not exceeding two in number, for the time being entered in the Depository Register as joint depositors in respect of a Unit either as Joint-All Depositors or Joint-Alternate Depositors;

“Joint-All Depositors” means Joint Depositors whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Depositors or where one Joint-All Depositor is a Minor, where the mandate is given by the adult Joint-All Depositor;

“Joint-All Holders” means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Holders or where one Joint-All Holder is a Minor, where the mandate is given by the adult Joint-All Holder;

“Joint-Alternate Depositors” means Joint Depositors whose mandate the Manager and the Trustee shall act upon if given by either of such Joint Depositors;

“Joint-Alternate Holders” means Joint Holders whose mandate the Manager and the Trustee shall act upon if given by either of such Joint Holders;

“Joint Holders” means such persons, not exceeding two in number, for the time being entered in the Register as joint holders of a Unit who shall hold the Unit either as Joint-All Holders or Joint-Alternate Holders;

“Licence Agreement” means the Licence Agreement originally entered into between SPH Data and the Manager dated 14 September 2001 as amended by, *inter alia*, the Novation and Amendment Agreement entered into between FTSE, SPH Data and the Manager dated 10 January 2008, relating to the use of the Straits Times Index for the purposes of the Trust;

“Listing Rules” means the listing rules for the time being applicable to the listing of the Trust as an investment fund on the SGX-ST;

“Management Fee” means a periodic charge not exceeding 1.0 per cent. per annum of the Value of the Deposited Property at the relevant time or such other periodic charge as may from time to time be fixed or otherwise determined pursuant to Clause 22(A) of the Deed, payable to the Manager;

“Manager” means the said State Street Global Advisors Singapore Limited;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Minimum Holding” means such number of Units or amount as may be determined by the Manager from time to time either generally or in any particular case or cases upon giving prior written notice to the Trustee and as permitted by the relevant authorities truncated but not rounded off to the nearest whole number;

“Minor” means any person under the age of 21 years;

“Moody’s” means Moody’s Investors Service, Inc., U.S.A.;

“Non-CPF CIS” means a foreign or other CIS which is not included as a CPF Fund under the CPFIS Regulations but is permitted by the CPF Board to be invested into by a CPF Fund;

“Non-Specialised Funds Investment Guidelines” means the investment guidelines for non-specialised funds issued by the Authority under Appendix 1 and Annex 1a of the Code and as the same may be modified, amended, supplemented or revised from time to time.

“OTC Market” means any over-the-counter market or over-the-telephone market in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Manager may from time to time elect;

“Participation Agreement” means an agreement entered into between the Manager and an Approved Applicant authorising, and setting out, *inter alia*, the terms in respect of, the issue, redemption and cancellation of Units;

“Participating Dealer” means any person who is a broker or dealer (in Singapore or elsewhere) and who has entered into a Participating Dealer Agreement in form and substance acceptable to the Manager and the Trustee;

“Participating Dealer Agreement” means an agreement entered into between the Manager and a Participating Dealer authorising, and setting out, *inter alia*, the terms in respect of, the issue, redemption and cancellation of Units;

“Prospectus” means this prospectus prepared and issued by the Manager in connection with the issue of Units as required under the Companies Act, as amended, supplemented and updated from time to time in connection with the continuous offer of Units;

“Rebalance” shall have the meaning ascribed to it in Clause 13(B)(ii) of the Deed;

“Recognised Stock Exchange” means any stock exchange, futures exchange and organised securities exchange on which securities are regularly traded in any country in any part of the world, including the SGX-ST, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Manager may from time to time elect;

“Record Date” means the date or dates in each year determined by the Manager for the purpose of determining the Holders, or, as the case may be, Depositors, of record entitled to receive any distributions (as allocated by the Manager on the immediately preceding Ex. Dividend Date) on the following Distribution Date in accordance with Clause 15 of the Deed provided that there shall be a Record Date at least two Business Days prior to the relevant Distribution Date;

“Redemption Investments” shall have the meaning ascribed to it in Clause 10(B) of the Deed;

“Redemption Request” means an application to have Units redeemed in Redemption Unit size in accordance with the provisions of Clause 10 of the Deed;

“Redemption Unit” means 500,000 Units or such other number of Units as from time to time determined by the Manager, with the prior consultation of the Trustee;

“Redemption Value” means the Value per Unit at which Units are from time to time redeemed in Redemption Unit size and which shall be the Value per Unit ascertained in accordance with the provisions of Clause 10(E) of the Deed;

“Register” means the Register of Holders referred to in Clause 6(A) of the Deed;

“Registrar” means the Manager or such other person as may from time to time be appointed by the Manager to keep the Register;

“Settlement Date” means the Business Day which is three Business Days after the relevant Trade Date or such other number of days after the relevant Trade Date as may be agreed between the Trustee and the Manager either generally or in any particular case or cases;

“SGX” means the Singapore Exchange Limited;

“SGX-ST” means the Singapore Exchange Securities Trading Limited or any successor thereto;

“SPH Data” means SPH Data Services Pte Ltd;

“Standard and Poor’s” means Standard and Poor’s, a division of The McGraw-Hill Companies, Inc.;

“Statement of Holdings” means the Statement of Holdings referred to in Clause 2(B) of the Deed;

“Straits Times Index” means the index commonly known in Singapore under the name or style **“Straits Times Index”** or **“STI”**. If on any Business Day such index is (i) not being compiled and published by the Index Sponsor but is compiled and published by a successor sponsor to the Index Sponsor, acceptable to the Manager and the Trustee, or (ii) replaced by a successor index using, in the opinion of the Manager and the Trustee, the same or substantially similar formula for the method of calculation as used in the calculation of such index then the **“Straits Times Index”** will be deemed to be the index compiled and published by that successor sponsor or that successor index, as the case may be;

“Sub-Account Holder” means a holder of an account maintained with a Depository Agent;

“Taxes and Levies” shall have the meaning ascribed to it in Clause 22(D) of the Deed;

“Trade Date” means the Dealing Day on which the Manager receives or is treated as receiving a valid Creation Request in accordance with Clause 9 of the Deed or a valid Redemption Request in accordance with Clause 10 of the Deed;

“Transaction Fee” means the fee which will be charged to a Participating Dealer or an Approved Applicant (i) on each Creation Request (in addition to the Issue Price of the Units) and (ii) on each Redemption Request, the level of which shall be as determined by the Manager from time to time;

“Trust” means the unit trust scheme constituted by the Deed and known as **“SPDR Straits Times Index ETF** (formerly known as streetTRACKS® Straits Times Index Fund)” or by such other name as the Manager (with the prior written approval of the Trustee) may from time to time determine;

“Trustee” means the said DBS Trustee Limited, and its successors as Trustee, and with regard to any provision or provisions of the Deed as to the vesting of the Deposited Property in the Trustee, includes also any nominee company of the Trustee approved by the Minister for Finance;

“Trustee Fee” means a periodic fee not exceeding 0.15 per cent. per annum of the Value of the Deposited Property at the relevant time or such other periodic change as may from time to time fixed or otherwise determined pursuant to Clause 22(B) of the Deed, payable to the Trustee;

“Unclaimed Moneys Account” means the Unclaimed Moneys Account referred to in Clause 18(D) of the Deed;

“Unit” means one undivided share in the Trust. Where the context so requires, the definition includes a fraction of a Unit and, save where the Deed otherwise provides, a fraction of a Unit shall rank pari passu and proportionately with a whole Unit;

“Valuation Point” means the official close of trading on the SGX-ST on each Dealing Day (or such other time or times on a Dealing Day as the Manager may with the prior approval of the Trustee from time to time determine) and the Manager shall inform the Holders, or, as the case may be, Depositors, of such change if required by the Trustee;

“Value”, except where otherwise expressly stated, with reference to any Authorised Investment or the Deposited Property, means the value thereof calculated by reference to the valuation rules set out in the Third Schedule hereto; and

“Year” means calendar year.

References in this Prospectus to “Dollars” or “\$” are to the lawful currency of Singapore unless expressly provided to the contrary.

