



streetTRACKS®

**Straits Times Index Fund  
Semi-Annual Report**  
31 December 2006

# streetTRACKS<sup>®</sup> STRAITS TIMES INDEX FUND

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

*For the six months ended 31 December 2006*

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## MANAGER'S NOTE

### MANAGER'S NOTES

#### *Details of Top 10 Holdings of the Fund*

As at 31 December 2006

	Cost	Market Value/ Fair Value	Percentage of total net assets	Percentage of free-float adjusted share capital owned	Dividends received	Dividend cover ratio
	SGD	SGD	%	%	SGD	
DBS Group Holdings Limited	44,436,091	82,067,715	11.85	0.34	993,748	1.16
United Overseas Bank Limited	52,769,508	81,160,013	11.72	0.34	1,355,279	1.57
Singapore Telecommunications Limited	31,168,390	62,196,777	8.98	0.34	1,626,583	3.11
Oversea-Chinese Banking Corporation	39,987,547	61,918,901	8.94	0.34	890,593	2.19
Keppel Corporation Limited	8,407,519	33,524,040	4.84	0.35	184,085	4.29
Singapore Airlines Limited	20,289,330	33,422,738	4.83	0.34	958,315	2.25
CapitaLand Limited	10,544,988	32,838,560	4.74	0.35	0	0.02
Hong Kong Land Holdings Limited	13,076,304	26,494,120	3.83	0.34	207,154	11.57
Singapore Press Holdings Limited	24,832,736	23,549,052	3.40	0.35	935,360	1.12
Jardine Matheson Holdings Limited	7,665,250	20,904,971	3.02	0.34	101,979	6.88
	<b>253,177,663</b>	<b>458,076,887</b>				

As at 31 December 2005

	Cost	Market Value/ Fair Value	Percentage of total net assets	Percentage of free-float adjusted share capital owned	Dividends received	Dividend cover ratio
	SGD	SGD	%	%	SGD	
United Overseas Bank Limited	54,635,856	62,623,021	11.27	0.35	871,850	1.95
DBS Group Holdings Limited	44,249,570	60,316,080	10.85	0.35	1,104,456	4.19
Oversea-Chinese Banking Corporation	41,144,790	54,613,710	9.83	0.35	5,237,467	2.78
Singapore Telecommunications Limited	26,495,509	45,602,685	8.21	0.35	2,301,298	1.89
Singapore Airlines Limited	20,138,686	23,742,020	4.27	0.35	771,872	2.85
Singapore Press Holdings Limited	24,848,522	23,629,244	4.25	0.35	1,069,828	1.36
Hongkong Land Holdings Limited	12,801,059	22,999,766	4.14	0.35	148,047	10.83
Keppel Corporation Limited	8,253,217	21,038,061	3.79	0.35	193,955	1.77
Jardine Matheson Holdings Limited	7,372,964	18,111,408	3.26	0.35	99,481	5.92
CapitaLand Limited	9,826,941	17,857,006	3.21	0.34	-	N/A
	<b>249,767,114</b>	<b>350,532,999</b>				

**MANAGER'S NOTE** *(continued)**Performance of the Scheme*

Ending			1-year	2-year	Annualised
31 December 2006	3-month	6-month	(annualised)	(annualised)	since inception
From	30 September 2006	30 June 2006	31 December 2005	31 December 2004	17 April 2002
To	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Fund	16.50%	24.15%	30.96%	24.30%	15.48%
STI	16.23%	22.60%	27.20%	20.21%	11.72%

*Notes:*

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

*Amount of Subscription and Redemption*

For the 6 months ended 31 December 2006

Subscription = Nil

Redemption = 200,000 Units

*Other Information*

During the reporting period, the Fund had no exposure to derivatives, other unit trusts, mutual funds and collective investment schemes and had no borrowings. There is no other material information that would have adversely impact the valuation of the Fund.

*Soft Dollar Practices*

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



## MANAGER'S NOTE *(continued)*

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

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

### *Information on the Manager*

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's trust deed. The basis of the Manager's remuneration is set down in the Fund prospectus dated 7 April 2006. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.30% per annum of its net asset value.

