Annual Report

30 June 2018

SPDR® MSCI World Quality Mix Fund

(ARSN 606 797 559)

spdrs.com.au

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Issued by State Street Global Advisors, Australia Services Limited (AFSL Number 274900, ABN 16 108 671 441) ("SSGA, ASL"). Registered office: Level 17, 420 George Street, Sydney, NSW 2000, Australia · Telephone: 1300 382 689 · Web: www.ssga.com.
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SPDR MSCI World Quality Mix Fund (ASX Code: QMIX)

ARSN 606 797 559

Annual report For the year ended 30 June 2018

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These financial statements cover the SPDR MSCI World Quality Mix Fund as an individual entity.

The Responsible Entity of the SPDR MSCI World Quality Mix Fund is State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL 274900). The Responsible Entity's registered office is:

State Street Global Advisors, Australia Services Limited
Level 17, 420 George Street
Sydney NSW 2000.

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Directors' report

The directors of State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441), the Responsible Entity of the SPDR MSCI World Quality Mix Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2018.

Principal activities

The Fund invests in a diversified portfolio of global equities in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

Directors

The following persons held office as directors of State Street Global Advisors, Australia Services Limited during the year or since the end of the year and up to the date of this report:

Susan Darroch
James MacNevin
Matthew George

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The Fund generally will invest in the securities that are constituents of the MSCI World Factor Mix A-Series Index (the "Index") and aims to achieve investment returns (before fees and other costs), that closely correspond to the performance of the Index.

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2018	30 June 2017
Operating profit/(loss) before finance costs attributable to unitholders ($)	**1,039,909**	523,581
Distribution to unitholders ($)	**206,430**	138,348
Distribution (cents per unit - CPU)	**46.64**	41.06

The table below demonstrates the performance of the Fund as represented by the total return. Total returns reflect combined capital growth and distribution performance assuming all distributions are reinvested; and are shown net of fees. The total return is shown for the past two years to 30 June 2018:

	2018 %	2017 %
Total return	**14.93**	10.37
Benchmark: MSCI World Factor Mix A-Series Index	**14.70**	11.25

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Directors' report (continued)

Review and results of operations (continued)

The movement in the assets and liabilities in the Statement of financial position corresponds with the units issued and redeemed during the year as reflected in note 9 and the performance of the Fund during the year.

Consistent with our statements in the governing documents of the Fund, past performance is not a reliable indicator of future performance.

Unit redemption prices

Unit redemption prices (quoted ex-distribution) are shown as follows:

	2018	2017
	$	$
At 30 June	**18.41**	16.43

Significant changes in the state of affairs

The Fund has amended its Constitution to change the obligation to distribute trust income to unitholders effective 1 July 2017 as part of a process to become eligible to elect into the new Attribution Managed Investment Trust ("AMIT") tax regime.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

(i) the operations of the Fund in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Fund's investment objective and strategy remains unchanged which is to track the performance of the Index. Accordingly the future returns of the Fund are dependent on the performance of the Index.

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of State Street Global Advisors, Australia Services Limited or the auditors of the Fund. So long as the officers of State Street Global Advisors, Australia Services Limited act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Directors' report (continued)

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in note 16 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 16 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 9 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Statement of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest dollar

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

James MacNevin
Director

Sydney
29 August 2018

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Auditor's Independence Declaration

As lead auditor for the audit of SPDR MSCI World Quality Mix Fund for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
29 August 2018

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Statement of comprehensive income

	Notes	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Investment income			
Dividend income		**190,753**	134,973
Interest income		**53**	38
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	**913,359**	439,152
Other operating income/(loss)		**(2,337)**	(3,342)
Total net investment income/(loss)		**1,101,828**	570,821
Expenses			
Responsible Entity's fees	16	**766**	536
Investment Manager's fees	16	**28,552**	19,957
Transaction costs		**6,857**	5,402
Withholding taxes on dividends		**25,453**	18,147
Other operating expenses		**291**	3,198
Total operating expenses		**61,919**	47,240
Operating profit/(loss) for the year		**1,039,909**	523,581
Finance costs attributable to unitholders			
Distributions to unitholders	10	**-**	(138,348)
(Increase)/decrease in net assets attributable to unitholders	9	**-**	(385,233)
Profit/(loss) for the year		**1,039,909**	-
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**1,039,909**	-

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

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Statement of financial position