APPENDIX A

CONSTITUENT STOCKS OF THE STRAITS TIMES INDEX

(as of 31 January 2011)

1. CapitaLand Ltd
2. CapitalMalls Asia Ltd
3. CapitalMall Trust
4. City Developments Ltd
5. ComfortDelGro Corporation Ltd
6. DBS Group Holdings Ltd
7. Fraser and Neave Ltd
8. Genting Singapore PLC
9. Golden Agri Resources Ltd
10. Hongkong Land Holdings Ltd
11. Jardine Cycle & Carriage Ltd
12. Jardine Matheson Holdings Ltd
13. Jardine Strategic Holdings Ltd
14. Keppel Corporation Ltd
15. Neptune Orient Lines Ltd/Singapore
16. Noble Group Ltd
17. Olam International Ltd
18. Oversea Chinese Banking Corp Ltd
19. SembCorp Industries Ltd
20. SembCorp Marine Ltd
21. SIA Engineering Company Ltd
22. Singapore Airlines Ltd
23. Singapore Exchange Ltd
24. Singapore Press Holdings Ltd
25. Singapore Technologies Engineering Ltd
26. Singapore Telecommunications Ltd
27. SMRT Corporation Ltd
28. StarHub Ltd
29. United Overseas Bank Ltd
30. Wilmar International Ltd

APPENDIX B

REPORTS

1. streetTRACKS® Straits Times Index Fund Annual Report 30 June 2010.

streetTRACKS®

streetTRACKS® Straits Times Index Fund

Stock Code: STI ETF

Website : www.streettracks.com.sg

Annual Report 2010

1st July 2009 to 30th June 2010

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streetTRACKS® Straits Times Index Fund

Annual Report 2010

MANAGER'S INVESTMENT REPORT

Manager's Notes

About streetTRACKS® STI

streetTRACKS®STI, Singapore's first locally created exchange traded fund, is designed to track the performance of the Straits Times Index (STI). Shares of streetTRACKS®STI were listed and traded on SGX-ST since 17 April 2002.

Details of streetTRACKS® STI

NAV per share (30 June 2010):	S\$2.887
Total assets (30 June 2010):	S\$205 million
Fund currency:	Singapore dollar
Listing date on SGX-ST:	17 April 2002
Stock code on SGX-ST:	STI ETF
Board lot:	1000 shares
Price:	Approximately 1/1000th of the STI
CPF usage:	Included in CPF Investment Scheme – Ordinary Account
Annual costs:	0.3%

Benefits of investing in streetTRACKS® STI

streetTRACKS® STI offers investors the opportunity to gain diversified exposure to the leading companies in Singapore and participate in Singapore's long term growth potential in a single transaction, at relatively low cost.

Just like any share listed on SGX-ST, investors can buy and sell anytime during the trading day, on margin or sell short. Investors can also receive regular dividends. Unlike ordinary unit trusts, there are no sales charges upon purchase. Instead, investors pay brokerage commissions to buy or sell. streetTRACKS® STI total annual fees, including management and trustee fees, are also low at 0.3%.

Performance of the Scheme

	3-month	6-month	1-year	3-Year	5-Year	Annualized since inception
From	31-Mar-10	31-Dec-09	30-Jun-09	30-Jun-07	30-Jun-05	17-Apr-02
To	30-Jun-10	30-Jun-10	30-Jun-10	30-Jun-10	30-Jun-10	30-Jun-10
Fund*	-1.83%	-1.16%	24.61%	-3.84%	8.89%	9.28%
Fund**	-1.83%	-2.17%	21.49%	-7.22%	5.15%	5.95%
STI**	-1.80%	-2.14%	21.53%	-7.20%	5.09%	5.90%

* Includes dividends

** Excludes dividends

Notes:

- (1) As stated in the financial statements, units are issued and redeemed through the creation and redemption of an Index Basket in accordance with the Fund's Trust Deed. The Fund does not, therefore, publish a bid price and the Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this return calculation.
- (2) The benchmark returns are stated on a price only basis and do not include dividends. The performance of the Straits Times Index with dividends reinvested is not published.

MANAGER'S INVESTMENT REPORT (Continued)

Details of Top 10 Holdings of the Fund

As at 30 June 2010

	Cost SGD	Market value/ Fair value SGD	Percentage of total net assets %	Percentage of free-float adjusted share capital owned %	Dividends received SGD	Dividend cover ratio
Singapore Telecommunications Limited	18,522,859	19,367,409	9.45	0.0008	3,313,066	1.73
DBS Group Holdings Limited	13,633,061	18,786,065	9.16	0.0008	1,518,138	1.60
United Overseas Bank Limited	14,374,161	18,069,070	8.81	0.0008	1,105,028	1.98
Overseas Chinese Banking Corporation	13,509,066	17,275,436	8.43	0.0008	1,337,045	2.09
Wilmar International Limited	13,548,042	11,833,422	5.77	0.0008	225,100	5.20
Jardine Matheson Holdings Limited	7,581,073	10,180,561	4.97	0.0008	465,338	2.80
Hong Kong Land Holdings Limited	6,697,274	9,436,503	4.60	0.0008	638,219	4.56
Capitaland Limited	6,634,225	9,178,186	4.48	0.0008	262,144	2.36
Keppel Corporation Limited	6,574,134	8,204,795	4.00	0.0008	786,641	2.68
Singapore Airlines Limited	5,587,173	6,935,784	3.38	0.0008	381,782	1.51
	<u>106,661,068</u>	<u>129,267,231</u>				

As at 30 June 2009

	Cost SGD	Market value/ Fair value SGD	Percentage of total net assets %	Percentage of free-float adjusted share capital owned %	Dividends received SGD	Dividend cover ratio
Singapore Telecommunications Limited	63,045,936	74,705,826	11.97	0.31	2,904,922	1.73
DBS Group Holdings Limited	57,179,016	63,528,668	10.18	0.31	3,044,585	2.12
United Overseas Bank Limited	48,138,408	53,176,081	8.52	0.31	2,256,902	2.14
Overseas Chinese Banking Corporation	39,427,170	49,025,862	7.86	0.31	2,142,899	1.95
Capitaland Limited	29,358,786	37,081,865	5.94	0.32	720,530	4.25
Jardine Matheson Holdings Limited	30,265,854	31,752,715	5.09	0.32	608,819	1.43
Hong Kong Land Holdings Limited	24,881,084	27,229,943	4.36	0.32	1,068,869	N/A
Keppel Corporation Limited	15,549,311	25,766,297	4.13	0.32	1,354,216	1.97
Singapore Airlines Limited	22,452,647	24,778,684	3.97	0.31	1,955,199	2.24
Singapore Exchange Limited	10,148,798	23,883,119	3.83	0.31	1,318,475	1.18
	<u>340,447,010</u>	<u>410,929,060</u>				

The industry in which the above companies conduct their business is shown in the Portfolio Statement in pages 11 to 13.

streetTRACKS® Straits Times Index Fund
Annual Report 2010

MANAGER'S INVESTMENT REPORT *(Continued)*

Amount of Subscription and Redemption

For the year ending June 30 2010

Subscription = 30,500,000 units SGD84,568,011

Redemption = 222,000,000 units SGD620,782,758

Other Information

During the reporting period, the fund had no exposure to other unit trusts, mutual funds and collective investment schemes (except for certain listed funds that are included in the Straits Times Index) and had no borrowings. There are no other material information that will adversely impact the valuation of the fund.

Soft Dollar Practices

The Manager may receive soft dollar commissions/arrangements in respect of the Fund and is subject to the applicable regulatory and industry standards on soft dollars. The soft dollar commissions/arrangements which the Manager may for the time being receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Brokers for the Fund are selected on the basis of the best available terms for execution. As the Manager is a part of the State Street Group which approaches soft dollar on a group wide basis, the benefits received by the Manager through soft dollars may or may not be directly related to the transactions performed for the Fund.

The goods and services received were for the benefit of the Fund. The trades were executed on best available terms, and there was no churning of trades.

