

# **SPDR<sup>®</sup> FTSE<sup>®</sup> Greater China ETF**

*A sub-fund of the SPDR<sup>®</sup> ETFs*

*Stock Code: 3073*

*Website: [www.spdrs.com.hk](http://www.spdrs.com.hk)*

## **Annual Report 2011**

15th September 2010 (date of inception)  
to 30th September 2011

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## **STATEMENT BY THE MANAGER**

### **MANAGER'S RESPONSIBILITIES**

The Manager of SPDR® FTSE® Greater China ETF (the "Sub-Fund") is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 27th July 2010 (the "Trust Deed"), to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In respect of these financial statements the Manager, with the assistance of the service provider, is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare or arrange for the preparation of the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

In the opinion of the Manager of the Sub-Fund, the accompanying financial statements set out on pages 5 to 27, comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Sub-Fund as at 30th September 2011, and the results of its operation for the period then ended and have been properly prepared in accordance with International Financial Reporting Standards. At the date of this statement, there are reasonable grounds to believe that the Sub-Fund will be able to meet its financial obligations as and when they materialize.

For and on behalf of the Manager

**STATE STREET GLOBAL ADVISORS ASIA LIMITED**

20th January 2012

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### **REPORT OF THE TRUSTEE**

We hereby confirm that, in our opinion, the Manager of the Sub-Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 27th July 2010 for the period from 15th September 2010 to 30th September 2011.

For and on behalf of

**HSBC Institutional Trust Services (Asia) Limited**

20th January 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SPDR® FTSE® Greater China ETF (a sub-fund of the SPDR® ETFs) (the "Sub-Fund")**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the Sub-Fund set out on pages 5 to 27, which comprise the Statement of Financial Position as at 30th September 2011, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 15th September 2010 (date of inception) to 30th September 2011, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 27th July 2010 (the "Trust Deed"), and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Sub-Fund's preparation of financial statements that give a true and fair view 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 Sub-Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, 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.

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### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SPDR® FTSE® Greater China ETF (a sub-fund of the SPDR® ETFs) (the "Sub-Fund")**

*(Continued)*

#### **OPINION**

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 30th September 2011, and of its financial performance and cash flows for the period from 15th September 2010 (date of inception) to 30th September 2011 in accordance with International Financial Reporting Standards.

#### **REPORT ON OTHER LEGAL AND REGULATORY DISCLOSURE REQUIREMENTS**

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant financial statements disclosure provisions specified in the SFC Code.

#### **OTHER MATTERS**

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 20th January 2012

**STATEMENT OF FINANCIAL POSITION**

*As at 30th September 2011*

	<i>Notes</i>	30th September 2011 <i>HK\$</i>
<b>Assets</b>		
<b>Current assets</b>		
Investments	9(b)	247,508,180
Derivative financial instruments	9(b), 12	18,230
Amounts due from brokers		201,527
Dividend receivable		552,727
Margin deposits		544,118
Cash at banks	8(e)	<u>2,833,932</u>
<b>Total assets</b>		<u>251,658,714</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Derivative financial instruments	9(b), 12	47,025
Amounts due to brokers		137,274
Audit fee payable		194,780
Trustee fee payable	8(d)	40,000
Management fee payable	8(c)	62,795
Tax payable		3,079
Transaction handling fee payable	8(f)	4,986
Other payables	8(g)	<u>94,000</u>
<b>Total liabilities</b>		<u>583,939</u>
<b>Equity</b>		
Net assets attributable to unitholders	3	<u><u>251,074,775</u></u>

HSBC Institutional Trust  
 Services (Asia) Limited

State Street Global Advisors  
 Asia Limited

*The notes on pages 9 to 27 form part of these financial statements.*

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## STATEMENT OF COMPREHENSIVE INCOME

For the period from 15th September 2010 (date of inception) to 30th September 2011

	Notes	Period from 15th September 2010 (date of inception) to 30th September 2011 HK\$
<b>Income</b>		
Dividend income		12,442,586
Interest income on bank deposits	8(e)	250
Net loss on investments and derivative financial instruments	6	(28,820,412)
Net foreign exchange loss		(438,221)
Other income	5	1,437,872
		<hr/>
<b>Total investment loss</b>		<hr/> <b>(15,377,925)</b>
<b>Expenses</b>		
Management fee	8(c)	(1,401,221)
Trustee fee	8(d)	(757,014)
Transaction handling fee	8(f)	(97,592)
Transaction costs on investments		(514,530)
Audit fee		(194,484)
Safe custody and bank charges	8(h)	(271,636)
Legal and professional fees		(215,263)
Other operating expenses	8(g)	(526,842)
		<hr/>
<b>Total operating expenses</b>		<hr/> <b>(3,978,582)</b>
<b>Operating loss</b>		<b>(19,356,507)</b>
<b>Finance costs</b>		
Interest expenses		(51)
		<hr/>
<b>Loss before tax</b>		<b>(19,356,558)</b>
Withholding tax	7	(1,349,817)
		<hr/>
<b>Total comprehensive loss</b>		<hr/> <b>(20,706,375)</b> <hr/>

The notes on pages 9 to 27 form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY**

*For the period from 15th September 2010 (date of inception) to 30th September 2011*

	Notes	Period from 15th September 2010 (date of inception) to 30th September 2011 HK\$
Balance at the beginning of the period		----- -
Issue of units		
– in specie	10	355,408,969
– cash component and cash creation	10	<u>161,317,031</u>
		----- 516,726,000
Redemption of units		
– in specie	10	(166,105,515)
– cash component and cash redemption	10	<u>(78,839,335)</u>
		----- <u>(244,944,850)</u>
Net issue of units		271,781,150
Total comprehensive loss		<u>(20,706,375)</u>
Balance at the end of the period		<u><u>251,074,775</u></u>

*The notes on pages 9 to 27 form part of these financial statements.*

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**STATEMENT OF CASH FLOWS**

*For the period from 15th September 2010 (date of inception) to 30th September 2011*

	Notes	Period from 15th September 2010 (date of inception) to 30th September 2011 HK\$
<b>Cash flows from operating activities</b>		
Payments for purchase of investments		(221,974,807)
Proceeds from sale of investments and derivative financial instruments		134,914,211
Interest expenses paid		(51)
Legal and professional fees paid		(215,263)
Safe custody and bank charges paid		(271,636)
Trustee fee paid		(717,014)
Management fee paid		(1,338,426)
Transaction cost on investments paid		(514,530)
Transaction handling fee paid		(92,606)
Other operating expenses paid		(432,546)
Withholding tax paid		(1,346,738)
Dividend income received		11,889,859
Interest income on bank deposits received		250
Other income received		1,437,872
Margin deposits		(544,118)
		<hr/>
<b>Net cash used in operating activities</b>		(79,205,543) -----
<b>Cash flows from financing activities</b>		
Cash component and cash creation received on issue of units	10	161,317,031
Cash component and cash redemption paid on redemption of units	10	(78,839,335)
		<hr/>
<b>Net cash generated from financing activities</b>		82,477,696 -----
<b>Increase in cash and cash equivalents</b>		3,272,153
Effect of foreign exchange rate changes		(438,221)
Cash and cash equivalents at the beginning of the period		-
		<hr/>
<b>Cash and cash equivalents at the end of the period</b>		2,833,932 <hr/> <hr/>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	8(e)	2,833,932 <hr/> <hr/>

*The notes on pages 9 to 27 form part of these financial statements.*

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

SPDR® ETFs is an umbrella unit trust authorized under section 104 of the Securities and Futures Ordinance and is established under the terms of a Trust Deed dated 27th July 2010 made between State Street Global Advisors Asia Limited as the Manager and HSBC Institutional Trust Services (Asia) Limited as the Trustee. The Trust Deed is governed by Hong Kong law. As at 30th September 2011, the Trust has established one sub-fund, SPDR® FTSE® Greater China ETF (the "Sub-Fund") which is authorized by the Securities and Futures Commission of Hong Kong. The Sub-Fund is also listed on The Stock Exchange of Hong Kong Limited. The date of inception of the Sub-Fund was 15th September 2010.

The manager and the trustee of the Fund are State Street Global Advisors Asia Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee") respectively.