	Notes	As at 30 June 2018 $	30 June 2017 $
Assets			
Cash and cash equivalents	11	**127,429**	74,870
Due from brokers - receivable for securities sold		**29,651**	35,022
Receivables	14	**25,664**	22,128
Financial assets held at fair value through profit or loss	7	**8,363,936**	5,757,781
Total assets		**8,546,680**	5,889,801
Liabilities			
Payables	15	**7,857**	3,731
Distribution payable	10	**159,293**	101,256
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		**167,150**	104,987
Net assets attributable to unitholders - liability*	9	**-**	5,784,814
Net assets attributable to unitholders - equity*	9	**8,379,530**	-

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further detail.

The above Statement of financial position should be read in conjunction with the accompanying notes.

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Statement of changes in equity

	Notes	Year ended 30 June 2018 $	30 June 2017 $
Total equity at the beginning of the financial year		**-**	-
Reclassification due to AMIT tax regime implementation*	9	**5,784,814**	-
Comprehensive income for the year			
Profit/(loss) for the year		**1,039,909**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,039,909**	-
Transactions with unitholders			
Applications	9	**1,710,145**	-
Redemptions	9	**-**	-
Units issued upon reinvestment of distributions	9	**51,092**	-
Distributions paid and payable	9, 10	**(206,430)**	-
Total transactions with unitholders		**1,554,807**	-
Total equity at the end of the financial year*		**8,379,530**	-

*Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer Note 1 and Note 9 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the year ended 30 June 2018.

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

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Statement of cash flows

	Notes	Year ended 30 June 2018 $	30 June 2017 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**608,927**	468,035
Purchase of financial instruments held at fair value through profit or loss		**(2,292,451)**	(1,204,664)
Dividends received		**158,232**	107,603
Interest received		**53**	38
Responsible Entity's fees paid		**(723)**	(480)
Investment Manager's fees paid		**(27,035)**	(17,445)
Payment of other operating expenses		**(7,831)**	(13,671)
Net cash inflow/(outflow) from operating activities	12(a)	**(1,560,828)**	(660,584)
Cash flows from financing activities			
Proceeds from applications by unitholders		**1,710,145**	788,505
Distributions paid		**(97,301)**	(98,467)
Net cash inflow/(outflow) from financing activities		**1,612,844**	690,038
Net increase/(decrease) in cash and cash equivalents		**52,016**	29,454
Cash and cash equivalents at the beginning of the year		**74,870**	45,960
Effects of foreign currency exchange rate changes on cash and cash equivalents		**543**	(544)
Cash and cash equivalents at the end of the year	11	**127,429**	74,870
Non-cash financing activities	12(b)		

The above Statement of cash flows should be read in conjunction with the accompanying notes.

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1 General information

These financial statements cover the SPDR MSCI World Quality Mix Fund (the "Fund") as an individual entity. The Fund was constituted on 29 June 2015, registered by Australian Securities and Investments Commission ("ASIC") as a managed investment scheme on 14 July 2015 and commenced operations on 11 September 2015. The fund will terminate on 10 September 2095 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is State Street Global Advisors, Australia Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 17, 420 George Street, Sydney NSW 2000. The financial statements are presented in Australian currency.

The Fund invests in a diversified portfolio of global equities in accordance with the provisions of the Fund's Constitution.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met during the year ended 30 June 2018. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been re-classified from a financial liability to equity effective from 1 July 2017, see note 9 for further information.

The financial statements were authorised for issue by the directors on 29 August 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of financial position is presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

The Fund invests in financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unitholders, the units are redeemable by unitholders that are Qualifying Australian Residents (as defined in the Product Disclosure Statement ("PDS")), and use a stock broker acting as principal, on demand at the unitholder's option. Other unitholders can sell on the Australian Securities Exchange. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Fund.

(b) Financial instruments

(i) Classification

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

- Financial instruments held for trading

These include derivative financial instruments including futures and foreign currency contracts. The Fund does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in equity securities and listed unit trusts.

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets held at fair value through profit or loss are expensed in the Statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held at fair value through profit or loss' category are presented in the Statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Further details on how the fair values of financial instruments are determined are disclosed in note 5.

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2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 to the financial statements for further information.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholder's option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time by unitholders that are Qualifying Australian Residents (as defined in the PDS) and use a Stockbroker acting as principal.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under *AASB 132 Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unitholders are classified as a financial liability. Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity as they satisfied all the above criteria.