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's Trust Deed. The basis of the Manager's remuneration is set down in the Fund's prospectus dated 1 April 2010. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of streetTRACKS® Straits Times Index Fund in trust for the unitholders. In accordance with the Securities and Futures Act (Cap.289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed streetTRACKS® Straits Times Index Fund during the period covered by these financial statements, set out on pages 9 to 24, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
DBS TRUSTEE LIMITED

JANE LIM
Director

20 September 2010

streetTRACKS® Straits Times Index Fund
Annual Report 2010

STATEMENT BY THE MANAGER

In the opinion of the Manager of streetTRACKS® Straits Times Index Fund, the accompanying financial statements set out on pages 9 to 24, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of streetTRACKS® Straits Times Index Fund as at 30 June 2010 and the total return for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that streetTRACKS® Straits Times Index Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
STATE STREET GLOBAL ADVISORS
SINGAPORE LIMITED

HON WING CHEUNG
Director

20 September 2010

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
streetTRACKS® STRAITS TIMES INDEX FUND**

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of streetTRACKS® Straits Times Index Fund set out on pages 9 to 24, which comprise the Balance Sheet and Portfolio Statement as at 30 June 2010, the Statement of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

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

streetTRACKS® Straits Times Index Fund
Annual Report 2010

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
streetTRACKS® STRAITS TIMES INDEX FUND** *(Continued)*
(Constituted under a Trust Deed in the Republic of Singapore)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2010 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Singapore, 20 September 2010

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2010

	Note	2010 S\$	2009 S\$
Investment Income			
Dividends		15,369,061	23,712,930
Interest		–	2,634
		<u>15,369,061</u>	<u>23,715,564</u>
Less: Expenses	3	<u>(1,693,290)</u>	<u>(1,601,155)</u>
Net investment income before income tax		13,675,771	22,114,409
Less: Taxation	4	<u>(92,639)</u>	<u>(119,872)</u>
Net investment income after income tax		<u>13,583,132</u>	<u>21,994,537</u>
Net gains or loss on value of investment			
Net realised gain/(loss) on investments		168,004,872	(5,644,102)
Net change in fair value of investments		(45,420,535)	(127,137,398)
Net realised loss on foreign exchange		(21,335)	(45,996)
Net unrealised gain/(loss) on foreign exchange		2,864	(678)
		<u>122,565,866</u>	<u>(132,828,174)</u>
Net gain/(loss) on value of investments		122,565,866	(132,828,174)
Total return/(deficit) for the financial year		<u>136,148,998</u>	<u>(110,833,637)</u>

The accompanying notes form an integral part of these financial statements.

streetTRACKS® Straits Times Index Fund
Annual Report 2010

BALANCE SHEET

For the financial year ended 30 June 2010

	Note	2010 S\$	2009 S\$
ASSETS			
Portfolio of investments		201,353,242	612,963,487
Sales awaiting settlement		201,410	–
Net dividend receivables		498,485	200,788
Cash and bank balances	5	<u>3,342,023</u>	<u>14,235,169</u>
Total assets		<u>205,395,160</u>	<u>627,399,444</u>
LIABILITIES			
Purchases awaiting settlement		221,364	2,595,642
Due to manager		169,945	775,793
Cash collateral payable		1,591	–
Net assets attributable to unitholders	6	<u>205,002,260</u>	<u>624,028,009</u>
Total liabilities		<u>205,395,160</u>	<u>627,399,444</u>

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 30 June 2010

Primary – by Industry

	Holdings at 30 June 2010	Fair value at 30 June 2010 S\$	Percentage of total net assets attributable to unitholders at 30 June 2010 %
Quoted			
EQUITIES			
Finance			
DBS Group Holdings Limited	1,375,261	18,786,065	9.16
Oversea-Chinese Banking Corporation	1,956,448	17,275,436	8.43
Singapore Exchange Limited	859,199	6,340,889	3.09
United Overseas Bank Limited	926,619	18,069,070	8.81
		<u>60,471,460</u>	<u>29.49</u>
Manufacturing			
Fraser & Neave Limited	1,119,925	5,734,016	2.80
SembCorp Marine Limited	662,272	2,549,747	1.24
Singapore Press Holdings Limited	1,281,237	4,843,076	2.36
Golden Agri-Resources Limited	7,013,043	3,681,847	1.80
Golden Agri-Resources Limited WTS Call EXP 23JUL12	1,669,834	158,634	0.08
		<u>16,967,320</u>	<u>8.28</u>
Properties			
City Developments Limited	547,842	6,048,176	2.95
CapitaLand Limited	2,549,496	9,178,186	4.48
Capitallmall Trust*	1,904,086	3,503,518	1.71
Capitamalls Asia Limited	1,246,400	2,617,440	1.28
Genting International Plc	3,912,340	4,577,438	2.23
Hong Kong Land Holdings Limited	1,355,907	9,436,503	4.60
		<u>35,361,261</u>	<u>17.25</u>

* This is a collective investment scheme

The accompanying notes form an integral part of these financial statements.

streetTRACKS® Straits Times Index Fund
Annual Report 2010

PORTFOLIO STATEMENT *(Continued)*

As at 30 June 2010

Primary – by Industry *(Continued)*

	Holdings at 30 June 2010	Fair value at 30 June 2010 S\$	Percentage of total net assets attributable to unitholders at 30 June 2010 %
Quoted			
EQUITIES			
Multi-Industry			
Keppel Corporation Limited	965,270	8,204,795	4.00
Jardine Matheson Holdings Limited	207,309	10,180,561	4.97
SembCorp Industries Limited	716,949	2,917,982	1.42
Singapore Technologies Engineering Limited	1,207,045	3,971,178	1.94
		<u>25,274,516</u>	<u>12.33</u>
Commerce			
Jardine Cycle & Carriage Limited	114,696	3,429,410	1.67
Jardine Strategic Holdings Limited	177,204	5,155,919	2.52
Noble Group Limited	3,581,662	6,088,825	2.97
Olam International Limited	1,217,991	3,142,417	1.53
Wilmar International Limited	2,050,853	11,833,422	5.77
		<u>29,649,993</u>	<u>14.46</u>
Transportation/storage/communication			
Comfortdelgro Corporation (S) Limited	1,663,177	2,411,607	1.18
Neptune Orient Lines Limited	823,333	1,646,666	0.80
Singapore Airlines Limited	477,014	6,935,784	3.38
Singapore Telecommunications Limited	6,391,884	19,367,409	9.45
SMRT Corporation (S) Limited	609,394	1,346,761	0.66
Starhub Limited	550,244	1,232,546	0.60
SIA Engineering Co	172,844	687,919	0.34
		<u>33,628,692</u>	<u>16.41</u>
Portfolio investments		201,353,242	98.22
Cash and other net assets		<u>3,649,018</u>	<u>1.78</u>
Net assets attributable to unitholders		<u>205,002,260</u>	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT *(Continued)*

As at 30 June 2010

Primary – by Industry *(Continued)*

Summary

	Percentage of total net assets attributable to unitholders at 30 June 2010 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
QUOTED		
Finance	29.49	30.39
Manufacturing	8.28	8.09
Properties	17.25	16.23
Multi-Industry	12.33	12.43
Commerce	14.46	10.80
Transportation/storage/communication	16.41	20.28
	<hr/>	<hr/>
Portfolio of investments	98.22	98.22
Cash and other net assets	1.78	1.78
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

streetTRACKS® Straits Times Index Fund
Annual Report 2010

PORTFOLIO STATEMENT *(Continued)*

As at 30 June 2010

Secondary – By Geography

	Fair value at 30 June 2010 S\$	Percentage of total net assets attributable to unitholders at 30 June 2010 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Country of Incorporation			
Singapore	162,073,515	79.06	81.09
Bermuda	30,861,808	15.05	14.08
Mauritius	3,840,481	1.88	1.73
United Kingdom	4,577,438	2.23	1.32
Portfolio of investments	201,353,242	98.22	98.22
Cash and other net assets	3,649,018	1.78	1.78
Net assets attributable to unitholders	205,002,260	100.00	100.00

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

streetTRACKS® Straits Times Index Fund (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental Deeds") is amended and restated by a Fifth Amending and Restating Deed dated 16 January 2008. The Deed is between State Street Global Advisors Singapore Limited and DBS Trustee Limited. The Deed is governed by the laws of the Republic of Singapore. The Fund is also listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is included under the Central Provident Fund ("CPF") Investment Scheme.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. The Straits Times Index ("STI") comprises 30 blue-chip companies on the SGX Mainboard ranked by market capitalization that pass the relevant investability screens. The index sponsor of the STI is FTSE International Limited ("FTSE").