The investment objective of the Sub-Fund is to provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE® Greater China HKD Index (the "Underlying Index"). FTSE International Limited ("FTSE") is the index provider of the Underlying Index. The Underlying Index comprises stocks listed in Hong Kong, Taiwan, Shanghai (B shares), Shenzhen (B shares) and Singapore, providing coverage for the Greater China Region and does not have any A share constituent stocks.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### **(a) Basis of preparation**

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise their judgment in the process of applying the Sub-Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (a) Basis of preparation (Continued)

*New standards and amendments to standards that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund*

IFRS 9, 'Financial instruments', effective for annual periods beginning on or after 1st January 2015, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Sub-Fund's financial position or performance, as it is expected that the Sub-Fund will continue to classify its financial assets and financial liabilities (both long and short) as being at fair value through profit or loss.

IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after 1st January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. On adoption of the standard, the Sub-Fund would change its valuation inputs for listed financial assets and liabilities to last traded prices to be consistent with the inputs prescribed in the Sub-Fund's offering document for the calculation of its per unit trading value for subscriptions and redemptions. The use of last traded prices is recognised as a standard pricing convention within the industry. However, it is not expected to have a significant impact on the Sub-Fund's financial statements.

##### (b) Investments

All investments are classified as "financial assets at fair value through profit or loss". Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the Statement of Comprehensive Income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Sub-Fund has transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices.

## **NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

#### **(c) Derivative financial instruments**

Derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of derivative financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative financial instrument are recognised immediately in the Statement of Comprehensive Income.

#### **(d) Income**

Dividend income on equity securities is recorded on the ex-dividend rate. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Fund's right to receive payment is established.

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method. Other income is accounted for in the Statement of Comprehensive Income on an accrual basis.

#### **(e) Expenses**

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

#### **(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

#### **(g) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the period.

#### **(h) Translation of foreign currencies**

##### *Functional and presentation currency*

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

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### NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

##### (h) Translation of foreign currencies *(Continued)*

###### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the period end date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'net foreign exchange gains/losses'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net gain/(loss) on investments and derivative financial instruments'.

##### (i) Redeemable units

The Sub-Fund issues units, which are redeemable at the holder's option and are classified as equity. In accordance with the Sub-Fund's Trust Deed, the minimum redemption unit is 500,000 units. Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units. The basis adopted by the Sub-Fund in arriving at the net asset value per unit for issue and redemption purpose during the period may not be the same as the accounting policies adopted by the Sub-Fund for the preparation of these financial statements.

##### (j) Segmental information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

##### (k) Cash issue component

Cash issue component means, in relation to any in specie subscription of creation units, the amount of cash required to be paid per creation unit on the issue of those units, which amount shall be equal to the difference between the issue price at the valuation point on the relevant transaction date and the value of the securities exchanged in specie for those units.

##### (l) Cash redemption component

Cash redemption component means, in relation to any in specie redemption of redemption units, the amount of cash required to be paid per redemption unit on a redemption of units in a redemption unit block, which amount shall be equal to the difference between the redemption value at the valuation point on the relevant transaction date on which such units are redeemed and the value of the securities transferred in specie to the redeeming holder in respect of such units.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND NUMBER OF UNITS IN ISSUE**

**Net assets attributable to unitholders**

The Sub-Fund's capital is represented by the net assets attributable to unitholders. Units are issued through an in specie creation of a Deposit Basket with the remaining balances in cash and cash creation, and are redeemed in specie of a Redemption Basket with the remaining balances in cash and cash redemption. Issues and redemptions of units during the period are shown on the Statement of Changes in Equity. In accordance with the objectives and risk management policies outlined in note 9, the Sub-Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of listed securities where necessary.

In accordance with the provisions of the Trust Deed, listed investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for creations and redemptions and for various fee calculations. However, the accounting policy of the Sub-Fund for the purpose of financial statements preparation in compliance with IAS 39 and for reporting purpose is to value its investments at the relevant bid market prices on the period end date. As at 30th September 2011, the difference between the valuation of investments stated in the financial statements as prescribed by IFRS and the valuation methodology indicated in the Trust Deed, resulted in a decrease in value of investments of the Sub-Fund and therefore the net asset value by HK\$562,885.

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purposes of processing unit creations and redemptions is provided below:

	2011 HK\$
Net assets/equity as per Statement of Financial Position	251,074,775
Adjustments from bid market prices to last traded market prices	562,885
Net assets attributable to unitholders (at last traded market prices)	251,637,660

As at 30th September 2011, the Sub-Fund had HK\$251,074,775 of puttable financial instruments classified as equity.

The Sub-Fund's objective and policies for managing its obligations to redeem units are included in note 9(g) on capital risk management and note 9(e) on liquidity risk.

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND NUMBER OF UNITS IN ISSUE (Continued)

Number of units in issue

	Period from 15th September 2010 (date of inception) to 30th September 2011 <i>Number of units</i>
Units in issue at the beginning of the period	–
Issue of units	21,000,000
Redemption of units	<u>(9,000,000)</u>
Units in issue at the end of the period	<u><u>12,000,000</u></u>
	2011 HK\$
Net assets value (as per Statement of Financial Position) per unit	<u><u>20.92</u></u>
Net assets value (at last traded market prices) per unit	<u><u>20.97</u></u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 500,000 units) (at last traded market prices)	<u><u>10,484,900</u></u>

#### 4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### Capital gains tax on gains on B-shares in the People's Republic of China ("PRC")

The Fund has investments in B-shares. The PRC taxation of gains on B-shares is presently unclear as to:

- Whether the PRC will enforce tax on gains on B-shares; and
- If the PRC were to enforce the tax, it is uncertain from which date the tax would be calculated and payable.



**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS** *(Continued)*

Capital gains tax on gains on B-shares in the People's Republic of China ("PRC") *(Continued)*

The management has exercised their own judgement on whether the Sub-Fund may be liable for taxation on its gains to date and the amount of the potential liability. However, uncertainties exist and the judgement of the management may prove incorrect, as actual events may differ substantially. The management considers that their judgements may be impacted by any future clarification by the PRC State Administration of Taxation ("SAT") which may be different from what they earlier envisioned. Please refer to note 7 for further details.

**5. OTHER INCOME**

For each application for the creation of units or for the redemption of units, the Sub-Fund is entitled to receive a transaction fee of not more than HK\$80,000 per application.

**6. NET LOSS ON INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS**

	Period from 15th September 2010 (date of inception) to 30th September 2011 HK\$
Change in unrealised gain/loss in value of investments and derivative financial instruments	(51,475,729)
Realised gain on sale of investments and derivative financial instruments	<u>22,655,317</u>
	<u><u>(28,820,412)</u></u>

**7. TAXATION**

No provision for Hong Kong profits tax has been made as the interest income and realised gains on disposal of investments of the Sub-Fund are excluded from the charge to profits tax under sections 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

**H-shares**

The Sub-Fund invests in shares of companies in PRC listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-Fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Trustee and Manager believe that the Sub-Fund can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of China tax on capital gains is not probable.

Withholding tax was charged on dividend income received from H-shares during the period.

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. TAXATION (Continued)

#### B-shares

The Sub-Fund directly invests in B-shares of Chinese companies listed in the PRC and is subject to a 10% withholding tax on dividend income derived from B-shares. Withholding tax was charged on dividend income received from B-shares during the period.

A 10% tax may also be payable on the capital gains derived from the sale of B-shares. The State Administration of Taxation ("SAT") has remained silent on the collection of the withholding tax for capital gains and until further clarification is issued by the SAT, the Trustee and Manager consider that there is significant uncertainty in respect of whether the Sub-Fund has any liability and the extent of such liability in respect of capital gains derived from the sale of B-shares. The Manager has assessed the likelihood of such exposure and has made provisions for capital gains tax and deferred tax amounting to HK\$3,079 and HK\$Nil respectively as at 30th September 2011 based on their best estimate of the potential PRC tax liability with respect to the gains on B-shares. However, the Manager would like to highlight that there is a possibility that some or all of the tax provided as at 30th September 2011 for B-shares gains may not be payable and may be released. Equally, there is a possibility that additional provision may be required in relation to the position as at 30th September 2011. The Manager continues to monitor the position and will make an appropriate adjustment if and when it is considered that there are sufficient grounds to do so.