# streetTRACKS® STRAITS TIMES INDEX FUND

## STATEMENT OF TOTAL RETURN

*For the six months ended 31 December 2006 (unaudited)*

	Notes	Six months ended 31 December 2006 S\$	Six months ended 31 December 2005 S\$
<b>INVESTMENT INCOME</b>			
Dividends		11,622,198	10,458,951
Interest		142,705	108,816
		<hr/>	<hr/>
		11,764,903	10,567,767
<b>LESS: EXPENSES</b>	3	<hr/> (926,006)	<hr/> (816,120)
<b>NET INVESTMENT INCOME BEFORE INCOME TAX</b>		10,838,897	9,751,647
<b>LESS: INCOME TAX</b>	4	<hr/> (1,468,144)	<hr/> (1,553,577)
<b>NET INVESTMENT INCOME AFTER INCOME TAX</b>		<hr/> 9,370,753	<hr/> 8,198,070
<b>NET GAINS OR LOSSES ON VALUE OF INVESTMENTS DURING THE YEAR</b>			
Net realised gain on investments sold		4,430,390	3,731,768
Net unrealised appreciation in value of investments		120,915,952	27,140,845
Net realised gain/(loss) on foreign exchange		(9,137)	(6,489)
Net unrealised gain/(loss) on foreign exchange		2,177	(7,061)
		<hr/>	<hr/>
<b>NET GAIN ON VALUE OF INVESTMENTS</b>		125,339,382	30,859,063
<b>TOTAL RETURN FOR THE PERIOD</b>		<hr/> 134,710,135	<hr/> 39,057,133

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

# streetTRACKS<sup>®</sup> STRAITS TIMES INDEX FUND

## BALANCE SHEET

As at 31 December 2006 (unaudited)

		As at 31 December 2006 S\$	As at 30 June 2006 S\$
<b>ASSETS</b>			
Portfolio of investments		677,385,857	556,759,330
Sales awaiting settlement		0	5,096,105
Net dividend receivables		709,453	78,114
Cash and bank balances	10	14,903,546	18,164,193
<b>Total assets</b>		<b>692,998,856</b>	<b>580,097,742</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement		2,100	5,096,105
Due to Manager		489,461	439,079
Net assets attributable to unitholders	5	692,507,295	574,562,558
<b>TOTAL LIABILITIES</b>		<b>692,998,856</b>	<b>580,097,742</b>

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

# streetTRACKS<sup>®</sup> STRAITS TIMES INDEX FUND

## PORTFOLIO STATEMENT

As at 31 December 2006 (unaudited)

### Primary – By Industry

	Holdings at 31 December 2006	Fair value at 31 December 2006 S\$	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Finance</b>			
DBS Group Holdings Limited	3,647,454	82,067,715	11.85
Oversea-Chinese Banking Corporation	8,093,974	61,918,901	8.94
Singapore Exchange Limited	3,280,546	18,699,112	2.70
United Overseas Bank Limited	4,205,182	81,160,013	11.72
		243,845,741	35.21
<b>Manufacturing</b>			
Chartered Semiconductor Manufacturing Limited	4,350,210	5,524,767	0.80
Creative Technology Limited	203,921	2,059,602	0.30
Fraser & Neave Limited	2,851,073	12,772,807	1.84
Jurong Techno Industry Corporation Limited	996,574	1,076,300	0.16
People's Food Holdings Limited	2,137,274	2,671,592	0.38
SembCorp Marine Limited	1,777,040	6,041,936	0.87
Singapore Petroleum Company Limited	352,864	1,538,487	0.22
Singapore Press Holdings Limited	5,502,115	23,549,052	3.40
Stats Chippac Limited	4,934,698	5,724,250	0.83
TPV Technology Limited	2,559,337	2,533,744	0.37
UTD Test + Assembly	4,020,934	2,935,282	0.42
Venture Corporation Limited	658,704	8,826,634	1.27
Want Want holdings Limited	1,328,676	3,320,949	0.48
		78,575,402	11.34
<b>Properties</b>			
Ascendas Real Estate Investment Trust	2,918,680	7,763,689	1.12
CapitalLand Limited	5,296,542	32,838,560	4.74
Capitalmall Trust	2,195,020	6,365,558	0.92
City Development Limited	1,580,630	19,915,938	2.88
Hongkong Land Holdings Limited	4,363,137	26,494,120	3.83
Keppel Land Limited	1,133,074	7,761,557	1.12
United Overseas Land Limited	1,227,010	5,300,683	0.76
Wing Tai Holdings Limited	1,480,944	3,361,743	0.49
		109,801,848	15.86