Based on FTSE's international methodology, these companies have been included based on the following criteria:

1. Free Float. The free float of a listed company must be greater than 15%. The definition of "free float" includes portfolio investments, nominee holdings and holdings by investment companies.
2. Liquidity. A stock must trade with a median daily turnover value of at least 0.05% of the value of its free float-adjusted shares in issue for at least 10 out of the last 12 months.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention, modified by the revaluation of investments at fair value, and in accordance with the Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Certified Public Accountants of Singapore ("ICPAS").

(b) Recognition of income

Dividend income is recorded gross in the financial statements in the accounting period in which the security is quoted ex-dividend. Bank interest and other income are recognized on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

As at 30 June 2010

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the period which they arise.

(iii) De-recognition

Investments are de-recognized on the trade date of disposal. The resultant realized gains and losses on the sales of investments are computed on the basis of the difference between the first-in-first-out cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(e) Foreign currency translation

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the date of the balance sheet date. Transactions in foreign currencies during the period are translated into Singapore dollars at the rates of exchange prevailing at transaction dates. All exchange gains or losses are recognized in the Statement of Total Return.

(f) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(g) Distribution

The Manager shall have the absolute discretion to determine whether a distribution is to be made. In the event that the Manager determines that a distribution will be made, an amount required to effect such a distribution shall be transferred to a distribution account for payment on distribution date. This amount shall not be treated as part of the property of the Fund. Distributions are accrued on ex-dividend date.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

As at 30 June 2010

3. EXPENSES

As agreed between the Manager and the Trustee, the total combined management, trustee and other fees for the Fund are set at 0.3% per annum of its net asset value.

4. TAXATION

	2010	2009
	S\$	S\$
Singapore income tax	92,639	103,269
Foreign income tax	-	16,603
	92,639	119,872
	92,639	119,872

(a) The Fund is included in the CPF Investment Scheme and, therefore, the following income is exempted from tax in accordance with section 35(12) and (12A) of the Income Tax Act (Cap 134) of Singapore, subject to certain conditions, the following income are not taxable:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under section 45 of the Income Tax (Act);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions; and
- (v) distribution from foreign unit trusts derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

5. CASH AND BANK BALANCES

	2010	2009
	S\$	S\$
Cash and cash equivalents	3,342,023	14,235,169
	3,342,023	14,235,169
	3,342,023	14,235,169

The carrying amounts of cash and cash equivalents approximate their fair value.

streetTRACKS® Straits Times Index Fund
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30 June 2010

6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2010	2009
	S\$	S\$
At the beginning of the financial year	624,028,009	714,219,038
Operations		
Net investment income after income tax	13,583,132	21,994,537
Net gain/loss on investments	122,565,866	(132,828,174)
Change in net assets attributable to unitholders resulting from operations	136,148,998	(110,833,637)
Unitholders' contributions/(withdrawals)		
Creation of units	84,568,011	57,008,405
Cancellation of units	(620,782,758)	(9,470,797)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(536,214,747)	47,537,608
Distribution to unitholders (note 8)	(18,960,000)	(26,895,000)
Total decrease in net assets attributable to unitholders	(419,025,749)	(90,191,029)
At the end of the financial year	205,002,260	624,028,009
Units in issue (note 7)	71,000,000	262,500,000
	S\$	S\$
Net assets attributable to unitholders per unit	2.887	2.377

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30 June 2010

7. UNITS IN ISSUE

	2010	2009
	<i>Units</i>	<i>Units</i>
Units at beginning of the year	262,500,000	236,500,000
Units created	30,500,000	30,500,000
Units cancelled	(222,000,000)	(4,500,000)
	<hr/>	<hr/>
Units at end of the year	71,000,000	262,500,000
	<hr/> <hr/>	<hr/> <hr/>

8. DISTRIBUTION

On 24 July 2009, the Fund declared a final dividend distribution of S\$0.04 per unit in relation to the income received in the financial year ended 30 June 2009. This dividend distribution comprises S\$0.01 per unit made out of Singapore tax exempt dividends and S\$0.03 per unit made out of Singapore tax exempt one-tier dividends. The final dividend totalling S\$10,620,000 was paid on 11 August 2009.

On 18 January 2010, the Fund declared an interim dividend distribution of S\$0.03 per unit. This interim dividend comprises of S\$0.019 per unit made out of foreign tax exempt dividends and S\$0.011 per unit made out of Singapore tax exempt (one-tier) dividends. The dividend totalling S\$8,340,000 was paid on 2 February 2010.

It is anticipated that distributions will be made twice a year and that the amount of the distribution will approximately the yield on the Straits Times Index.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

As at 30 June 2010

9. FINANCIAL RISK MANAGEMENT

The Manager continually monitors the Fund's exposure to risk and appropriate procedures are in place to manage the risks.

Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments and/or their derivatives because of changes in market conditions like interest and currency rate movements and volatility in commodity or security prices. The Manager manages the Fund's exposure to market risk through the use of risk management strategies that evaluate the effect of cash instruments and/or derivative contracts.

At 30 June 2010, the Fund's market risk is affected by changes in actual market prices of the securities held by the Fund. If the Straits Times Index at 30 June 2010 had increased by 10% (2009: 5%) with all other variables held constant in the next 12 months, this would have increased net assets attributable to unitholders by approximately 10% (2009: 5%). Conversely, if the Straits Times Index had decreased by 10% (2009: 5%) during the same period, this would have decreased net assets attributable to unitholders.

If the spot exchange rate of Singapore dollars had appreciated 3.0% (2009: 1.3%) against the US dollars with all other variables held constant in the next 12 months, this would have increased the net asset value of the Fund by approximately 0.37% (2009: 0.16%). Conversely, if the spot exchange rate of Singapore dollars had depreciated by 3.0% (2009: 1.3%) against the US dollars, this would have decreased the net asset value of the Fund by approximately 0.37% (2009: 0.16%) for the same period.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

As at 30 June 2010

9. FINANCIAL RISK MANAGEMENT *(Continued)*

Market price risk

Although the Fund is listed on the Singapore Exchange, the trading price of the Units may differ to some degree from the Units' net asset value. The Value of the Units will generally fluctuate with changes in the market value of the Index Shares. The market price of the Units will generally fluctuate in accordance with changes in the Value of the Units, as well as supply of and demand for Units of the Fund on the Singapore Exchange. It is impossible to predict whether Units will trade at, above or below their Value at any given time. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary market for Units will be closely related to, but not identical to, the same forces influencing the market prices of the index Shares. However, given that the Units can be created and redeemed in Creation and Redemption Unit sizes by Participating Dealers, as applicable, it is not anticipated that large discounts or premiums will be sustained.

Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units. It may seek to invest its assets in investments that are traded in an active market which is easily realizable and/or investments where the issuer stands ready to unwind.

The Fund is allowed to borrow in the short term for the purpose of meeting redemptions and short term bridging requirements.

To ensure continuity of funding, dedicated personnel are responsible for ensuring that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management.

Foreign currency risk

Due to the nature of the Fund business activities and the nature of its financial assets and financial liabilities, there is minimal foreign exchange risk to the Fund.

streetTRACKS® Straits Times Index Fund
Annual Report 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30 June 2010

9. FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency risk (Continued)

The table below summarises the Fund's exposure to currency risk.

	30 June 2010		Total
	SGD	USD	
Assets			
Portfolio of investments	176,580,259	24,772,983	201,353,242
Cash and bank balances	3,342,023	–	3,342,023
Sales awaiting settlement	201,410	–	201,410
Net dividend receivables	382,644	115,841	498,485
	<u>180,506,336</u>	<u>24,888,824</u>	<u>205,395,160</u>

Liabilities			
Purchases awaiting settlement	207,466	13,898	221,364
Due to manager	169,945	–	169,945
Cash collateral payable	1,591	–	1,591
Net assets attributable to unitholders	205,002,260	–	205,002,260
	<u>205,381,262</u>	<u>13,898</u>	<u>205,395,160</u>

	30 June 2009		Total
	SGD	USD	
Assets			
Portfolio of investments	539,177,882	73,785,605	612,963,487
Cash and bank balances	14,235,169	–	14,235,169
Sales awaiting settlement	–	–	–
Net dividend receivables	–	200,788	200,788
	<u>553,413,051</u>	<u>73,986,393</u>	<u>627,399,444</u>
Liabilities			
Purchases awaiting settlement	2,595,642	–	2,595,642
Due to manager	775,793	–	775,793
Net assets attributable to unitholders	624,028,009	–	624,028,009
	<u>627,399,444</u>	<u>–</u>	<u>627,399,444</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30 June 2010

9. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, participating dealers, custodians and banks.

Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk.

Credit risk also arises from cash and cash equivalents held with financial institutions. The table below summarises the credit ratings of banks in which the Fund's assets are held as at 30 June 2010 and 2009.

	Amount S\$	Credit rating	Source of credit rating
As at 30 June 2010			
Bank			
State Street Bank & Trust Co	3,342,023	B	Moody's
As at 30 June 2009			
Bank			
State Street Bank & Trust Co	14,235,169	B	Moody's

In addition, all investments are held in custody with State Street Bank & Trust Co., whose credit rating assigned by Moody's at 30 June 2010 is B (2009: B). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

Capital risk

The Fund's capital is solely provided by unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 30 June 2010

10. RELATED PARTY DISCLOSURES

- (a) The Manager and the Trustee of the Fund are State Street Global Advisors Singapore Limited and DBS Trustee Limited respectively. State Street Global Advisors Singapore Limited is a subsidiary of State Street Corporation. DBS Trustee Limited is a wholly owned subsidiary of DBS Group Holding Ltd. ("DBS"). Management and trustee fees paid or payable by the Fund are shown in the Statement of Total Return and on terms set out in the Trust Deed.

The Manager has appointed State Street Bank and Trust Company ("SSB") as the custodian of the Fund. SSB is a subsidiary of State Street Corporation.

- (b) The cash balance of the Fund is held in current accounts as follows:

	2010	2009
	S\$	S\$
Bank balance held at SSB	3,342,023	14,235,169

- (c) The following significant transaction took place during the financial year between the Fund and the following related parties at terms agreed between the parties and within the provisions of the Trust Deed.

	2010	2009
	S\$	S\$
Interest income – SSB	–	2,634

11. FINANCIAL RATIOS

	2010	2009
Expense ratio ¹	0.30%	0.30%
Portfolio turnover ratio ²	6.78%	13.89%

¹ The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 500,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases.

12. EVENT OCCURRING AFTER BALANCE SHEET DATE

On 26 July 2010, the Fund announced a final dividend of \$0.03 per unit totalling \$2,130,000. The final dividend was paid on 11 August 2010.

The Prospectus in respect of the offer of the units (the "Units") in the streetTRACKS® Straits Times Index Fund (the "Fund") is available and may be obtained upon request, subject to availability, from State Street Global Advisors Singapore Limited ("SSgA"). Investors should read the Prospectus before deciding whether to acquire Units in the Fund. The value of Units and the income from them may fall as well as rise. Units in the Fund are not obligations of, deposits in, or guaranteed by, SSgA or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Past performance figures are not necessarily indicative of future performance of the Fund.

Investors have no right to request SSgA to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The streetTRACKS® Straits Times Index Fund (the "Fund") is not in any way sponsored, endorsed, sold or promoted by SPH Data Services Pte Ltd or Singapore Press Holdings Ltd (collectively "SPH") or FTSE International Limited ("FTSE"). SPH and FTSE make no warranties or representations whatsoever, either expressly or impliedly, either as to the results to be obtained from the Straits Times Index ("STI") and/or the figure at which the STI stands at any particular time on any particular day or otherwise. SPH and FTSE do not warrant or represent or guarantee to any broker or holder of any units in the Fund sold or marketed by State Street Global Advisors Singapore Limited or any member of the public as to the accuracy or completeness of the STI and its computation or any related information. No warranties, representations or guarantees of any kind are made in relation to the STI or the Fund by FTSE or SPH. The units in the Fund are not issued, endorsed, sold or promoted by FTSE or SPH and neither FTSE nor SPH bear any liability in connection with the administration, marketing or trading of the units in the Fund. The STI is calculated by FTSE and neither FTSE nor SPH accept any liability (whether in negligence or otherwise) towards any person for any error in the STI and shall not be under any obligation to advise any person of any error therein. The compilation or composition of the STI or the constituent stocks and factors may be altered or changed by FTSE without notice. All intellectual property rights in the STI vest in SPH.

Each of Singapore Exchange Securities Trading Limited, its subsidiaries, related corporations, and holding company, and their respective directors or employees, and any other party involved in, or related to, making or compiling the STI (together, the "Relevant Persons") makes no guarantee, warranty, representation or undertaking, express or implied, as to the accuracy, correctness, timeliness, completeness, originality, satisfactory quality, merchantability or fitness for any particular purpose of any of the values of the STI, the indicative optimum portfolio value of the Units, or any information or data included in or referable to such values. Investing in the Units involves risks, which in any case, are disclaimed by the Relevant Persons and described more fully in the Prospectus. The Units are also subject to the terms and conditions (and disclaimers by the Relevant Persons) set out in the Trust Deed constituting the Units.



STATE STREET

2. streetTRACKS® Straits Times Index Fund Semi-Annual Report for the period 1 July 2010 to 31 December 2010.

streetTRACKS®

streetTRACKS® Straits Times Index Fund

Stock Code: STI ETF

Website : www.streettracks.com.sg

Semi-Annual Report 2010

1st July 2010 to 31st December 2010

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streetTRACKS® Straits Times Index Fund

Semi-Annual Report 2010

MANAGER'S INVESTMENT REPORT

Manager's Notes

About streetTRACKS® STI

streetTRACKS® STI, Singapore's first locally created exchange traded fund, is designed to track the performance of the Straits Times Index (STI). Shares of streetTRACKS® STI were listed and traded on SGX-ST since 17 April 2002.

Details of streetTRACKS® STI

NAV per share (31 Dec 2010):	S\$3.259
Total assets (31 Dec 2010):	S\$225 million
Fund Currency:	Singapore dollar
Listing Date on SGX-ST:	17 April 2002
Stock Code on SGX-ST:	STI ETF
Board Lot:	1000 shares
Price:	Approximately 1/1000th of the STI
CPF Usage:	Included in CPF Investment Scheme – Ordinary Account
Annual Costs:	0.3%

Benefits of investing in streetTRACKS® STI

streetTRACKS® STI offers investors the opportunity to gain diversified exposure to the leading companies in Singapore and participate in Singapore's long term growth potential in a single transaction, at relatively low cost.

Just like any share listed on SGX-ST, investors can buy and sell anytime during the trading day, on margin or sell short. Investors can also receive regular dividends. Unlike ordinary unit trusts, there are no sales charges upon purchase. Instead, investors pay brokerage commissions to buy or sell. streetTRACKS® STI total annual fees, including management and trustee fees, are also low at 0.3%.

Performance of the Scheme

	3-month	6-month	1-year	3-Year	5-Year	Annualised Since inception
From	30-Sep-10	30-Jun-10	31-Dec-09	31-Dec-07	31-Dec-05	17-Apr-02
To	31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10
Fund*	3.06%	13.69%	12.37%	0.56%	10.10%	10.77%
Fund**	3.06%	12.57%	10.12%	-2.86%	6.40%	7.33%
STI**	2.98%	12.50%	10.09%	-2.88%	6.33%	7.27%

* Includes dividends

** Excludes dividends

Notes:

- As stated in the financial statements, units are issued and redeemed through the creation and redemption of an Index Basket in accordance with the Fund's Trust Deed. The Fund does not, therefore, publish a bid price and the Fund's returns have been computed from Net Asset Values. The net distributions of the Fund have been included for the purposes of this return calculation.
- The benchmark returns are stated on a price only basis and do not include dividends. The performance of the Straits Times Index with dividends reinvested is not published.