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2011 HK\$
Withholding tax – dividend income	1,346,738
Capital gains tax on gross realised gains	3,079
Deferred tax liabilities	–
Total capital gains tax	3,079

### 8. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). The Manager and the Trustee of the Sub-Fund are State Street Global Advisors Asia Limited and HSBC Institutional Trust Services (Asia) Limited respectively. State Street Global Advisors Asia Limited is an indirectly wholly owned subsidiary of State Street Corporation. HSBC Institutional Trust Services (Asia) Limited is an indirectly wholly-owned subsidiary of HSBC Holdings plc. All transactions entered into during the period between the Sub-Fund and the related parties including the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms.

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**8. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS** (Continued)

(a) Foreign currency transactions with the Trustee

During the period, the Trustee transacted HK\$250,811,878 in foreign currency transactions through its affiliated party, The Hongkong and Shanghai Banking Corporation Limited, Hong Kong and The Hongkong and Shanghai Banking Corporation Limited, Taipei, Taiwan for the Sub-Fund's investments and settlement purpose. The amount represents 100% of the Sub-Fund's transactions during the period.

Name of company	Aggregate value of foreign currency transactions <i>HK\$</i>	Total commission paid <i>HK\$</i>	% of the Sub-Fund's total commission paid in the period %	Average commission rate %
2011				
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	20,394,557	-	-	-
The Hongkong and Shanghai Banking Corporation Limited, Taipei, Taiwan	230,417,321	-	-	-

(b) Manager's holding in the Sub-Fund

As at 30th September 2011, the directors and officers of the Manager did not hold any units in the Sub-Fund.

(c) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.28% per annum of the net asset value of the Sub-Fund accrued daily and calculated as at each dealing day and payable monthly in arrears.

(d) Trustee fee

The Trustee is entitled to receive a trustee fee\*, payable out of the assets of the Sub-Fund, to be accrued daily and calculated as at each dealing day and payable monthly in arrears. The trustee fee is calculated at the rate as follows:

For first HK\$800 million	0.15%
For next HK\$800 million	0.12%
Thereafter	0.10%

\* The trustee fee is currently subject to a monthly minimum of HK\$80,000 per month, reduced to a monthly minimum of HK\$40,000 for the first 6 months from the initial issue date and extended up to the date until the Sub-Fund is terminated. The trustee fee may be increased up to a maximum of 1% per annum of the net asset value of the Sub-Fund upon the Manager giving one month's notice to unitholders.

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. TRANSACTIONS WITH RELATED PARTIES INCLUDING THE MANAGER AND ITS CONNECTED PERSONS (Continued)

#### (e) Bank balances and interest income on bank deposits

The bank balance of the Sub-Fund held with a related party of the Trustee is:

	As at 30th September 2011 HK\$
Bank balances	2,833,932

The interest income on bank deposits held with a related party of the Trustee is:

Interest income on bank deposits	250
----------------------------------	-----

#### (f) Transaction handling fee

The Trustee is entitled to a transaction handling fee for each application of creation and redemption of units. The fee is payable by the authorised participant or approved applicant for the account of the Sub-Fund and may be passed on in whole or in part to the investor.

#### (g) Valuation fee and accounting fee

The valuation fee is the fee charged by the Trustee for any ad-hoc valuation services requested. The accounting fee is the fee charged by the Trustee for preparing annual reports. Total valuation fee and accounting fee for the period, including the outstanding accrued fees at the end of the period, are detailed below:

	2011 HK\$
Valuation fee for the period	258,000
Valuation fee accrued at end of the period	20,000
Accounting fee for the period	48,000
Accounting fee accrued at end of the period	24,000

#### (h) Safe custody and bank charges

Safe custody and bank charges totaling HK\$271,636 have been paid by the Sub-Fund to the Trustee in relation to the assets placed with banks and custodian during the period.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**9. FINANCIAL RISK MANAGEMENT**

**(a) Strategy in using financial instruments**

The investment objective of the Sub-Fund is to provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE® Greater China HKD Index (the "Underlying Index"). FTSE International Limited ("FTSE") is the index provider of the Underlying Index. The Underlying Index comprises of stocks listed in Hong Kong, Taiwan, Shanghai (B shares), Shenzhen (B shares) and Singapore, providing coverage for the Greater China Region and does not have any A share constituent stocks.

All the financial assets and liabilities are classified as loans and receivables except for investments and derivative financial instruments, which are classified as financial assets and liabilities at fair value through profit or loss.

The Sub-Fund is exposed to market price risk, credit risk, liquidity risk and currency risk.

The risks and the respective risk management policies employed by the Sub-Fund to manage these risks are discussed below:

**(b) Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund's securities are susceptible to market price risk arising from uncertainties about future price of the securities. The Sub-Fund's market price risk is managed through diversification of investment portfolio. As at period end, the overall market exposures were as follows:

	As at 30th September 2011		
	Fair value <i>HK\$</i>	Cost <i>HK\$</i>	% of net assets
Equities	247,508,180	298,955,114	98.58
Derivative financial instruments – future contracts <i>(note 12)</i>	(28,795)	–	(0.01)
	<u>247,479,385</u>	<u>298,955,114</u>	<u>98.57</u>

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 9. FINANCIAL RISK MANAGEMENT (Continued)

##### (b) Market price risk (Continued)

###### Market exposures

The following table shows the market exposure the Sub-Fund has to various markets, incorporating the underlying market risk through all financial assets and liabilities held by the Sub-Fund.

	2011 HK\$ equivalent
Markets exposed to	
China	3,361,046
Hong Kong	163,934,117
Singapore	4,889,500
Taiwan	75,323,517
	<hr/>
	247,508,180
Derivative financial instruments – future contracts (note 12)	(28,795)
	<hr/>
	<u>247,479,385</u>

There were no single investments with market value exceeding 10% of the Sub-Fund's net asset value at 30th September 2011.

During the period, the FTSE® Greater China HKD Index decreased by 12.30% while the net asset value (at last traded market prices) per unit of the Sub-Fund decreased by 12.41%.

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of the key index to which the Sub-Fund is exposed. The analysis is based on the assumption that the index had increased/decreased by the respective percentage with all other variables held constant and such movements in the index would cause substantially the same percentage change in the Sub-Fund's net assets attributable to unitholders.

	30th September 2011 Change in market index %	Impact HK\$ +/-
FTSE® Greater China HKD Index	5	12,375,409

The Manager has used their view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on management's current view of market volatility and other relevant factors.

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**9. FINANCIAL RISK MANAGEMENT** *(Continued)*

(c) Interest rate risk

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

(d) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to concentration of credit risk consist principally of bank deposits and assets held with the custodians.

The table below summarises the assets placed with custodians and bank at 30th September 2011.

**As at 30th September 2011**

	HK\$	Credit rating	Source of credit rating
<b>Custodians</b>			
HSBC Institutional Trust Services (Asia) Limited	247,508,180	Aa2	Moody's
J.P. Morgan Securities Limited	515,323	Aa3	Moody's
<b>Bank</b>			
The Hongkong & Shanghai Banking Corporation Limited	2,833,932	Aa2	Moody's

The maximum exposure to credit risk as at 30th September 2011 is the carrying amount of the financial assets as shown on the Statement of Financial Position.

None of these assets are impaired nor past due but not impaired.

The Sub-Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Sub-Fund considers to be well established.

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 9. FINANCIAL RISK MANAGEMENT (Continued)

##### (e) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in investments that are traded in an active market which can be readily disposed of.

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the period end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month HK\$	1 month to less than 3 months HK\$	Over 3 months HK\$
<b>As at 30th September 2011</b>			
Amounts due to brokers	137,274	–	–
Audit fee payable	–	194,780	–
Trustee fee payable	–	40,000	–
Management fee payable	–	62,795	–
Other payables	–	98,986	–
	<hr/>	<hr/>	<hr/>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<b>137,274</b>	<b>396,561</b>	<b>–</b>

The table below analyses the Sub-Fund's derivative financial instruments in a loss position based on an expected maturity basis rather than on a contractual basis, as the contractual maturities for such contracts are not considered to be essential to an understanding of the timing of cash flows based on the Sub-Fund's investment strategies. The amounts disclosed in the table represent the undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month HK\$
<b>As at 30th September 2011</b>	
Gross settled derivatives	
– Outflow	2,659,125
– Inflow	2,612,100



**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**9. FINANCIAL RISK MANAGEMENT** (Continued)

(e) Liquidity risk (Continued)

Units are redeemed on demand at the holder's option. At 30th September 2011, there were four unitholders holding more than 10% of the Sub-Fund's units.