(d) Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(e) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

(f) Investment income

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

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2 Summary of significant accounting policies (continued)

(f) Investment income (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement of comprehensive income.

Trust distributions are recognised on an entitlements basis.

Other operating income primarily consists of gains and losses on assets and liabilities not designated as financial instruments held at fair value through profit or loss on the Statement of financial position.

(g) Expenses

All expenses, including Responsible Entity's fees and the Investment Manager's fees, are recognised in the Statement of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of tax credits paid are passed on to unitholders.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement of comprehensive income with the recoverable withholding tax recorded as a separate expense.

(i) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of changes in equity.

(j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Where the Fund's units are classified as financial liabilities, movements in net assets attributable to unitholders are recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

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2 Summary of significant accounting policies (continued)

(k) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(m) Receivables

Receivables may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

(n) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the Statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(o) Applications and redemptions

Application amounts can be paid by cash or in the form of a parcel of prescribed securities transferred to the Responsible Entity's custodian. The parcel of securities related to in-specie applications generally reflect the characteristics of the MSCI World Factor Mix A-Series Index (previously named as the MSCI Wold Quality Mix Index). Investors may purchase units by trading on the Australian Securities Exchange ("ASX").

Unitholders can only redeem units if they are a "Qualifying Australian Resident" as defined in the PDS and use a stockbroker acting as principal. Investors may sell units by trading on the ASX.

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2 Summary of significant accounting policies (continued)

(o) Applications and redemptions (continued)

Unit prices are determined by reference to the net assets of the Fund divided by the number of units on issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as Custodial and Administration services, Responsible Entity services and Investment Management services have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC"). Hence Responsible Entity fees, Investment Management fees and other expenses have been recognised in the Statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position. Cash flows relating to GST are included in the Statement of cash flow on a gross basis.

(q) Use of estimates

The Fund may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(r) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

The Fund has adopted AASB 9 on 1 July 2018.

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2 Summary of significant accounting policies (continued)

(s) New accounting standards and interpretations (continued)

(ii) AASB 15 *Revenue from Contracts with Customers*, (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(t) Rounding of amounts

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

(u) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's PDS and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity (the "Board").

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Fund invests in listed securities of companies that operate in global stock exchanges, cash instruments and derivatives, each with different market risks. The Fund is exposed to equity securities and derivatives securities price risk. The risk is that the value of a Fund's investment portfolio will fluctuate as a result of changes in market prices. The risk is influenced by economic, technological, political and legal conditions and sentiment, all of which can change. This can mean that assets held by the Fund in these markets may fall in value. Growth assets are generally considered to have a higher risk/return profile than income producing assets such as fixed interest securities and cash.

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3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Investment Manager manages the price risk by following a clearly established investment mandate for the Fund's investments. The Fund's equity investments are listed securities that are constituents of the MSCI World Factor Mix A-Series Index while the cash deposits with banks are at a minimum rating of A1 or higher as rated by Standard & Poor's. The use of derivatives is limited to a small level of the total value of the Fund. Compliance with the Fund's PDS and investment mandate is monitored on a daily basis and reports are provided to the Board and Compliance Committee on a regular basis.

The table on page 20 shows the impact on net asset value of the Fund of a reasonably possible shift in the MSCI World Factor Mix A-Series Index, assessed as an increase of 18% (2017: 21%) and decrease of 18% (2017: 21%) in the MSCI World Factor Mix A-Series Index (with all other variables held constant).

The Fund also manages its exposure to price risk by analysing the investment portfolio by industry sector and geographical sector weighting to that of the MSCI World Factor Mix A-Series Index. The Fund's policy is to correspond generally to return performance of the MSCI World Factor Mix A-series Index. The Fund uses an optimisation strategy where the exposure to individual securities may be above or below that security's actual weighting in the Fund's Index. As a result of the investment strategy and the MSCI World Factor Mix A-Series Index, the Fund is exposed to a variety of industries in different international markets, generally consistent with the levels set in the benchmark.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund's foreign exchange exposure on international equity securities is embedded in the price risk as presented on page 20.

Foreign exchange exposure on monetary assets and liabilities has no significant sensitivity impact on the Fund.

The table below summarises the Fund's assets and liabilities that are denominated in a currency other than the Australian dollar.