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

# streetTRACKS® STRAITS TIMES INDEX FUND

## PORTFOLIO STATEMENT

As at 31 December 2006 (unaudited) (continued)

### Primary - By Industry (continued)

	Holdings at 31 December 2006	Fair value at 31 December 2006 S\$	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Multi-Industry</b>			
BIL International Limited	1,645,919	2,748,685	0.40
Keppel Corporation Limited	1,904,775	33,524,040	4.84
SembCorp Industries Limited	2,745,250	10,486,855	1.51
Singapore Technologies Engineering Limited	3,590,798	10,987,842	1.59
		<hr/> 57,747,422	<hr/> 8.34
<b>Services</b>			
Datacraft Asia Limited	804,304	1,405,984	0.20
Hyflux Limited	942,146	2,185,779	0.32
Parkway Holdings Limited	2,100,670	6,554,090	0.95
		<hr/> 10,145,853	<hr/> 1.47
<b>Commerce</b>			
Dairy Farm International Holdings Limited	926,279	4,829,211	0.70
Jardine Cycle & Carriage Limited	410,371	6,032,454	0.87
Jardine Matheson Holdings Limited	637,060	20,904,971	3.02
Jardine Strategic Holdings Limited	738,303	14,943,902	2.16
Noble Group Limited	2,602,844	2,863,128	0.41
		<hr/> 49,573,666	<hr/> 7.16
<b>Transportation/storage/communication</b>			
Comfortdelgro Corp Limited	5,688,210	9,101,136	1.31
Cosco Corporation (S) Limited	2,728,020	6,247,166	0.90
Mobileone Limited	1,355,244	2,913,775	0.43
Neptune Orient Lines Limited	1,501,163	3,137,431	0.45
Singapore Airlines Limited	1,920,847	33,422,738	4.83
Singapore Post Limited	3,943,133	4,219,152	0.61
Singapore Telecommunications Limited	19,196,536	62,196,777	8.98
Starhub Limited	1,649,948	4,306,364	0.62
Total Access Communication Public Company Limited	326,283	2,151,386	0.31
		<hr/> 127,695,925	<hr/> 18.44
<b>Portfolio investments</b>		677,385,857	97.82
<b>Cash and other net assets</b>		15,121,438	2.18
<b>Net assets attributable to unitholders</b>		<hr/> 692,507,295	<hr/> 100.00

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

# streetTRACKS<sup>®</sup> STRAITS TIMES INDEX FUND

## PORTFOLIO STATEMENT

*As at 31 December 2006 (unaudited) (continued)*

Primary - By Industry *(continued)*

### Summary

	Percentage of total net assets attributable to unitholders at 31 December 2006 %	Percentage of total net assets attributable to unitholders at 30 June 2006 %
<b>QUOTED</b>		
Finance	35.21	34.11
Manufacturing	11.34	13.06
Properties	15.86	14.50
Multi-Industry	8.34	8.56
Services	1.47	1.45
Commerce	7.16	7.22
Transportation/storage/communication	18.44	18.00
Portfolio of investments	97.82	96.90
Cash and other net assets	2.18	3.10
Net assets attributable to unitholders	100.00	100.00

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

# streetTRACKS® STRAITS TIMES INDEX FUND

## PORTFOLIO STATEMENT

*As at 31 December 2006 (unaudited) (continued)*

### Secondary – By Geography

	Fair value at 31 December 2006 S\$	Percentage of total net assets attributable to unitholders at 31 December 2006 %	Percentage of total net assets attributable to unitholders at 30 June 2006 %
<b>By Country of Incorporation</b>			
Singapore	597,245,118	86.25	83.21
Bermuda	77,989,353	11.26	13.25
Thailand	2,151,386	0.31	0.35
	<hr/>		
Portfolio of investments	677,385,857	97.82	96.81
Cash and other net assets	15,121,438	2.18	3.19
	<hr/>		
Net assets attributable to unitholders	692,507,295	100.00	100.00
	<hr/>		

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

# streetTRACKS<sup>®</sup> STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

*For the six months ended 31 December 2006*

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

### 1. GENERAL

streetTRACKS<sup>®</sup> Straits Times Index Fund (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental Deeds") is amended and restated by a Second Amending and Restating Deed dated 7 April 2006. The Deed is between State Street Global Advisors Singapore Limited and DBS Trustee Limited. The Deed is governed by the laws of the Republic of Singapore. The Fund is also listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is included under the Central Provident Fund ("CPF") Investment Scheme.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index.