The Sub-Fund manages its liquidity risk by investing in investments that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

<b>As at 30th September 2011</b>	Less than 7 days <i>HK\$</i>	7 days to less than 1 month <i>HK\$</i>	1-12 months <i>HK\$</i>
Total assets	<u>251,658,714</u>	<u>–</u>	<u>–</u>

(f) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund has assets and liabilities denominated in currencies other than Hong Kong dollar, the functional currency. The Sub-Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to change in exchange rates. The Manager may enter into future contracts from time to time to hedge against the fluctuation in exchange rates.

The table below summarises the Sub-Fund's monetary exposure to currency risks other than United States dollar which is pegged with Hong Kong dollar:

	As at 30th September 2011 <i>HK\$</i> <i>equivalents</i>
New Taiwan Dollar	
Non-monetary	75,323,516
Monetary	219,044

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the Sub-Fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	As at 30th September 2011	
	Change %	Impact <i>HK\$</i>
	+/-	+/-
New Taiwan Dollar		
Non-monetary	7	5,272,646
Monetary	7	15,333

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 9. FINANCIAL RISK MANAGEMENT (Continued)

##### (g) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Sub-Fund is subject to daily subscriptions and redemptions at the discretion of the unitholders. The Sub-Fund's objective when managing capital is to safeguard the Sub-Fund's ability to continue as a going concern in order to provide returns for the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Sub-Fund.

In order to maintain or adjust the capital structure, the Sub-Fund's policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the Trust Deed of the Sub-Fund.

The Trustee and Manager monitor capital on the basis of the value of net assets attributable to unitholders.

##### (h) Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

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

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Fund for similar financial instruments.

IFRS 7 requires the Sub-Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

**9. FINANCIAL RISK MANAGEMENT** *(Continued)*

(h) Fair value estimation *(Continued)*

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Fund's investments (by class) measured at fair value at 30th September 2011:

	Level 1 <i>HK\$</i>	Level 2 <i>HK\$</i>	Level 3 <i>HK\$</i>	Total balance <i>HK\$</i>
<b>Financial assets held for trading</b>				
– Equity securities	247,508,180	–	–	247,508,180
– Derivative financial instruments – future contracts	18,230	–	–	18,230
<b>Total assets</b>	<b>247,526,410</b>	<b>–</b>	<b>–</b>	<b>247,526,410</b>
<b>Financial liabilities held for trading</b>				
– Derivative financial instruments – future contracts	47,025	–	–	47,025
<b>Total liabilities</b>	<b>47,025</b>	<b>–</b>	<b>–</b>	<b>47,025</b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and future contracts. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As of 30th September 2011, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 30th September 2011, the Sub-Fund did not hold any investments classified in level 3.

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 10. MAJOR NON-CASH TRANSACTIONS

In accordance with the Sub-Fund's Trust Deed, units can be created either (a) in specie for "Deposit Basket" and a "Cash Issue Component" (where the "Deposit Basket" means a portfolio of securities to be deposited with the Sub-Fund) or (b) for a cash amount. During the period from 15th September 2010 (date of inception) to 30th September 2011, the Sub-Fund issued 21,000,000 units in exchange for Deposit Baskets consisting of investments valued at a total of HK\$355,408,969 plus relevant cash component and cash creation of HK\$161,317,031.

In accordance with the Sub-Fund's Trust Deed, units can be redeemed either (a) in specie for "Redemption Basket" and a "Cash Redemption Component" (where the "Redemption Basket" means a portfolio of securities to be redeemed from the Sub-Fund) or (b) for a cash amount. During the period from 15th September 2010 (date of inception) to 30th September 2011, the Sub-Fund redeemed 9,000,000 units in exchange for Deposit Baskets consisting of investments valued at a total of HK\$166,105,515 plus relevant cash component and cash redemption of HK\$78,839,335.

#### 11. SOFT DOLLAR PRACTICES

The Manager and any Connected Persons of the Manager may effect transactions for the account of the Sub-Fund through the agency of another person with whom the Manager and any of its Connected Persons have an arrangement under which such other person agrees to pay in whole or in part for the provision of goods to and/or the supply of services to the Manager or Connected Persons of the Manager in consideration of the Manager or a Connected Person of the Manager procuring that such other person (or person connected thereto) executes transactions to be entered into for the account of the Sub-Fund.

The Manager shall procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to unitholders whether by assisting the Manager in its ability to manage the Sub-Fund, or by contributing to an improvement in the Sub-Fund's performance or otherwise. Research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment related publications may be considered as beneficial to unitholders.

Since the inception of the Sub-Fund, the Manager and its Connected Persons had participated in soft dollar arrangements in respect of the transactions for the account of the Sub-Fund.

#### 12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments represent outstanding future contracts as at period end. As at 30th September 2011, outstanding future contracts were as follows:

Future Contracts	Contract Size	Settlement Date	Fair Value HK\$
MSCI TAIWAN INDEX	5	28th October 2011	18,230
HANG SENG INDEX FUT	3	28th October 2011	(47,025)
			<u>(28,795)</u>

## **NOTES TO THE FINANCIAL STATEMENTS** *(Continued)*

### **13. SEGMENT INFORMATION**

The Manager makes the strategic resource allocations on behalf of the Sub-Fund. The Sub-Fund has determined the operating segments based on the reports reviewed by the Manager, which are used to make strategic decisions.

The Manager is responsible for the Sub-Fund's entire portfolio and considers the business to have a single operating segment. The Manager's asset allocation decisions are based on a single, integrated investment strategy and the Sub-Fund's performance is evaluated on an overall basis.

The investment objective of the Sub-Fund is to provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE® Greater China HKD Index.

The internal reporting provided to the Manager for the Sub-Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segment during the period.

All activities of the Sub-Fund are in a single business of investment activities conducted mainly in Hong Kong. The Sub-Fund's income is from investments in equity securities issued by organisations mainly in the China, Hong Kong and Taiwan.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has a diversified portfolio of investments, no single investment accounts for more than 10% of the Sub-Fund's income and no single investment holding accounts for more than 10% of the Sub-Fund's net assets.

As at 30th September 2011, there were four unitholders each holding more than 10% of the Sub-Fund's units.

### **14. EVENT OCCURRING AFTER PERIOD END DATE**

With effect from 3rd January 2012, HSBC Institutional Trust Services (Asia) Limited has retired from its role as the trustee and State Street Trust (HK) Limited has been appointed as trustee of the Sub-Fund.

### **15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Trustee and the Manager on 20th January 2012.

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## INVESTMENT PORTFOLIO

As at 30th September 2011 (Unaudited)