MANAGER'S INVESTMENT REPORT (Continued)

Details of Top 10 Holdings of the Fund

As at 31 December 2010						
	Cost	Market Value/ Fair Value	Percentage of total net assets	Percentage of free-float adjusted share capital owned	Dividend received	Dividend Cover Ratio
	SGD	SGD	%	%	SGD	
DBS Group Holdings Limited	13,530,222	19,113,119	8.50	0.0008	572,467	1.60
Overseas-Chinese Banking Corporation	13,360,984	19,090,413	8.49	0.0008	289,330	2.09
Singapore Telecommunication Limited	17,621,450	18,695,679	8.31	0.0008	507,747	1.73
United Overseas Bank Limited	13,633,263	16,173,521	7.19	0.0008	182,712	1.98
Hong Kong Land Holdings Limited	6,372,118	12,069,440	5.37	0.0008	104,631	4.56
Jardine Matheson Holding Limited	7,264,100	11,265,591	5.01	0.0008	79,986	2.80
Wilmar International Limited	12,981,541	11,070,753	4.92	0.0008	64,702	5.20
Keppel Corporation Limited	6,149,230	10,473,547	4.66	0.0008	153,355	2.68
Genting International Plc	5,350,153	10,216,171	4.54	0.0008	-	NA
CapitalLand Limited	6,497,140	9,067,411	4.03	0.0008	-	2.36
	<u>102,760,201</u>	<u>137,235,645</u>				

As at 31 December 2009						
	Cost	Market Value/ Fair Value	Percentage of total net assets	Percentage of free-float adjusted share capital owned	Dividends received	Dividend Cover Ratio
	SGD	SGD	%	%	SGD	
DBS Group Holdings Limited	57,758,306	82,979,160	10.32	0.31	1,518,138	2.12
Singapore Telecommunication Limited	65,574,809	77,731,514	9.67	0.31	1,767,010	1.73
United Overseas Bank Limited	49,250,722	71,522,985	8.90	0.32	742,212	2.08
Overseas-Chinese Banking Corporation	42,683,249	69,770,131	8.68	0.32	1,068,792	1.95
Wilmar International Limited	46,340,640	51,719,930	6.43	0.32	124,675	4.98
CapitalLand Limited	31,064,362	42,000,466	5.22	0.32	-	4.25
Hong Kong Land Holdings Limited	26,074,747	36,423,432	4.53	0.31	469,433	NA
Jardine Matheson Holding Limited	30,399,649	33,457,366	4.16	0.31	294,486	1.43
Keppel Corporation Limited	16,917,606	30,720,976	3.82	0.32	572,042	1.97
Noble Group Limited	15,778,013	29,466,193	3.67	0.31	203,494	4.06
	<u>381,842,103</u>	<u>525,792,153</u>				

The industry in which the above companies conduct their business is shown in the Portfolio Statement in pages 7 to 9.

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MANAGER'S INVESTMENT REPORT *(Continued)*

Amount of Subscription and Redemption

For the 6 months ending 31 Dec 2010

Subscription = NIL

Redemption = 2,000,000 units SGD6,239,021

Other Information

During the reporting period, the fund had no exposure to other unit trusts, mutual funds and collective investment schemes (except for certain listed funds that are included in the Straits Times Index) and had no borrowings. There are no other material information that will adversely impact the valuation of the fund.

Soft Dollar Practices

The Manager may receive soft dollar commissions/arrangements in respect of the Fund and is subject to the applicable regulatory and industry standards on soft dollars. The soft dollar commissions/arrangements which the Manager may for the time being receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Brokers for the Fund are selected on the basis of the best available terms for execution. As the Manager is a part of the State Street Group which approaches soft dollar on a group wide basis, the benefits received by the Manager through soft dollars may or may not be directly related to the transactions performed for the Fund.

The goods and services received were for the benefit of the Fund. The trades were executed on best available terms, and there was no churning of trades.

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's Trust Deed. The basis of the Manager's remuneration is set down in the Fund's prospectus dated 22 October 2010. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

STATEMENT OF TOTAL RETURN

For the six months ended 31 December 2010 (unaudited)

	Notes	Six months ended 31 December 2010 S\$	Six months ended 31 December 2009 S\$
Investment Income			
Dividends		2,962,886	11,622,881
Interest		—	—
		<u>2,962,886</u>	<u>11,622,881</u>
Less: Expenses	3	<u>(331,155)</u>	<u>(1,097,930)</u>
Net investment income before income tax		2,631,731	10,524,951
Less: Taxation	4	<u>(14,803)</u>	<u>(55,821)</u>
Net investment income after income tax		<u>2,616,928</u>	<u>10,469,130</u>
Net gains or loss on value of investment			
Net realised gain/(loss) on investments		1,755,646	14,418,460
Net change in fair value of investments		23,885,969	136,734,656
Net realised loss on foreign exchange		(6,698)	(15,850)
Net unrealised gain/(loss) on foreign exchange		(157)	2,706
		<u>25,634,760</u>	<u>151,139,972</u>
Net gain on value of investments		<u>25,634,760</u>	<u>151,139,972</u>
Total return for the financial year		<u><u>28,251,688</u></u>	<u><u>161,609,102</u></u>

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BALANCE SHEET

For the six months ended 31 December 2010 (unaudited)

		As at 31 December 2010	As at 30 June 2010
	Notes	S\$	S\$
ASSETS			
Portfolio of investments		220,938,413	201,353,242
Sales awaiting settlement		–	201,410
Net dividend receivables		416,822	498,485
Cash and bank balances	5	<u>3,703,742</u>	<u>3,342,023</u>
Total assets		<u>225,058,977</u>	<u>205,395,160</u>
LIABILITIES			
Purchases awaiting settlement		–	221,364
Due to manager		174,050	169,945
Cash collateral payable		–	1,591
Net assets attributable to unitholders	6	<u>224,884,927</u>	<u>205,002,260</u>
Total liabilities		<u>225,058,977</u>	<u>205,395,160</u>

PORTFOLIO STATEMENT

As at 31 December 2010 (unaudited)

Primary – by Industry

	Holdings at 31 December 2010	Fair value at 31 December 2010 S\$	Percentage of total net assets attributable to unitholders at 31 December 2010 %
Quoted			
EQUITIES			
Finance			
DBS Group Holdings Limited	1,334,715	19,113,119	8.50
Oversea-Chinese Banking Corporation	1,932,228	19,090,413	8.49
Singapore Exchange Limited	824,111	6,939,015	3.08
United Overseas Bank Limited	888,655	16,173,521	7.19
		<u>61,316,068</u>	<u>27.26</u>
Manufacturing			
Fraser & Neave Limited	1,073,533	6,881,346	3.06
Golden Agri-Resources Limited	6,506,914	5,172,997	2.30
Golden Agri-Resources Limited WTS Call EXP 23JUL12	1,669,834	400,760	0.18
SembCorp Marine Limited	635,722	3,413,827	1.52
Singapore Press Holdings Limited	1,230,364	4,896,849	2.18
		<u>20,765,779</u>	<u>9.24</u>
Properties			
CapitaLand Limited	2,444,046	9,067,411	4.03
Capitalmall Trust*	1,828,754	3,566,070	1.59
Capitamalls Asia Limited	1,200,394	2,316,760	1.03
City Developments Limited	526,476	6,612,539	2.94
Genting International Plc	4,686,317	10,216,171	4.54
Hong Kong Land Holdings Limited	1,299,897	12,069,440	5.37
		<u>43,848,391</u>	<u>19.50</u>

* This is a collective investment scheme

streetTRACKS® Straits Times Index Fund
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PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2010 (unaudited)