As at 30 June 2018	US Dollars A$	Japanese Yen A$	Euro $A	British Pounds A$	Other Currencies A$
Cash and cash equivalents	13,408	5,986	4,048	2,191	11,450
Due from brokers - receivables from securities sold	-	29,627	-	24	-
Receivables	5,280	2,021	1,465	1,175	1,577
Financial assets held at fair value through profit or loss	4,965,475	752,734	720,603	472,715	1,114,259
Payables	(820)	(226)	(76)	-	(137)
	4,983,343	790,142	726,040	476,105	1,127,149
Net increase/(decrease) in exposure from foreign currency contract	-	30,000	-	-	-
- (sell)/buy foreign currency contracts	4,983,343	760,142	726,040	476,105	1,127,149

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3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

As at 30 June 2017	US Dollars A$	Japanese Yen A$	Euro $A	British Pounds A$	other Currencies A$
Cash and cash equivalents	20,968	4,967	1,334	1,823	11,726
Due from brokers - receivables from securities sold	34,998	-	-	23	-
Receivables	3,862	1,385	425	668	2,890
Financial assets held at fair value through profit or loss	3,410,782	539,483	448,566	350,615	786,320
Payables	(616)	(155)	(17)	-	(101)
Total	3,469,994	545,680	450,308	353,129	800,835
Net increase/(decrease) in exposure from foreign currency forward contract	(50,000)	-	-	-	-
- buy foreign currency	3,419,994	545,680	450,308	353,129	800,835

(iii) Interest rate risk

Interest rate risk is the risk that interest rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Fund.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

The table below summarises the Fund's direct exposure to interest rate risks.

30 June 2018	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**
Assets				
Cash and cash equivalents	**127,429**	**-**	**-**	**127,429**
Due from brokers - receivable for securities sold	**-**	**-**	**29,651**	**29,651**
Receivables	**-**	**-**	**25,664**	**25,664**
Financial assets held at fair value through profit or loss	**-**	**-**	**8,363,936**	**8,363,936**
Liabilities				
Payables	**-**	**-**	**(7,857)**	**(7,857)**
Distributions payable	**-**	**-**	**(159,293)**	**(159,293)**
Net exposure	**127,429**	**-**	**8,252,101**	**8,379,530**

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3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

30 June 2017	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Total $
Assets				
Cash and cash equivalents	74,870	-	-	74,870
Due from brokers - receivable for securities sold	-	-	35,022	35,022
Receivables	-	-	22,128	22,128
Financial assets held at fair value through profit or loss	-	-	5,757,781	5,757,781
Liabilities				
Payables	-	-	(3,731)	(3,731)
Distributions payable	-	-	(101,256)	(101,256)
Net exposure	74,870	-	5,709,944	5,784,814

An analysis of financial liabilities by maturities is provided in note 3 paragraph (d) below.

The table in note 3 paragraph (b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 200 basis points (2017: +/- 200 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of cash and cash equivalents.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to the various market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk		**Interest rate risk**	
	Impact on operating profit/Net assets attributable to unitholders			
	-18%	**+18%**	**-200bps**	**+200bps**
	$	**$**	**$**	**$**
30 June 2018	**(1,505,488)**	**1,505,488**	**(2,549)**	**2,549**
30 June 2017	(1,209,052)	1,209,052	(1,497)	1,497

The sensitivity factors for 30 June 2017 were +/- 21% for price risk and +/- 200bps for interest rate risk.

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio based on market information in order to determine a reasonably possible shift in assumptions.

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3 Financial risk management (continued)

(c) Credit risk

Credit risk primarily arises from investments in derivative financial instruments. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or part. Credit risk is managed primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved in accordance with the Investment Manager's criteria; and
- Ensuring that transactions are undertaken with a range of counterparties.

For derivative financial instruments, the Investment Manager has established limits such that, at any time, the maximum exposure of the Fund to derivative instruments shall be limited to 10%.

Compliance with the Fund's mandate is monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

The clearing and depositary operations of the Fund's security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. At 30 June 2018, State Street Australia Limited had a credit rating of A (2017: A). As at 30 June 2018, substantially all cash and investments are held in custody by State Street Australia Limited.