	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>CHINA (1.34%)</b>			
BENGANG STEEL PLATES CO LTD – B	18,300	45,384	0.02
BOE TECHNOLOGY GROUP LTD – B	39,720	45,281	0.02
CHINA INTERNATIONAL MARINE CONTAINER GROUP CO LTD – B	34,400	272,792	0.11
CHINA MERCHANTS PROPERTY DEVELOPMENT CO LTD – B	8,400	83,580	0.03
CHINA VANKE CO LTD – B	31,500	210,420	0.08
CHONGQING CHANGAN AUTOMOBILE CO LTD – B	35,280	74,441	0.03
CSG HOLDING CO LTD – B	21,000	149,520	0.06
DAZHONG TRANSPORTATION GROUP – B	15,900	62,188	0.02
DOUBLE COIN HOLDINGS LTD – B	11,100	52,149	0.02
FOSHAN ELECTRICAL & LIGHTING CO LTD – B	3,100	17,577	0.01
GUANGDONG ELECTRIC POWER DEVELOPMENT CO LTD – B	19,800	55,638	0.02
GUANGDONG PROVINCIAL EXPRESSWAY DEVELOPMENT CO LTD – B	15,900	36,093	0.01
HAINAN AIRLINES CO LTD – B	4,200	24,738	0.01
HUADIAN ENERGY CO LTD – B	19,700	47,581	0.02
INNER MONGOLIA EERDUOSI RESOURCES CO LTD – B	9,600	106,583	0.04
INNER MONGOLIA YITAI COAL CO LTD – B	17,800	700,490	0.28
JIANGLING MOTORS CORP LTD – B	3,100	37,324	0.01
JINZHOU PORT CO LTD – B	10,200	39,656	0.02
SHANDONG CHENMING PAPER HOLDINGS LTD – B	18,300	62,952	0.03
SHANGHAI CHLOR-ALKALI CHEMICAL CO LTD – B	12,100	53,076	0.02
SHANGHAI FRIENDSHIP GROUP INC CO – B	5,300	57,067	0.02
SHANGHAI HAIXIN GROUP CO LTD – B	12,700	47,396	0.02
SHANGHAI JIN JIANG INTERNATIONAL INDUSTRIAL INVESTMENT CO LTD – B	7,300	43,851	0.02
SHANGHAI JINJIANG INTERNATIONAL HOTEL DEVELOPMENT CO LTD – B	4,200	42,082	0.02
SHANGHAI JINQIAO EXPORT PROCESSING ZONE DEVELOPMENT CO LTD – B	7,400	42,607	0.02
SHANGHAI LUJIAZUI FINANCE & TRADE ZONE DEVELOPMENT LTD – B	16,700	146,117	0.06
SHANGHAI MECHANICAL & ELECTRICAL INDUSTRY CO LTD – B (FORMERLY KNOWN AS SHANGHAI ELECTRIC CO LTD – B)	5,900	49,462	0.02
SHANGHAI WAIGAOQIAO FREE TRADE ZONE DEV CO LTD – B	9,100	50,055	0.02
SHANGHAI ZHENHUA HEAVY INDUSTRY CO LTD – B	40,000	145,540	0.06
SHENZHEN CHIWAN WHARF HOLDINGS LTD – B	5,300	42,135	0.02

**INVESTMENT PORTFOLIO** *(Continued)*

*As at 30th September 2011 (Unaudited)*

	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>CHINA (1.34%)</b> <i>(Continued)</i>			
WEIFU HIGH-TECHNOLOGY CO LTD – B	3,800	60,838	0.02
YANTAI CHANGYU PIONEER WINE CO LTD – B	4,300	361,200	0.14
ZHEJIANG SOUTHEAST ELECTRIC POWER CO LTD – B	26,400	95,233	0.04
		3,361,046	1.34
		-----	-----
<b>HONG KONG (65.29%)</b>			
AAC ACOUSTIC TECHNOLOGY HOLDING INC CO	20,866	353,053	0.14
AGILE PROPERTY HOLDINGS LTD	35,878	181,543	0.07
AGRICULTURAL BANK OF CHINA – H	565,390	1,453,052	0.58
AIA GROUP LTD	221,166	4,943,060	1.97
AIR CHINA LTD – H	55,696	305,214	0.12
ALIBABA.COM LTD	35,705	258,861	0.10
ALUMINUM CORP OF CHINA LTD – H	99,363	342,802	0.14
ANGANG STEEL CO LTD – H	23,523	96,680	0.04
ANHUI CONCH CEMENT CO LTD – H	32,357	697,293	0.28
ANHUI EXPRESSWAY CO LTD – H	13,426	52,496	0.02
ANTA SPORTS PRODUCTS LTD	24,086	217,978	0.09
ASM PACIFIC TECHNOLOGY	4,765	366,905	0.15
BANK OF CHINA LTD – H	1,535,955	3,747,730	1.49
BANK OF COMMUNICATIONS LTD – H	211,885	989,503	0.39
BANK OF EAST ASIA	49,442	1,189,080	0.47
BBMG CORP – H	26,722	153,651	0.06
BEIJING CAPITAL INTERNATIONAL AIRPORT CO LTD – H	47,141	146,609	0.06
BEIJING ENTERPRISES HOLDINGS LTD	13,497	534,481	0.21
BEIJING NORTH STAR CO LTD	19,233	22,118	0.01
BELLE INTERNATIONAL HOLDINGS LTD	155,341	2,097,103	0.84
BOC HONG KONG (HOLDINGS) LTD	103,120	1,728,291	0.69
BOSIDENG INTERNATIONAL HOLDINGS LTD	56,608	91,705	0.04
BRIGHTOIL PETROLEUM HOLDINGS LTD	50,237	85,403	0.03
BRILLIANCE CHINA AUTOMOTIVE	61,622	375,894	0.15
BYD CO LTD – H	14,510	189,791	0.08
C C LAND HOLDINGS LTD	34,990	40,238	0.02
CAFE DE CORAL HOLDINGS LTD	9,376	172,143	0.07

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### INVESTMENT PORTFOLIO (Continued)

As at 30th September 2011 (Unaudited)

	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>HONG KONG (65.29%) (Continued)</b>			
CATHAY PACIFIC AIRWAYS LTD	39,805	512,688	0.20
CHAMPION REIT	61,123	183,369	0.07
CHANGSHA ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT	35,013	311,616	0.12
CHAODA MODERN AGRICULTURE	81,272	89,399	0.04
CHEUNG KONG HOLDINGS LTD	42,261	3,615,429	1.44
CHEUNG KONG INFRASTRUCTURE HOLDINGS LTD	11,283	516,197	0.21
CHINA AGRI-IND HOLDINGS LTD	35,797	176,837	0.07
CHINA BLUECHEMICAL LTD – H	44,187	265,122	0.11
CHINA CITIC BANK CORP LTD – H	273,857	876,342	0.35
CHINA COAL ENERGY CO – H	98,768	698,290	0.28
CHINA COMMUNICATIONS CONSTRUCTION CO LTD – H	108,050	553,216	0.22
CHINA COMMUNICATIONS SERVICES CORP LTD – H	47,117	168,679	0.07
CHINA CONSTRUCTION BANK – H	1,769,102	8,456,308	3.37
CHINA COSCO HOLDINGS CO LTD – H	60,748	195,001	0.08
CHINA DONGXIANG GROUP CO	77,102	101,775	0.04
CHINA EASTERN AIRLINES – H	47,540	117,424	0.05
CHINA EVERBRIGHT LTD	20,212	170,994	0.07
CHINA FOODS LTD	30,381	188,058	0.07
CHINA HIGH SPEED TRANSMISSION EQUIPMENT GROUP CO LTD	31,454	112,605	0.04
CHINA HUIYUAN JUICE	15,998	33,596	0.01
CHINA LIFE INSURANCE CO – H	182,539	3,431,733	1.37
CHINA LONGYUAN POWER GROUP CORP – H	36,635	234,830	0.09
CHINA MENGNIU DAIRY CO LTD	32,440	768,828	0.31
CHINA MERCHANTS BANK CO LTD – H	94,936	1,131,637	0.45
CHINA MERCHANTS HOLDINGS INTERNATIONAL CO LTD	30,655	642,222	0.26
CHINA MINSHENG BANKING CO LTD – H	98,856	472,532	0.19
CHINA MOBILE LTD	147,485	11,363,719	4.53
CHINA MOLYBDENUM CO LTD – H	26,543	86,265	0.03
CHINA NATIONAL BUILDING MATERIAL CO LTD – H	65,422	439,636	0.17
CHINA NATIONAL MATERIALS CO – H	38,898	109,692	0.04
CHINA OILFIELD SERVICES LTD	35,793	357,930	0.14