Primary – by Industry *(Continued)*

	Holdings at 31 December 2010	Fair value at 31 December 2010 S\$	Percentage of total net assets attributable to unitholders at 31 December 2010 %
Quoted			
EQUITIES			
Multi-Industry			
Jardine Matheson Holdings Limited	199,095	11,265,591	5.01
Keppel Corporation Limited	925,225	10,473,547	4.66
SembCorp Industries Limited	688,863	3,533,867	1.57
Singapore Technologies Engineering Limited	1,167,067	3,991,369	1.77
		<hr/>	
		29,264,374	13.01
		<hr/>	
Commerce			
Jardine Cycle & Carriage Limited	109,490	4,007,334	1.78
Jardine Strategic Holdings Limited	170,230	6,059,589	2.69
Noble Group Limited	3,480,723	7,553,169	3.36
Olam International Limited	1,228,187	3,856,507	1.71
Wilmar International Limited	1,966,386	11,070,753	4.92
		<hr/>	
		32,547,352	14.46
		<hr/>	
Transportation/storage/communication			
Comfortdelgro Corporation (S) Limited	1,616,350	2,505,342	1.11
Neptune Orient Lines Limited	791,259	1,724,945	0.77
SIA Engineering Co	167,978	710,547	0.32
Singapore Airlines Limited	456,652	6,986,776	3.11
Singapore Telecommunications Limited	6,129,731	18,695,679	8.31
SMRT Corporation (S) Limited	585,326	1,182,358	0.53
Starhub Limited	528,822	1,390,802	0.62
		<hr/>	
		33,196,449	14.77
		<hr/>	
Portfolio investments		220,938,413	98.24
Cash and other net assets		3,946,514	1.76
		<hr/>	
Net assets attributable to unitholders		224,884,927	100.00
		<hr/> <hr/>	

PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2010 (unaudited)

Primary – by Industry *(Continued)*

Summary

	Percentage of total net assets attributable to unitholders at 31 December 2010	Percentage of total net assets attributable to unitholders at 30 June 2010
	%	%
QUOTED		
Finance	27.26	29.49
Manufacturing	9.24	8.28
Properties	19.50	17.25
Multi-Industry	13.01	12.33
Commerce	14.46	14.46
Transportation/storage/communication	14.77	16.41
	<hr/>	<hr/>
Portfolio of investments	98.24	98.22
Cash and other net assets	1.76	1.78
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>

streetTRACKS® Straits Times Index Fund
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PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2010 (unaudited)

Secondary – By Geography

	Fair value at 31 December 2010 S\$	Percentage of total net assets attributable to unitholders at 31 December 2010 %	Percentage of total net assets attributable to unitholders at 30 June 2010 %
By Country of Incorporation			
Singapore	168,200,696	74.79	79.06
Bermuda	36,947,789	16.43	15.05
Mauritius	5,573,757	2.48	1.88
United Kingdom	10,216,171	4.54	2.23
Portfolio of investments	220,938,413	98.24	98.22
Cash and other net assets	3,946,514	1.76	1.78
Net assets attributable to unitholders	224,884,927	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2010 (Unaudited)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

streetTRACKS® Straits Times Index Fund (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental" Deeds") is amended and restated by a Fifth Amending and Restating Deed dated 16 January 2008. The Deed is between State Street Global Advisors Singapore Limited and DBS Trustee Limited. The Deed is governed by the laws of the Republic of Singapore. The Fund is also listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is included under the Central Provident Fund ("CPF") Investment Scheme.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. The Straits Times Index ("STI") comprises 30 blue-chip companies on the SGX Mainboard ranked by market capitalisation that pass the relevant investability screens. The index sponsor of the STI is FTSE International Limited ("FTSE").

Based on FTSE's international methodology, these companies have been included based on the following criteria:

1. Free Float. The free float of a listed company must be greater than 15%. The definition of "free float" includes portfolio investments, nominee holdings and holdings by investment companies.
2. Liquidity. A stock must trade with a median daily turnover value of at least 0.05% of the value of its free float-adjusted shares in issue for at least 10 out of the last 12 months.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention, modified by the revaluation of investments at fair value, and in accordance with the Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Certified Public Accountants of Singapore ("ICPAS").

(b) Recognition of income

Dividend income is recorded gross in the financial statements in the accounting period in which the security is quoted ex-dividend. Bank interest and other income are recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the period which they arise.

(iii) De-recognition

Investments are de-recognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the first-in-first-out cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(e) Foreign currency translation

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the date of the balance sheet date. Transactions in foreign currencies during the period are translated into Singapore dollars at the rates of exchange prevailing at transaction dates. All exchange gains or losses are recognised in the Statement of Total Return.

(f) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(g) Distribution

The Manager shall have the absolute discretion to determine whether a distribution is to be made. In the event that the Manager determines that a distribution will be made, an amount required to effect such a distribution shall be transferred to a distribution account for payment on distribution date. This amount shall not be treated as part of the property of the Fund. Distributions are accrued on ex-dividend date.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

3. EXPENSES

As agreed between the Manager and the Trustee, the total combined management, trustee and other fees for the Fund are set at 0.3% per annum of its net asset value.

4. TAXATION

	Six months ended 31 December 2010	Six months ended 31 December 2009
	S\$	S\$
Singapore income tax	14,803	55,821
	14,803	55,821

(a) The Fund is included in the CPF Investment Scheme and, therefore, the following income is exempted from tax in accordance with section 35(12) and (12A) of the Income Tax Act (Cap 134) of Singapore, subject to certain conditions, the following income are not taxable:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under section 45 of the Income Tax (Act);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions; and
- (v) distribution from foreign unit trusts derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

5. BANK BALANCES

	As at 31 December 2010	As at 30 June 2010
	S\$	S\$
Cash and cash equivalents	3,703,742	3,342,023
	3,703,742	3,342,023

The carrying amounts of cash and cash equivalents approximate their fair value.

streetTRACKS® Straits Times Index Fund
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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Six months ended 31 December 2010	For the Financial Year ended 30 June 2010
	S\$	S\$
At the beginning of the financial year	205,002,260	624,028,009
Operations		
Net investment income after income tax	2,616,928	13,583,132
Net gain/loss on investments	25,634,760	122,565,866
Change in net assets attributable to unitholders resulting from operations	28,251,688	136,148,998
Unitholders' contributions/(withdrawals)		
Creation of units	-	84,568,011
Cancellation of units	(6,239,021)	(620,782,758)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(6,239,021)	(536,214,747)
Distribution to unitholders <i>(note 8)</i>	(2,130,000)	(18,960,000)
Total decrease in net assets attributable to unitholders	19,882,667	(419,025,749)
At the end of the financial year	224,884,927	205,002,260
Units in issue <i>(note 7)</i>	69,000,000	71,000,000
	S\$	S\$
Net assets attributable to unitholders per unit	3.259	2.887

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

7. UNITS IN ISSUE

	Six months ended 31 December 2010	Year ended 30 June 2010
	Units	Units
Units at beginning of the year	71,000,000	262,500,000
Units created	–	30,500,000
Units cancelled	(2,000,000)	(222,000,000)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Units at end of the year	69,000,000	71,000,000
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

8. DISTRIBUTION

On 26 July 2010, the Fund declared a final dividend distribution of S\$0.03 per unit in relation to the income received in the financial year ended 30 June 2010. This dividend distribution comprises S\$0.0185 per unit made out of Singapore tax exempt one-tier dividends and S\$0.0115 per unit made out of Foreign tax exempt dividends. The final dividend totalling S\$2,130,000 was paid on 11 August 2010.

It is anticipated that distributions will be made twice a year and that the amount of the distribution will approximately the yield on the Straits Times Index.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

9. FINANCIAL RISK MANAGEMENT

The Manager continually monitors the Fund's exposure to risk and appropriate procedures are in place to manage the risks.

Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments and/or their derivatives because of changes in market conditions like interest and currency rate movements and volatility in commodity or security prices. The Manager manages the Fund's exposure to market risk through the use of risk management strategies that evaluate the effect of cash instruments and/or derivative contracts.

At 31 December 2010, the Fund's market risk is affected by changes in actual market prices of the securities held by the fund. If the Straits Times Index at 31 December 2010 had increased by 6% (2009: 5%) with all other variables held constant in the next 12 months, this would have increased net assets attributable to unitholders by approximately 6% (2009: 5%). Conversely, if the Straits Times Index had decreased by 6% (2009: 5%) during the same period, this would have decreased net assets attributable to unitholders by approximately 6% (2009: 5%).