(d) Liquidity risk

The Fund invests in listed securities of companies that operate in global markets, each with different market risks.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. No such investments were held at year end.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

Units are redeemed on demand at the unitholder's option. It is not expected that the contractual maturity disclosed in the table below will be representative of the actual cash outflows.

At 30 June 2018	Less than 1 month $	1-6 months $	6-12 months $	Over 12 months $	No stated maturity $
Payables	7,857	-	-	-	-
Distributions payable	159,293	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	167,150	-	-	-	-

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3 Financial risk management (continued)

(d) Liquidity risk (continued)

At 30 June 2017	Less than 1 month $	1-6 months $	6-12 months $	Over 12 months $	No stated maturity $
Payables	3,731	-	-	-	-
Distributions payable	101,256	-	-	-	-
Net assets attributable to unitholders	5,784,814	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	5,889,801	-	-	-	-

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Fund's investment strategy.

At 30 June 2018	**Less than 1 month $**	**1-6 months $**	**6-12 months $**	**Over 12 months $**	**Not stated maturity $**
Net settled derivatives					
Foreign currency contracts	**112**	-	-	-	-

At 30 June 2017	Less than 1 month $	1-6 months $	6-12 months $	Over 12 months $	Not stated maturity $
Net settled derivatives					
Foreign currency contracts	392	-	-	-	-

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4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of financial position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of financial position	Net amount of financial assets presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received	Net Amount
	$	$	$	$	$	$
30 June 2018						
Derivative financial instruments (i)	30,112	(30,000)	112	-	-	112
Total	30,112	(30,000)	112	-	-	112
30 June 2017						
Derivative financial instruments (i)	50,392	(50,000)	392	-	-	392
Total	50,392	(50,000)	392	-	-	392

Financial liabilities	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of financial position	Net amount of financial liabilities presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral pledged	Net Amount
	$	$	$	$	$	$
30 June 2018						
Derivative financial instruments (i)	30,000	(30,000)	-	-	-	-
Total	30,000	(30,000)	-	-	-	-
30 June 2017						
Derivative financial instruments (i)	50,000	(50,000)	-	-	-	-
Total	50,000	(50,000)	-	-	-	-

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4 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. These amounts have not been offset in the Statement of financial position, but have been presented separately in the above table.

5 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities designated at fair value through profit or loss (see note 7)
- Financial assets / liabilities held for trading (see note 7)
- Derivative financial instruments (see note 8)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements.

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.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

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5 Fair value measurement (continued)

(ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Recognised fair value measurement

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2018 and 30 June 2017.

As at 30 June 2018	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial assets				
Financial assets held for trading:				
Derivatives	**-**	**112**	**-**	**112**
Financial assets designated at fair value through profit or loss:				
Equity securities	**8,077,394**	**-**	**-**	**8,077,394**
Unit trusts	**286,430**	**-**	**-**	**286,430**
Total	**8,363,824**	**112**	**-**	**8,363,936**

As at 30 June 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets held for trading:				
Derivatives	-	392	-	392
Financial assets designated at fair value through profit or loss:				
Equity securities	5,564,401	-	-	5,564,401
Unit trusts	192,988	-	-	192,988
Total	5,757,389	392	-	5,757,781

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between the levels for the fair value hierarchy for the year ended 30 June 2018 and 2017. There were also no changes made to any of the valuation techniques applied as of 30 June 2018.

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5 Fair value measurement (continued)

Recognised fair value measurement (continued)

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2018 or year ended 30 June 2017.

(iii) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

6 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments held at fair value through profit or loss:

	Year ended	
	30 June 2018	30 June 2017
	$	$
Financial assets		
Net gain/(loss) on financial assets held for trading	**5,549**	3,567
Net gain/(loss) on financial assets designated at fair value through profit or loss	**907,810**	435,585
Net gain/(loss) on financial assets held at fair value through profit or loss	**913,359**	439,152
Total net gains/(losses) on financial instruments held at fair value through profit or loss	**913,359**	439,152

7 Financial assets held at fair value through profit or loss

	As at	
	30 June 2018	30 June 2017
	$	$
Held for trading		
Derivatives (note 8)	**112**	392
Total held for trading	**112**	392
Designated at fair value through profit or loss		
Equity securities	**8,077,394**	5,564,401
Unit trusts	**286,430**	192,988
Total designated at fair value through profit or loss	**8,363,824**	5,757,389
Total financial assets held at fair value through profit or loss	**8,363,936**	5,757,781

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in note 3.