**INVESTMENT PORTFOLIO** *(Continued)*

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	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>HONG KONG (65.29%)</b> <i>(Continued)</i>			
CHINA OVERSEAS LAND & INV	99,126	1,120,124	0.45
CHINA PACIFIC INSURANCE (GROUP) CO LTD – H	41,994	949,064	0.38
CHINA PETROLEUM & CHEMICAL CORP – H	408,807	3,135,550	1.25
CHINA RAILWAY CONSTRUCTION CORP – H	49,495	163,333	0.06
CHINA RAILWAY GROUP LTD – H	102,513	161,971	0.06
CHINA RESOURCES CEMENT HOLDING LTD	47,605	248,022	0.10
CHINA RESOURCES ENTERPRISE LTD	28,500	741,000	0.29
CHINA RESOURCES LAND LTD	52,298	443,487	0.18
CHINA RESOURCES POWER HOLDINGS CO LTD	48,054	564,154	0.22
CHINA RONGSHENG HEAVY INDUSTRIES GROUP HOLDINGS LTD	53,915	114,839	0.05
CHINA SHENHUA ENERGY CO LTD – H	83,023	2,573,713	1.03
CHINA SHIPPING CONTAINER LINES CO LTD – H	102,093	123,533	0.05
CHINA SHIPPING DEVELOPMENT CO LTD – H	35,272	176,360	0.07
CHINA SOUTHERN AIRLINES CO LTD – H	50,765	184,277	0.07
CHINA TAIPING INSURANCE HOLDINGS CO LTD	20,943	312,051	0.12
CHINA TELECOM CORP LTD – H	392,644	1,939,661	0.77
CHINA TRAVEL INTERNATIONAL INV HK	77,492	79,817	0.03
CHINA UNICOM (HONG KONG)	173,404	2,809,145	1.12
CHINA YURUN FOOD GROUP LTD	33,330	282,638	0.11
CHINA ZHONGWANG HOLDINGS LTD	44,155	117,452	0.05
CHINESE ESTATES HOLDINGS LTD	10,842	138,344	0.06
CHONGQING RURAL COMMERCIAL BANK CO LTD – H	68,078	164,068	0.07
CITIC PACIFIC LTD	25,757	286,418	0.11
CITIC RESOURCES HOLDINGS LTD	64,184	46,854	0.02
CLP HOLDINGS LTD	44,467	3,137,147	1.25
CNOOC LTD	437,426	5,669,041	2.26
COSCO PACIFIC LTD	30,893	268,151	0.11
COUNTRY GARDEN HOLDINGS CO	87,780	189,605	0.08
CSR CORP LTD – H	48,070	134,115	0.05
DAH SING BANKING GROUP LTD	9,951	69,657	0.03
DAH SING FINANCIAL GROUP	3,967	85,886	0.03
DATANG INTERNATIONAL POWER GEN CO LTD – H	90,249	180,498	0.07

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<b>HONG KONG (65.29%) (Continued)</b>			
DONGFENG MOTOR GROUP CO LTD – H	64,331	685,768	0.27
DONGFANG ELECTRIC CORP LTD – H	9,264	185,095	0.07
ENN ENERGY HOLDINGS LTD	19,345	489,428	0.19
ESPRIT HOLDINGS LTD	32,298	308,769	0.12
EVERGRANDE REAL ESTATE GROUP	147,325	360,946	0.14
FIRST PACIFIC CO	72,149	497,828	0.20
FOSUN INTERNATIONAL	47,554	187,363	0.07
FOXCONN INTERNATIONAL HOLDINGS	57,750	235,620	0.09
FRANSHION PROPERTIES CHINA LTD	99,755	121,701	0.05
FUSHAN INTERNATIONAL ENERGY GROUP LTD	65,164	170,730	0.07
GALAXY ENTERTAINMENT GROUP LTD	29,435	339,680	0.14
GCL POLY ENERGY HOLDINGS LTD	184,578	372,848	0.15
GEELY AUTOMOBILE HOLDINGS LTD	98,388	168,243	0.07
GOLDEN EAGLE RETAIL GROUP LTD	13,772	219,526	0.09
GOME ELECTRICAL APPLIANCES HOLDINGS LTD	308,609	567,841	0.23
GREAT EAGLE HOLDINGS LTD	8,460	143,482	0.06
GREAT WALL MOTOR CO LTD – H	26,311	236,799	0.09
GREENTOWN CHINA HOLDINGS	17,831	64,727	0.03
GUANGDONG INVESTMENTS LTD CO	49,056	237,922	0.09
GUANGSHEN RAILWAY CO LTD – H	38,973	91,197	0.04
GUANGZHOU AUTOMOBILE GROUP CO LTD – H	58,887	446,363	0.18
GUANGZHOU PHARMACEUTICAL CO LTD – H	5,957	28,474	0.01
GUANGZHOU R&F PROPERTIES CO LTD – H	26,327	153,223	0.06
GUANGZHOU SHIPYARD INTERNATIONAL CO LTD – H	5,535	28,561	0.01
GUOCO GROUP LTD	3,565	255,254	0.10
HANG LUNG GROUP LTD	24,291	967,996	0.39
HANG LUNG PROPERTIES LTD	54,382	1,277,977	0.51
HANG SENG BANK LTD	18,602	1,708,594	0.68
HARBIN ELECTRIC CO LTD – H	14,999	96,594	0.04
HENDERSON LAND DEVELOPMENT	28,491	1,010,006	0.40
HENGAN INTERNATIONAL GROUP CO LTD	22,405	1,403,673	0.56
HIDILI INDUSTRY INTERNATIONAL DEVELOPMENT LTD	28,040	63,651	0.03
HONG KONG & CHINA GAS	144,776	2,556,744	1.02
HONG KONG & SHANGHAI HOTEL	20,003	214,032	0.09
HONG KONG AIRCRAFT ENGINEERING CO LTD	1,262	124,938	0.05
HONG KONG EXCHANGES AND CLEARING LTD	26,291	3,012,949	1.20
HOPEWELL HIGHWAY INFRASTRUCTURE LTD	24,217	114,789	0.05

**INVESTMENT PORTFOLIO** *(Continued)*

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<b>HONG KONG (65.29%)</b> <i>(Continued)</i>			
HOPEWELL HOLDINGS LTD	15,937	356,989	0.14
HOPSON DEVELOPMENT HOLDINGS LTD	16,155	71,244	0.03
HUABAO INTERNATIONAL HOLDINGS LTD	33,592	213,645	0.09
HUADIAN POWER INTERNATIONAL CORP – H	38,936	42,830	0.02
HUANENG POWER INTERNATIONAL INC – H	87,859	289,935	0.12
HUTCHISON HARBOUR RING LTD	97,423	59,428	0.02
HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LTD	39,314	106,541	0.04
HUTCHISON WHAMPOA LTD	79,032	4,619,420	1.84
HYSAN DEVELOPMENT CO LTD	18,420	433,791	0.17
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – H	1,596,039	6,096,869	2.43
JIANGSU EXPRESSWAY CO LTD – H	33,250	197,172	0.08
JIANGXI COPPER CO LTD – H	33,772	463,352	0.18
JOHNSON ELECTRIC HOLDINGS	49,989	196,957	0.08
KERRY PROPERTIES LTD	17,931	445,585	0.18
KINGBOARD CHEMICAL HOLDINGS LTD	15,237	323,786	0.13
KINGBOARD LAMINATES HOLDINGS LTD	21,762	70,726	0.03
KOWLOON DEVELOPMENT CO LTD	9,378	62,457	0.02
KUNLUN ENERGY CO LTD	61,175	660,690	0.26
KWG PROPERTY HOLDING LTD	31,509	91,376	0.04
LEE & MAN PAPER MANUFACTURING LTD	46,459	122,187	0.05
LENOVO GROUP LTD	187,423	983,971	0.39
LI & FUNG LTD	147,295	1,953,132	0.78
LI NING CO LTD	21,375	171,000	0.07
LIANHUA SUPERMARKET HOLDINGS LTD	12,162	134,268	0.05
LIFESTYLE INTERNATIONAL HOLDINGS LTD	16,209	318,993	0.13
LINK REIT	54,192	1,338,542	0.53
LOCCITANE INTERNATIONAL SA	10,763	169,840	0.07
LONGFOR PROPERTIES	25,332	198,603	0.08
MAANSHAN IRON & STEEL – H	47,174	80,668	0.03
MELCO INTERNATIONAL DEVELOPMENT LTD	24,994	129,969	0.05
METALLURGICAL CORP OF CHINA LTD – H	78,152	117,228	0.05
MONGOLIA ENERGY CORP LTD	90,681	44,887	0.02
MTR CORP LTD	42,278	989,305	0.39