If the spot exchange rate of Singapore dollars had appreciated 1.0% (2009: 0.5%) against the US dollars with all other variables held constant in the next 12 months, this would have increased the net asset value of the fund by approximately 0.09% (2009: 0.04%). Conversely, if the spot exchange rate of Singapore dollars had depreciated by 1.0% (2009: 0.5%) against the US dollars, this would have decreased the net asset value of the fund by approximately 0.09% (2009: 0.04%) for the same period.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2010 (Unaudited)

9. FINANCIAL RISK MANAGEMENT (Continued)

Market price risk

Although the Fund is listed on the Singapore Exchange, the trading price of the Units may differ to some degree from the Units' net asset value. The Value of the Units will generally fluctuate with changes in the market value of the Index Shares. The market price of the Units will generally fluctuate in accordance with changes in the Value of the Units, as well as supply of and demand for Units of the Fund on the Singapore Exchange. It is impossible to predict whether Units will trade at, above or below their Value at any given time. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary market for Units will be closely related to, but not identical to, the same forces influencing the market prices of the index Shares. However, given that the Units can be created and redeemed in Creation and Redemption Unit sizes by Participating Dealers, as applicable, it is not anticipated that large discounts or premiums will be sustained.

Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units. It may seek to invest its assets in investments that are traded in an active market which is easily realisable and/or investments where the issuer stands ready to unwind.

The Fund is allowed to borrow in the short term for the purpose of meeting redemptions and short term bridging requirements.

To ensure continuity of funding, dedicated personnel are responsible for ensuring that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management.

Foreign currency risk

Due to the nature of the Fund business activities and the nature of its financial assets and financial liabilities, there is minimal foreign exchange risk to the Fund.

The table below summarises the Fund's exposure to currency risk.

streetTRACKS® Straits Times Index Fund
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2010 (Unaudited)

9. FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2010		
	SGD	USD	Total
Assets			
Portfolio of investments	191,543,793	29,394,620	220,938,413
Cash and bank balances	3,703,742	–	3,703,742
Sales awaiting settlement	–	–	–
Net dividend receivables	416,822	–	416,822
	<u>195,664,357</u>	<u>29,394,620</u>	<u>225,058,977</u>

Liabilities			
Purchases awaiting settlement	–	–	–
Due to manager	174,050	–	174,050
Cash collateral payable	–	–	–
Net assets attributable to unitholders	224,884,927	–	224,884,927
	<u>225,058,977</u>	<u>–</u>	<u>225,058,977</u>

	31 December 2009		
	SGD	USD	Total
Assets			
Portfolio of investments	711,363,725	87,068,972	798,432,697
Cash and bank balances	10,469,243	–	10,469,243
Sales awaiting settlement	–	–	–
Net dividend receivables	1,546,056	–	1,546,056
	<u>723,379,024</u>	<u>87,068,972</u>	<u>810,447,996</u>

Liabilities			
Purchases awaiting settlement	5,179,019	639,933	5,818,952
Due to manager	579,178	–	579,178
Net assets attributable to unitholders	804,049,866	–	804,049,866
	<u>809,808,063</u>	<u>639,933</u>	<u>810,447,996</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2010 (Unaudited)

9. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, participating dealers, custodians and banks.

Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk.

Credit risk also arises from cash and cash equivalents held with financial institutions. The table below summarizes the credit ratings of banks in which the Fund's assets are held as at 31 December 2010.

	Amount S\$	Credit rating	Source of credit rating
As at 31 December 2010			
Bank			
State Street Bank & Trust Co	3,703,742	B	Moody's
<i>As at 30 June 2010</i>			
<i>Bank</i>			
<i>State Street Bank & Trust Co</i>	<i>3,342,023</i>	<i>B</i>	<i>Moody's</i>

In addition, all investments are held in custody with State Street Bank & Trust Co., whose credit rating assigned by Moody's at 30 June 2010 is B (2009: B). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

Capital risk

The Fund's capital is solely provided by unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

streetTRACKS® Straits Times Index Fund
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2010 (Unaudited)

10. RELATED PARTY DISCLOSURES

- (a) The Manager and the Trustee of the Fund are State Street Global Advisors Singapore Limited and DBS Trustee Limited respectively. State Street Global Advisors Singapore Limited is a subsidiary of State Street Corporation. DBS Trustee Limited is a wholly owned subsidiary of DBS Group Holding Ltd. ("DBS"). Management and trustee fees paid or payable by the Fund are shown in the Statement of Total Return and on terms set out in the Trust Deed.

The Manager has appointed State Street Bank and Trust Company ("SSB") as the custodian of the Fund. SSB is a subsidiary of State Street Corporation.

- (b) The cash balance of the Fund is held in current accounts as follows:

	As at	As at
	31 December 2010	30 June 2010
	S\$	S\$
Bank balance held at SSB	3,703,742	3,342,023

- (c) The following significant transaction took place during the financial year between the Fund and the following related parties at terms agreed between the parties and within the provisions of the Trust Deed.

	As at	As at
	31 December 2010	30 June 2010
	S\$	S\$
Interest income – SSB	–	–

11. FINANCIAL RATIOS

	As at	As at
	31 December 2010	30 June 2010
Expense ratio ¹	0.30%	0.30%
Portfolio turnover ratio ²	1.10%	6.78%

¹ The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 500,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases.

12. EVENT OCCURRING AFTER BALANCE SHEET DATE

On 25 January 2011, the Fund announced a final dividend of \$0.035 per unit totalling \$2,415,000. The final dividend was paid on 11 February 2011.

The Prospectus in respect of the offer of the units (the "Units") in the streetTRACKS® Straits Times Index Fund (the "Fund") is available and may be obtained upon request, subject to availability, from State Street Global Advisors Singapore Limited ("SSgA"). Investors should read the Prospectus before deciding whether to acquire Units in the Fund. The value of Units and the income from them may fall as well as rise. Units in the Fund are not obligations of, deposits in, or guaranteed by, SSgA or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Past performance figures are not necessarily indicative of future performance of the Fund.

Investors have no right to request SSgA to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The streetTRACKS® Straits Times Index Fund (the "Fund") is not in any way sponsored, endorsed, sold or promoted by SPH Data Services Pte Ltd or Singapore Press Holdings Ltd (collectively "SPH") or FTSE International Limited ("FTSE"). SPH and FTSE make no warranties or representations whatsoever, either expressly or impliedly, either as to the results to be obtained from the Straits Times Index ("STI") and/or the figure at which the STI stands at any particular time on any particular day or otherwise. SPH and FTSE do not warrant or represent or guarantee to any broker or holder of any units in the Fund sold or marketed by State Street Global Advisors Singapore Limited or any member of the public as to the accuracy or completeness of the STI and its computation or any related information. No warranties, representations or guarantees of any kind are made in relation to the STI or the Fund by FTSE or SPH. The units in the Fund are not issued, endorsed, sold or promoted by FTSE or SPH and neither FTSE nor SPH bear any liability in connection with the administration, marketing or trading of the units in the Fund. The STI is calculated by FTSE and neither FTSE nor SPH accept any liability (whether in negligence or otherwise) towards any person for any error in the STI and shall not be under any obligation to advise any person of any error therein. The compilation or composition of the STI or the constituent stocks and factors may be altered or changed by FTSE without notice. All intellectual property rights in the STI vest in SPH.

Each of Singapore Exchange Securities Trading Limited, its subsidiaries, related corporations, and holding company, and their respective directors or employees, and any other party involved in, or related to, making or compiling the STI (together, the "Relevant Persons") makes no guarantee, warranty, representation or undertaking, express or implied, as to the accuracy, correctness, timeliness, completeness, originality, satisfactory quality, merchantability or fitness for any particular purpose of any of the values of the STI, the indicative optimum portfolio value of the Units, or any information or data included in or referable to such values. Investing in the Units involves risks, which in any case, are disclaimed by the Relevant Persons and described more fully in the Prospectus. The Units are also subject to the terms and conditions (and disclaimers by the Relevant Persons) set out in the Trust Deed constituting the Units.



STATE STREET.

SPDR® STRAITS TIMES INDEX ETF

Prospectus required pursuant to the Securities and Futures Act, Chapter 289 of Singapore

Board of Directors of State Street Global Advisors Singapore Limited

Signed:

Hon Wing Cheung
Director

Signed:

Bernard Patrick Reilly
Director
(Signed by Hon Wing Cheung for and on behalf of Bernard Patrick Reilly)

Signed:

Kelly Driscoll
Director
(Signed by Hon Wing Cheung for and on behalf of Kelly Driscoll)