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7 Financial assets held at fair value through profit or loss (continued)

Material investments

There are no investments which individually constitute 5% or more by value of the total investments of the Fund.

8 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivative instruments:

(a) Foreign currency contracts

Foreign currency contracts are primarily used by the Fund to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments at year end are detailed below:

		Fair values	
30 June 2018	**Contract/ notional** $	**Assets** $	**Liabilities** $
Foreign currency contracts	30,000	112	-
	30,000	112	-

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8 Derivative financial instruments (continued)

		Fair values	
	Contract/ notional	Assets	Liabilities
30 June 2017	$	$	$
Foreign currency contracts	50,000	392	-
	50,000	392	-

Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in note 3 and note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

9 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017, the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. The Fund's Constitution has been amended in order to allow the Fund to elect into the AMIT tax regime during the year ended 30 June 2018 and it no longer has a contractual obligation to pay distributions to unitholders. Therefore the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the Statement of comprehensive income, but rather as dividends paid in the Statement of changes in equity.

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	Year ended			
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	No.	No.	**$**	$
Opening balance	**352,157**	300,000	**5,784,814**	4,577,334
Applications	**100,000**	50,000	**1,710,145**	788,505
Units issued upon reinvestment of distributions	**3,049**	2,157	**51,092**	33,742
Distributions paid and payable	**-**	-	**(206,430)**	-
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**-**	385,233
Profit/(loss) for the year	**-**	-	**1,039,909**	-
Closing balance	**455,206**	352,157	**8,379,530**	5,784,814

Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further details.

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9 Net assets attributable to unitholders (continued)

As stipulated within the Fund's Constitution, a unit confers an equal undivided, vested, and indefeasible interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Unaudited information on capital gains/losses

(a) Unrealised capital gains/losses

At the end of the reporting period, the Fund had unrealised capital gains of $616,313 (2017: capital gains: $213,283), which if realised, and after any offset of realised capital losses, would be assessable.

(b) Realised capital gains/losses

At the end of the reporting period, the Fund had realised capital gains of $70,039 (2017: capital gains: $44,024) which were distributed to the unitholders.

(c) Realised capital gains distributed in specie

The Fund had realised capital gains of $0 (2017: $0), which were distributed to redeeming unitholders by way of in specie asset redemptions.

10 Distributions to unitholders

The distributions for the year were as follows:

	Year ended			
	30 June 2018 $	**30 June 2018 CPU**	30 June 2017 $	30 June 2017 CPU
Distributions paid	**47,137**	**11.65**	37,092	12.31
Distributions payable	**159,293**	**34.99**	101,256	28.75
Total distributions	**206,430**	**46.64**	138,348	41.06

Distributions were included in finance costs while the Fund's units were classified as liabilities during the prior year. They are now presented in the Statement of changes in equity.

Distributions as disclosed above are excluding any realised capital gains streamed to unitholders. In accordance with the Constitution, such gains are streamed as part of the redemption activity and total proceeds are composed of Withdrawal Unit Capital Gain Entitlements and the Redemption Price.

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11 Cash and cash equivalents

	As at	
	30 June 2018	30 June 2017
	$	$
Cash at bank	**127,429**	74,870
	127,429	74,870

As at 30 June 2018, these accounts were bearing floating interest rates from -1.75% to 1.25% (2017: -1.75% to 1.25%).

In some international jurisdictions, central banks have launched economic stimulus measures that include deployment of negative interest rates.

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

	Year ended	
	30 June 2018	30 June 2017
	$	$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	**1,039,909**	-
Increase/(decrease) in net assets attributable to unitholders	**-**	385,233
Distributions to unitholders	**-**	138,348
Proceeds from sale of financial instruments held at fair value through profit or loss	**608,927**	468,035
Purchase of financial instruments held at fair value through profit or loss	**(2,292,451)**	(1,204,664)
Net (gains)/losses on financial instruments held at fair value through profit or loss	**(913,359)**	(439,152)
Dividend income reinvested	**(3,901)**	(6,691)
Net change in receivables	**(3,536)**	(2,675)
Net change in payables	**4,126**	438
Effects of foreign currency exchange rate changes on cash and cash equivalent	**(543)**	544
Net cash inflow/(outflow) from operating activities	**(1,560,828)**	(660,584)
(b) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**51,092**	33,742

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13 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended	
	30 June 2018	30 June 2017
	$	$
PricewaterhouseCoopers Australian firm		
Audit and other assurance services		
Audit and review of financial statements	**22,715**	22,715
Audit of compliance plan	**1,130**	1,130
Total remuneration for audit and other assurance services	**23,845**	23,845
Taxation services		
Tax compliance services	**13,811**	13,386
Total remuneration for taxation services	**13,811**	13,386
Total remuneration of PricewaterhouseCoopers	**37,656**	37,231

In 2018 and 2017, the Investment Manager has paid the remuneration of auditors on behalf of the Fund.