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<b>HONG KONG (65.29%) (Continued)</b>			
NEW WORLD CHINA LAND LTD	46,249	84,173	0.03
NEW WORLD DEVELOPMENT LTD	74,663	562,212	0.22
NINE DRAGONS PAPER HOLDINGS LTD	37,388	146,935	0.06
NWS HOLDINGS LTD	25,028	258,289	0.10
ORIENT OVERSEAS INTERNATIONAL LTD	5,812	183,950	0.07
PARKSON RETAIL GROUP LTD	33,696	318,427	0.13
PCCW LTD	129,401	379,145	0.15
PETROCHINA CO LTD – H	516,369	4,982,961	1.98
PICC PROPERTY AND CASUALTY CO LTD	82,966	700,233	0.28
PING AN INSURANCE (GROUP) CO OF CHINA LTD – H	57,796	2,540,134	1.01
POLY (HONG KONG) INVESTMENTS LTD	48,848	116,258	0.05
POWER ASSETS HOLDINGS LTD	39,043	2,332,819	0.93
PUBLIC FINANCIAL HOLDINGS LTD	8,937	26,900	0.01
RENHE COMMERCIAL HOLDINGS	216,699	177,693	0.07
SANDS CHINA LTD	58,095	1,082,891	0.43
SANY HEAVY EQUIPMENT INTERNATIONAL HOLDINGS CO LTD	21,635	133,921	0.05
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP	482,605	185,803	0.07
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD – H	43,788	383,145	0.15
SHANGHAI ELECTRIC GROUP CORP – H	64,916	193,450	0.08
SHANGHAI INDUSTRIAL HOLDINGS LTD	12,542	275,924	0.11
SHANGHAI PHARMACEUTICALS HOLDING CO LTD- H	13,251	222,087	0.09
SHANGRI-LA ASIA LTD	38,264	575,491	0.23
SHENZHEN EXPRESSWAY CO LTD – H	20,328	56,512	0.02
SHENZHEN INTERNATIONAL HOLDINGS LTD	255,915	98,527	0.04
SHENZHEN INVESTMENT LTD	72,009	102,253	0.04
SHIMAO PROPERTY HOLDINGS LTD	34,050	200,895	0.08
SHUI ON LAND LTD	63,588	120,817	0.05
SHUN TAK HOLDINGS LTD	39,238	110,259	0.04
SICHUAN EXPRESSWAY CO LTD – H	24,376	76,784	0.03
SINO LAND CO	64,985	679,743	0.27
SINOFERT HOLDINGS LTD	57,160	113,748	0.05
SINO-OCEAN LAND HOLDINGS LTD	101,424	254,574	0.10
SINOPEC SHANGHAI PETROCHEMICAL CO LTD – H	63,400	178,154	0.07

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<b>HONG KONG (65.29%)</b> <i>(Continued)</i>			
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD – H	38,084	60,554	0.02
SINOPHARM MEDICINE HOLDING CO LTD – H	17,470	362,502	0.14
SINOTRANS LTD	46,238	69,819	0.03
SINOTRUK HONG KONG LTD	20,589	89,768	0.04
SJM HOLDINGS LTD	53,238	750,656	0.30
SOHO CHINA LTD	50,971	253,326	0.10
SUN HUNG KAI PROPERTIES LTD	47,320	4,280,094	1.70
SWIRE PACIFIC LTD – A	22,152	1,779,913	0.71
TECHTRONIC INDUSTRIES CO LTD	32,479	171,164	0.07
TELEVISION BROADCASTS LTD	7,931	339,050	0.13
TENCENT HOLDINGS LTD	22,542	3,692,380	1.47
TEXWINCA HOLDINGS LTD	17,759	141,894	0.06
TIANJIN CAPITAL ENVIRONMENTAL PROTECTION CO LTD – H	9,264	17,602	0.01
TINGYI (CAYMAN) HOLDING CORP	54,840	1,041,960	0.41
TPV TECHNOLOGY LTD	22,168	49,435	0.02
TRAVELSKY TECHNOLOGY LTD – H	28,550	97,356	0.04
TSINGTAO BREWERY CO LTD – H	11,378	488,116	0.19
VTECH HOLDINGS LTD	4,567	330,194	0.13
WANT WANT CHINA HOLDINGS LTD	159,747	1,116,632	0.44
WEICHAI POWER CO LTD – H	9,953	353,829	0.14
WEIQIAO TEXTILE CO LTD	16,238	60,730	0.02
WHARF HOLDINGS LTD	36,982	1,438,600	0.57
WHEELOK & CO LTD	19,102	443,166	0.18
WING HANG BANK LTD	5,496	347,897	0.14
XINJIANG GOLDWIND SCI & TECH – H	7,028	26,285	0.01
XINYI GLASS HOLDINGS CO LTD	64,503	212,215	0.08
YANZHOU COAL MINING CO LTD – H	47,310	807,109	0.32
YUE YUEN INDUSTRIAL HOLDINGS LTD	19,375	391,375	0.16
YUEXIU PROPERTY CO LTD	188,954	190,844	0.08
ZHAOJIN MINING INDUSTRY – H	20,807	269,659	0.11
ZHEJIANG EXPRESSWAY CO LTD – H	47,261	222,599	0.09
ZHONGSHENG GROUP HOLDINGS LTD	8,902	110,207	0.04

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<b>HONG KONG (65.29%) (Continued)</b>			
ZHUZHOU CSR TIMES ELECTRIC CO LTD – H	12,919	166,655	0.07
ZIJIN MINING GROUP CO LTD – H	142,555	322,174	0.13
ZTE CORP – H	15,195	339,608	0.14
WYNN MACAU LTD	38,239	714,305	0.28
		<hr/>	<hr/>
		163,934,117	65.29
		<hr/>	<hr/>
<b>SINGAPORE (1.95%)</b>			
HONGKONG LAND HOLDINGS LTD CO	43,000	1,500,897	0.60
JARDINE MATHESON HOLDINGS LTD CO	6,400	2,287,746	0.91
JARDINE STRATEGIC HOLDINGS LTD	5,500	1,100,857	0.44
		<hr/>	<hr/>
		4,889,500	1.95
		<hr/>	<hr/>
<b>TAIWAN (30.00%)</b>			
ACER INCORPORATED	66,000	635,286	0.25
ADVANCED SEMICONDUCTOR ENGINEERING INC	164,362	1,113,545	0.44
ADVANTECH CO LTD	11,200	232,220	0.09
ASIA CEMENT CORP	57,280	467,148	0.19
ASUSTEK COMPUTER INC	18,740	1,106,731	0.44
AU OPTRONICS CORP	213,000	675,246	0.27
CAPITAL SECURITIES CORP	64,960	168,567	0.07
CATCHER TECHNOLOGY CO LTD	18,000	821,432	0.33
CATHAY FINANCIAL HOLDING CO LTD	191,240	1,718,560	0.68
CATHAY REAL ESTATE DEVELOPMENT CO LTD	41,000	128,405	0.05
CHANG HWA COMMERCIAL BANK	95,000	427,461	0.17
CHENG SHIN RUBBER INDUSTRY CO LTD	45,600	747,280	0.30
CHENG UEI PRECISION INDUSTRY CO	8,109	140,144	0.06
CHICONY ELECTRONICS CO LTD	17,700	226,710	0.09
CHIMEI INNOLUX CORP	177,000	561,120	0.22

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	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>TAIWAN (30.00%)</b> <i>(Continued)</i>			
CHINA AIRLINES	54,000	209,154	0.08
CHINA DEVELOPMENT FINANCIAL HOLDING CO INC	273,037	642,898	0.26
CHINA MOTOR CO LTD	19,000	127,024	0.05
CHINA STEEL CORP	276,050	2,106,652	0.84
CHINATRUST FINANCIAL HOLDING CO LTD	261,559	1,217,031	0.48
CHUNGHWA PICTURE TUBES LTD	116,000	68,506	0.03
CHUNGHWA TELECOM CO LTD	93,200	2,406,567	0.96
CMC MAGNETICS CORP	94,000	141,308	0.06
COMPAL COMMUNICATIONS INC	9,000	85,710	0.03
COMPAL ELECTRONICS INC	108,000	780,015	0.31
CORETRONIC CORP	20,000	121,182	0.05
DELTA ELECTRONICS INC	58,000	1,073,562	0.43
D-LINK CORP	21,000	121,873	0.05
E.SUN FINANCIAL HOLDING CO	79,319	306,207	0.12
EPISTAR CORP	20,000	276,623	0.11
ETERNAL CHEMICAL CO LTD	20,150	120,803	0.05
EVA AIRWAYS CORP	38,500	199,810	0.08
EVERGREEN MARINE CORP	50,599	201,803	0.08
FAR EASTERN INTERNATIONAL BANK	38,678	115,694	0.05
FAR EASTERN NEW CENTURY CORP	89,970	722,251	0.29
FAR EASTONE TELECOMMUNICATION CO LTD	39,000	453,666	0.18
FARADAY TECHNOLOGY CORP	8,398	63,874	0.03
FENG HSIN IRON & STEEL CO LTD	16,000	213,117	0.08
FIRST FINANCIAL HOLDING	136,453	690,731	0.28
FORMOSA CHEMICALS & FIBRE CORP	105,000	2,134,111	0.85
FORMOSA PETROCHEMICAL CORP	46,000	981,985	0.39
FORMOSA PLASTICS CORP	150,000	3,129,263	1.25
FORMOSA TAFFETA CO LTD	30,000	212,452	0.08
FOXCONN TECHNOLOGY CO LTD	28,500	720,613	0.29
FUBON FINANCIAL HOLDING CO	164,840	1,350,676	0.54
GIANT MANUFACTURING CO LTD	8,000	231,116	0.09