### 2. ACCOUNTING POLICIES

#### *(a) Basis of Accounting*

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

With effect from 1 July 2005, the Fund adopted the revised RAP 7 issued by ICPAS in May 2005. The same accounting policies and methods of computation have been followed in these financial statements as compared with the financial statements for the financial year ended 30 June 2006.

#### *(b) Recognition of income*

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

#### *(c) Investments*

The Fund's portfolio of investment comprises investment in securities which are recognized at fair value. These investments are designated by the Manager as investments at fair value through profit and loss. Realised gains and losses on disposal of investments are computed on the basis of the difference between identified cost using FIFO and selling price and are taken up in the Statement of Total Return.

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

*For the six months ended 31 December 2006 (continued)*

### 2. ACCOUNTING POLICIES (continued)

*(d) Fair value estimation*

Fair value of investment in securities is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The carrying amount of current receivables (including bank balances) and payables are estimated to approximate their fair value.

*(e) Foreign currency translation*

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the Balance Sheet date. Transactions during the year are converted into Singapore dollars at the rates of exchange ruling on the transactions dates. Differences on exchange are included in the Statement of Total Return.

### 3. EXPENSES

As agreed between the Manager and the Trustee, the total combined management, trustee and other fees for the Fund are set at 0.30% per annum of its net asset value.

### 4. INCOME TAX

	Six months ended 31 December 2006 S\$	Six months ended 31 December 2005 S\$
Singapore income tax	1,468,144	1,553,577

The Fund is included in the CPF Investment Scheme and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act); and
- (c) dividends derived from outside Singapore and received in Singapore.

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2006 (continued)

### 5. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Six months ended 31 December 2006 S\$	Financial year ended 30 June 2006 S\$
At the beginning of the financial year		
- as previously reported	574,562,558	524,683,075
- effect of adopting revised RAP 7 (note 12)	-	(2,269,126)
- as restated	574,562,558	522,413,949
<b>Operations</b>		
Net investment income after income tax	9,370,753	16,280,917
Net gain on investments	125,339,382	52,584,692
Change in net assets attributable to unitholders resulting from operations	134,710,135	68,865,609
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	-	-
Cancellation of units	(5,315,398)	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(5,315,398)	-
Distribution to unitholders	(11,450,000)	(16,717,000)
Total increase in net assets attributable to unitholders	117,944,737	52,148,609
At the end of the financial year	692,507,295	574,562,558
Units in issue (note 6)	22,700,000	22,900,000
	S\$	S\$
Net assets attributable to unitholders per unit	30.51	25.09

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2006 (continued)

### 6. UNITS IN ISSUE

	Six months ended 31 December 2006 Units	Year ended 30 June 2006 Units
Units at beginning of the period	22,900,000	22,900,000
Unit Created	-	-
Unit Cancelled	(200,000)	-
	<hr/>	<hr/>
Units at end of the period	22,700,000	22,900,000

### 7. CREATION/CANCELLATION OF UNITS

There is cancellation of 200,000 units for the six months ended 31 December 2006. Income equalization arising from cancellation is S\$106,204. This amount represents the amount imputed in the issue price of the units issued. This amount comprises the net undistributed dividend and other income received and held or receivable by the fund up to the date of the issue.

### 8. DISTRIBUTION

For the six months ended 31 December 2006, the Fund declared a final dividend of S\$0.50 per unit in relation to income received in the financial year ended 30 June 2006 ("Final Dividend"). The Final Dividend comprises S\$0.25, net of 20% tax per unit made out of Singapore taxable dividends and S\$0.25 per unit made out of Singapore tax exempt dividends. The Final Dividend totaling S\$11,450,000 was paid on 2 August 2006.

### 9. FINANCIAL RISK MANAGEMENT

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

#### *Market risk*

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Fund is designed to track the performance of the Straits Times Index (STI), a broad Singapore equity index; therefore the exposure to market risk in the Fund will be substantially the same as the STI. As an indexed fund, the Manager manages the Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the STI characteristics.