14 Receivables

	As at	
	30 June 2018	30 June 2017
	$	$
Dividend receivable	**15,139**	11,603
Other receivables	**10,525**	10,525
	25,664	22,128

15 Payables

	As at	
	30 June 2018	30 June 2017
	$	$
Management fee payable	**4,648**	3,131
Other payables	**3,209**	600
	7,857	3,731

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16 Related party transactions

Responsible Entity

The Responsible Entity of SPDR MSCI World Quality Mix Fund is State Street Global Advisors, Australia Services Limited. The ultimate holding company of the Responsible Entity is State Street Corporation (incorporated in the United States of America).

Under the terms of the Fund's Constitution, the Responsible Entity is entitled to receive fees of 1.00% (2017: 1.00%) per annum of the Net Asset Value, calculated daily and payable within 7 days of the end of the month. In accordance with the PDS, the Responsible Entity only charged 0.01% of the net asset value during 2018 (2017: 0.01% per annum).

Key management personnel

Key management personnel includes persons who were directors of State Street Global Advisors, Australia Services Limited at any time during the financial year as follows:

Susan Darroch
James MacNevin
Matthew George

Key management personnel compensation

Key management personnel are paid by State Street Global Advisors, Australia Limited. Payments made from the Fund to State Street Global Advisors, Australia Services Limited do not include any amounts attributable to the compensation of key management personnel remuneration.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving director's interests existing at year end.

Investment Manager's fees and other fees for transactions provided by related parties

The Investment Manager of SPDR MSCI World Quality Mix Fund is State Street Global Advisors, Australia, Limited. The ultimate holding company of the Investment Manager is State Street Corporation (incorporated in the United States of America)

During the year the Investment Manager's fees were capped at 0.39% p.a. (2017: 0.39% p.a.). The cap takes account of both GST payable on the operating fees and expenses of the Fund and also the benefit of RITC.

During the year the total annual management costs for the Fund (the Indirect Cost Ratio) were capped at 0.40% p.a. (2017: 0.40% p.a.).

The Custodian and Administrator of SPDR MSCI World Quality Mix Fund is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

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16 Related party transactions (continued)

Investment Manager's fees and other fees for transactions provided by related parties (continued)

The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity and the Investment Manager were as follows:

	30 June 2018	30 June 2017
	$	$
Responsible Entity's fees for the year	**766**	536
Investment Manager's fees for the year	**28,552**	19,957
Related party transaction fees for the year	**5,479**	4,834
Aggregate amounts payable to the Responsible Entity/Investment Manager at the end of the reporting period	**4,758**	3,198

All administration fees are paid by the Responsible Entity on behalf of the Fund.

The Fund held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2018, the balance in the account was $127,429 (2017: $74,870).

Related party unitholdings

Parties related to the Fund (including State Street Global Advisors, Australia Services Limited, its related parties and other schemes managed by State Street Global Advisors, Australia Services Limited), held no units in the Fund as at 30 June 2018 and 30 June 2017.

Investments

The Fund did not hold any investments in State Street Global Advisors, Australia Services Limited, its related parties or other funds managed by State Street Global Advisors, Australia Services Limited during the year (2017: Nil).

17 Segment information

The Fund is organised into one main segment which operates solely in the business of investment management within Australia.

The Fund operates in Australia and holds investments in Australia and globally.

18 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact the financial position of the Fund disclosed in the Statement of financial position as at 30 June 2018 or the results and cash flows of the Fund for the year ended on that date.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 or 30 June 2017.