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	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>TAIWAN (30.00%) (Continued)</b>			
HANNSTAR DISPLAY CORP	172,000	89,266	0.04
HON HAI PRECISION INDUSTRY	260,700	4,605,531	1.83
HTC CORP	21,100	3,695,164	1.47
HUA NAN FINANCIAL HOLDINGS CO LTD	128,220	603,162	0.24
INOTERA MEMORIES INC	76,000	129,016	0.05
INVENTEC CO LTD	70,000	199,542	0.08
KGI SECURITIES CO LTD	77,881	218,025	0.09
LARGAN PRECISION CO LTD	2,000	365,592	0.15
LITE-ON IT CORP	10,049	74,890	0.03
LITE-ON TECHNOLOGY CORP	55,315	397,384	0.16
MACRONIX INTERNATIONAL CO LTD	80,000	222,934	0.09
MEDIATEK INC	28,000	2,412,396	0.96
MEGA FINANCIAL HOLDING CO LTD	208,640	1,138,823	0.45
MICRO-STAR INTERNATIONAL CO LTD	26,000	92,395	0.04
MITAC INTERNATIONAL CORP	38,000	108,323	0.04
MSTAR SEMICONDUCTOR INC	13,412	557,195	0.22
NAN YA PLASTIC CORP	193,000	3,266,449	1.30
NAN YA PRINTED CIRCUIT BOARD CORP	6,240	132,570	0.05
NANYA TECHNOLOGY CORP	74,464	74,246	0.03
NOVATEK MICROELECTRONICS LTD	11,000	201,076	0.08
ORIENTAL UNION CHM	16,000	153,804	0.06
PEGATRON CORP	40,000	291,962	0.12
POU CHEN CORP	70,000	391,030	0.16
POWERCHIP TECHNOLOGY CORP	154,000	69,294	0.03
PRESIDENT CHAIN STORE CORP	19,000	840,350	0.33
PRESIDENT SECURITIES CORP	31,800	123,169	0.05
QISDA CORP	42,840	89,810	0.04
QUANTA COMPUTER INC	70,000	1,063,029	0.42
REALTEK SEMICONDUCTOR CORP	13,130	173,882	0.07
RITEK CORP	87,000	120,553	0.05
SHIN KONG FINANCIAL HOLDINGS	136,839	318,355	0.13
SILICONWARE PRECISION INDUSTRIES CO	75,000	583,861	0.23



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	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>TAIWAN (30.00%)</b> <i>(Continued)</i>			
SINOPAC FINANCIAL HOLDINGS CO LTD	176,299	445,766	0.18
SYNNEX TECH INTERNATIONAL CORP	38,000	647,021	0.26
TAISHIN FINANCIAL HOLDINGS CO LTD	153,620	465,400	0.19
TAIWAN BUSINESS BANK	86,735	202,897	0.08
TAIWAN CEMENT CORP	90,482	761,060	0.30
TAIWAN COOPERATIVE BANK	116,500	551,008	0.22
TAIWAN FERTILIZER CO LTD	18,000	345,599	0.14
TAIWAN GLASS INDUSTRIAL CORP	41,600	376,493	0.15
TAIWAN MOBILE CO LTD	45,000	861,698	0.34
TAIWAN SECOM	8,000	112,081	0.04
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	633,000	11,328,239	4.51
TATUNG CO LTD	64,013	185,748	0.07
TECO ELECTRIC & MACHINERY CO LTD	43,000	181,390	0.07
TON YI INDUSTRIAL CORP	26,850	98,505	0.04
TRANSCEND INFORMATION INC	7,000	107,735	0.04
U-MING MARINE TRANSPORT CORP	12,000	137,135	0.05
UNIMICRON TECHNOLOGY CORP	37,000	410,537	0.16
UNI-PRESIDENT ENTERPRISES CORP	111,140	1,132,294	0.45
UNITED MICROELECTRONICS VANGUARD INTERNATIONAL SEMICONDUCTOR CORP	317,000	923,900	0.37
	15,000	41,225	0.02
WALSIN LIHWA CORP	86,000	206,455	0.08
WAN HAI LINES LTD	30,450	112,490	0.04
WATERLAND FINANCIAL HOLDINGS	52,000	144,243	0.06
WINBOND ELECTRONICS CORP	90,000	140,357	0.06
WISTRON CORP	49,696	444,047	0.18
YAGEO CORP	60,000	131,920	0.05
YANG MING MARINE TRANSPORT	38,500	117,130	0.05
YUANTA FINANCIAL HOLDING CO LTD	243,469	961,685	0.38

## SPDR® FTSE® Greater China ETF

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### INVESTMENT PORTFOLIO (Continued)

As at 30th September 2011 (Unaudited)

	Holdings at 30th September 2011	Fair value at 30th September 2011 HK\$	Percentage of total net assets at 30th September 2011 (%)
<b>TAIWAN (30.00%) (Continued)</b>			
YUEN FOONG YU PAPER MANUFACTURING CO LTD	45,675	137,207	0.05
YULON MOTOR CO LTD	28,000	413,042	0.16
		<u>75,323,517</u>	<u>30.00</u>
Total listed equities		<u>247,508,180</u>	<u>98.58</u>
Derivative Financial Instruments			
MSCI TAIWAN INDEX 28/10/2011	5	18,230	0.01
HANG SENG INDEX FUT 28/10/2011	3	(47,025)	(0.02)
Total future contracts		<u>(28,795)</u>	<u>(0.01)</u>
Total investments		<u>247,479,385</u>	<u>98.57</u>
Total investments, at cost		<u>298,955,114</u>	

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS**

*For the period ended 30th September 2011 (Unaudited)*

	Percentage of total net assets as at 30th September 2011 (%)
<b>Listed Equities</b>	
China	1.34
Hong Kong	65.29
Singapore	1.95
Taiwan	30.00
	<hr/>
<b>Total listed equities</b>	98.58
<b>Derivative Financial Instruments</b>	
Future contracts	(0.01)
	<hr/>
<b>Total investments</b>	<u><u>98.57</u></u>

## SPDR® FTSE® Greater China ETF

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### PERFORMANCE RECORD (UNAUDITED)

#### NET ASSET VALUES

	Net asset value of the Sub-Fund <i>HK\$</i>	Net asset value per unit <i>HK\$</i>
At the end of financial period dated 30th September 2011	251,074,775	20.9229

#### HIGHEST AND LOWEST NET ASSET VALUE PER UNIT SINCE INCEPTION

	Highest net asset value per unit <i>HK\$</i>	Lowest net asset value per unit <i>HK\$</i>
Financial period ended 30th September 2011	28.2411	20.4530

#### FUND PERFORMANCE

During the period, the FTSE® Greater China HKD Index decreased by 12.30% while the net asset value (at last traded market prices) per unit of the Sub-Fund decreased by 12.41%.

## **ADMINISTRATION AND MANAGEMENT**

### **Manager and Listing Agent**

State Street Global Advisors Asia Limited  
68th floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

### **Custodian, Trustee, Administrator and Registrar**

Up to 2nd January 2012  
HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

With effect from 3rd January 2012  
State Street Trust (HK) Limited  
68th floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

### **Legal Advisers as to Hong Kong Law**

Mallesons Stephen Jaques  
13th Floor  
Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

### **Auditor**

PricewaterhouseCoopers  
22nd Floor  
Prince's Building  
Central  
Hong Kong

### **Directors of the Manager**

Mr. Bernard Patrick Reilly  
Ms. Kelly Quinn Driscoll  
(resigned on 19th December 2011)  
Ms. Ting Li  
Ms. Susana Yeong  
(appointed on 25th November 2011)