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2006 (continued)

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### *Liquidity risk*

The Fund's liquidity risk arises mainly from redemptions of units. It may seek to invest its assets in investments that are traded in an active market which is easily realizable.

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

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

#### *Foreign currency risk*

The Fund holds assets denominated in currencies other than the Singapore dollar, the functional currency. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund's policy is not to enter into any currency hedging transactions.

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

	31 December 2006		
	SGD	USD	Total
<b>Assets</b>			
Portfolio of investments	603,335,334	74,050,523	677,385,857
Cash and bank balances	14,744,324	159,222	14,903,546
Sales awaiting settlement	-	-	-
Net dividend receivables	709,453	-	709,453
<b>Total assets</b>	<b>618,789,111</b>	<b>74,209,745</b>	<b>692,998,856</b>
<b>Liabilities</b>			
Purchases awaiting settlement	2,100	-	2,100
Due to manager	489,461	-	489,461
Net assets attributable to unitholders	692,507,295	-	692,507,295
<b>Total liabilities</b>	<b>692,998,856</b>	<b>-</b>	<b>692,998,856</b>

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2006 (continued)

### 9. FINANCIAL RISK MANAGEMENT (continued)

	SGD	30 June 2006 USD	Total
<b>Assets</b>			
Portfolio of investments	490,597,467	66,161,863	556,759,330
Cash and bank balances	17,610,957	553,236	18,164,193
Sales awaiting settlement	5,096,105	–	5,096,105
Net dividend receivables	1,121	76,993	78,114
<b>Total assets</b>	<b>513,305,650</b>	<b>66,792,092</b>	<b>580,097,742</b>
<b>Liabilities</b>			
Purchases awaiting settlement	5,096,105	–	5,096,105
Due to manager	439,079	–	439,079
Net assets attributable to unitholders	574,562,558	–	574,562,558
<b>Total liabilities</b>	<b>580,097,742</b>	<b>–</b>	<b>580,097,742</b>

#### *Credit risk*

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

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

#### *Interest rate risk*

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

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

*For the six months ended 31 December 2006 (continued)*

### 10. RELATED PARTY DISCLOSURES

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

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

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

	31 December 2006 S\$
Bank balance held at DBS Bank	743,317
Bank balance held at State Street Bank and Trust Co.	159,222
Fixed deposit held at State Street Bank and Trust Co.	14,001,007
	<hr/>
	14,903,546

### 11. FINANCIAL RATIOS

	Six months ended 31 December 2006	Six months ended 31 December 2005
Ratio of expenses to average net assets <sup>1</sup>	0.30%	0.30%
Portfolio turnover rate <sup>2</sup>	1.28%	1.06%

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

<sup>2</sup> The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 100,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases.

# streetTRACKS® STRAITS TIMES INDEX FUND

## NOTES TO THE FINANCIAL STATEMENTS

*For the six months ended 31 December 2006 (continued)*

### 12. EFFECTS OF ADOPTION OF THE REVISED RAP 7 ON THE FINANCIAL STATEMENTS

Previously, investments in securities are stated at fair value based on the last transacted market price. The revised RAP 7 requires these investments to be fair valued based on the current market quoted bid prices.

This change in valuation basis was effected prospectively from 1 July 2005 and consequently affected the following balance sheet items as at 1 July 2005.

S\$

Increase/(Decrease) in:

Portfolio of investments


(2,269,126)

Net assets attributable to unitholders (note 5)

(2,269,126)

### 13. EVENT OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the period end, the Fund announced a dividend distribution of S\$0.50 per share. This distribution comprises of S\$0.22 net of tax at 20%, per unit made out of Singapore taxable dividends and S\$0.28 per unit made out of foreign dividend tax not applicable. The dividend was paid on 1 February 2007.




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

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

The Units are not in any way sponsored, endorsed, sold, or promoted by SPH Data Services Pte Ltd or Singapore Press Holdings Ltd (collectively, the “Index Sponsor”), and the Index Sponsor bears no liability in connection with the administration, marketing or trading of the Units. No warranty or representation or guarantee of any kind whatsoever relating to the Straits Times Index (the “STI”) or the Units is given by the Index Sponsor. The Index Sponsor is entitled to all intellectual property rights in the STI.

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



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