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Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 33 are in accordance with the *Corporations Act 2001*, including:

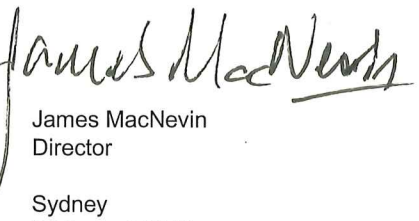
  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its performance for the financial year ended on that date,

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



James MacNevin
Director

Sydney
29 August 2018

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Independent auditor's report

To the unitholders of SPDR MSCI World Quality Mix Fund

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of SPDR MSCI World Quality Mix Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Registered Scheme's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Registered Scheme, its accounting processes and controls and the industry in which it operates.

Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit we used overall materiality of $83.8k, which represents approximately 1% of the Registered Scheme's net assets. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose net assets as the benchmark because, in our view, it is the most significant area of interest to the investors in the Registered Scheme, and is a generally accepted benchmark in the fund industry. • We selected 1% based on our professional judgement, noting that it is within the range of commonly acceptable asset related thresholds.	• Our audit focused on where the directors of the Responsible Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • Our audit approach reflects the nature of the investments held by the Registered Scheme and the consideration of the work undertaken by third party service providers. The key service provider relevant to our audit is the administrator/custodian who maintains the accounting records of the Registered Scheme and provides custodian services for the investments.	• Amongst other relevant topics, we communicated the following key audit matter to the Board of Directors: – Existence and valuation of financial assets and financial liabilities • This is further described in the *Key audit matters* section of our report.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Existence and valuation of financial assets *Refer to note 2 (Summary of significant accounting policies) and note 5 (Fair value measurement)* At 30 June 2018, the investment in financial assets of $8.4m, was comprised primarily of investments in equity securities, unit trusts and foreign currency contracts. The existence and valuation of financial assets was a key audit matter because financial assets represent the principal elements of the Statement of Financial Position in the financial statements, accounting for majority of net assets. A discrepancy in the valuation or existence of investments could cause the net assets attributable to unitholders to be materially misstated which could also impact the Registered Scheme's performance as the valuation of financial assets is the main driver of movements in the profit of the Registered Scheme.	We performed the following procedures, amongst others over investments in equity securities, unit trusts and foreign currency contracts: • We obtained the most recent reports issued by the provider of administrator and custody services setting out the controls in place at that service organisation (including those over the valuation and existence of investments). These reports included an independent audit opinion over the design and operating effectiveness of those controls. We assessed the reports by: obtaining an understanding of the control objectives and associated control activities; evaluating the tests undertaken by the auditor; and evaluating the results of these tests and the conclusions formed by the auditor on the design and operational effectiveness of controls to the extent relevant to our audit of the Registered Scheme • We obtained price data from independent third party price vendors for a sample of the investments of the Registered Scheme and compared it to the prices used by the Registered Scheme to value the investments at year end. For investments held in custody at the custodian: • We obtained a confirmation from the custodian of the investment holdings at year end and reconciled the investment holdings per the custodian confirmation with the holdings per the Registered Scheme's accounting records.

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Key audit matter	How our audit addressed the key audit matter
	• Where there were material reconciling items, we selected a sample of the largest reconciling items and obtained supporting evidence to explain the differences noted. For investments not held in custody at the custodian, we obtained confirmations for all material instruments from the relevant third party and compared the confirmed balances to the Registered Scheme's accounting records.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the Directors' Report, Corporate Directory, and Unaudited information on capital gains/losses included in Note 9, included in the Registered Scheme's annual report for the year ended 30 June 2018 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Scheme to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Registered Scheme or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
29 August 2018

Corporate Directory

Responsible Entity
State Street Global Advisors, Australia Services Limited
ABN 16 108 671 441
Australian Financial Services Licence 274900

Registered Office
Level 17
420 George Street
Sydney NSW 2000

Phone: (02) 9240 7600

Directors of the Responsible Entity
Susan Darroch
James MacNevin
Matthew George

Secretary
Peter Hocking

Compliance Committee
Penni James (Chair, independent);
James MacNevin (State Street Global Advisors, Australia Services Limited); and
Richard E Stokes (independent)

Auditors of the Fund
PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay, Barangaroo
GPO Box 2650, Sydney NSW 2001

Principal Registry
Link Market Services Limited
1a Homebush Bay Dr
RHODES NSW 2138

Phone: 1300 665 385

Stock Exchange Quotations
The Fund is quoted on the Australian Securities Exchange Limited. Its code is QMIX.

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