



streetTRACKS®

**Straits Times Index Fund
Annual Report**
30 June 2007

streetTRACKS[®] STRAITS TIMES INDEX FUND

FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

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MANAGER'S INVESTMENT REPORT

MANAGER'S NOTES

About streetTRACKS STI

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

Details of streetTRACKS STI

NAV per share (30 June 2007):	\$36.04
Total assets (30 June 2007):	\$822.80 million
Fund Currency:	Singapore dollar
Listing Date on SGX-ST:	17 April 2002
Stock Code on SGX-ST:	STI ETF 100
Board Lot:	100 shares
Price:	Approximately 1/100 th of the STI
CPF Usage:	Included in CPF Investment Scheme - Ordinary Account
Annual Costs:	0.3%

Benefits of Investing in streetTRACKS STI

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

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

Performance

Ending 30 June 2007	3-month	6-month	1-year	3-year (annualized)	Annualised since inception
From	31 March 2007	31 December 2006	30 June 2006	30 June 2004	17 April 2002
To	30 June 2007	30 June 2007	30 June 2007	30 June 2007	30 June 2007
Fund	10.92%	20.08%	49.07%	28.37%	17.98%
Benchmark	9.81%	18.83%	45.69%	24.51%	14.28%

Notes:

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

MANAGER'S INVESTMENT REPORT *(continued)*

Details of Top 10 Holdings of the Fund

	As at 30 June 2007						
	Cost SGD	Market Value/ Fair Value		Percentage of total net assets	Percentage of share capital owned	Dividends received	Dividend cover ratio
		SGD	SGD	%	%	SGD	
United Overseas Bank Limited	50,779,750	87,898,686	10.74	0.33	3,311,561	2.08	
Singapore Telecommunications Limited	47,437,819	79,668,412	9.74	0.33	2,333,016	1.21	
DBS Group Holdings Limited	43,048,926	79,256,006	9.69	0.33	2,268,073	2.46	
Overseas-Chinese Banking Corporation	38,472,779	70,637,762	8.64	0.33	1,808,590	2.77	
Keppel Corporation Limited	7,916,610	44,778,765	5.47	0.32	420,347	9.93	
CapitaLand Limited	10,852,198	40,833,963	4.99	0.33	564,414	3.19	
Singapore Airlines Limited	19,655,352	34,648,239	4.24	0.33	958,315	1.71	
Singapore Exchange Limited	6,206,778	33,877,696	4.14	0.33	587,470	1.11	
Hong Kong Land Holdings Limited	12,741,161	28,604,717	3.50	0.33	643,993	8.35	
City Developments Limited	8,953,363	25,558,173	3.12	0.32	307,739	1.82	
	246,064,736	525,752,419					

	As at 30 June 2006						
	Cost SGD	Market Value/ Fair Value		Percentage of total net assets	Percentage of share capital owned	Dividends received	Dividend cover ratio
		SGD	SGD	%	%	SGD	
United Overseas Bank Limited	53,169,621	65,754,844	11.44	0.35	2,058,519	1.57	
DBS Group Holdings Limited	44,207,550	65,619,360	11.43	0.35	1,873,242	1.16	
Overseas-Chinese Banking Corporation	39,944,323	53,089,715	9.24	0.35	1,499,207	2.19	
Singapore Telecommunications Limited	33,928,512	51,220,592	8.92	0.35	1,841,038	3.11	
Keppel Corporation Limited	7,855,277	27,850,245	4.84	0.35	353,549	3.92	
Hong Kong Land Holdings Limited	12,729,244	25,446,601	4.43	0.35	570,246	11.57	
Singapore Airlines Limited	20,095,794	24,265,623	4.22	0.35	771,872	2.25	
CapitaLand Limited	10,271,843	23,553,215	4.10	0.35	757,151	0.02	
Singapore Press Holdings Limited	24,732,630	22,537,113	3.92	0.35	1,251,149	1.36	
Jardine Matheson Holdings Limited	7,399,832	17,651,663	3.07	0.35	459,446	6.88	
	254,334,626	376,988,971					

The industry in which the above companies conduct their business is shown in the Portfolio Statement in pages 10 to 13.

Amount of Subscription and Redemption

For the year ending June 30 2007

Subscription = Nil

Redemption = 200,000 units SGD5,315,399



MANAGER'S INVESTMENT REPORT *(continued)*

Other Information

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

Soft Dollar Practices

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

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

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

Information on the Manager

The Manager is State Street Global Advisors Singapore Limited, an indirect wholly-owned subsidiary of State Street Corporation. The Manager will remain manager of the Fund until terminated in accordance to the Fund's trust deed. The basis of the Manager's remuneration is set down in the Fund prospectus dated 5 April 2007. As agreed between the Manager and the Trustee, the total combined management fees, trustee fees and other recurring expenses for the Fund are currently set at 0.3% per annum of its net asset value.

REPORT OF THE TRUSTEE

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed streetTRACKS[®] Straits Times Index Fund during the year covered by these financial statements, set out on pages 8 to 23, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
DBS TRUSTEE LIMITED

Director

4 September 2007



STATEMENT BY THE MANAGER

In the opinion of the Manager of streetTRACKS[®] Straits Times Index Fund, the accompanying financial statements set out on pages 8 to 23, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of streetTRACKS[®] Straits Times Index Fund as at 30 June 2007 and the total return for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that streetTRACKS[®] Straits Times Index Fund will be able to meet its financial obligations as and when they materialise.

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

Director

4 September 2007



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

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

We have audited the financial statements of streetTRACKS[®] Straits Times Index Fund set out on pages 8 to 23, which comprise the Balance Sheet and Portfolio Statement as at 30 June 2007, the Statement of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2007 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 4 September 2007

streetTRACKS® STRAITS TIMES INDEX FUND

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2007

	Notes	2007 \$	2006 \$
INVESTMENT INCOME			
Dividends		23,575,833	20,489,300
Interest		220,226	255,382
		<hr/>	<hr/>
		23,796,059	20,744,682
LESS: EXPENSES	3	<hr/> (2,058,444)	<hr/> (1,678,248)
NET INVESTMENT INCOME BEFORE INCOME TAX			
		21,737,615	19,066,434
LESS: INCOME TAX	4	<hr/> (2,582,089)	<hr/> (2,785,517)
NET INVESTMENT INCOME AFTER INCOME TAX			
		<hr/> 19,155,526	<hr/> 16,280,917
NET GAINS OR LOSSES ON VALUE OF INVESTMENTS			
Net realised gain on investments		30,711,478	7,321,853
Net change in fair value of investments		221,778,330	45,297,773
Net realised loss on foreign exchange		(22,439)	(24,866)
Net unrealised gain/(loss) on foreign exchange		4,222	(10,068)
		<hr/>	<hr/>
NET GAIN ON VALUE OF INVESTMENTS		252,471,591	52,584,692
TOTAL RETURN FOR THE FINANCIAL YEAR		<hr/> 271,627,117	<hr/> 68,865,609

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

streetTRACKS[®] STRAITS TIMES INDEX FUND

BALANCE SHEET

For the financial year ended 30 June 2007

	Notes	2007 \$	2006 \$
ASSETS			
Portfolio of investments		804,131,908	556,759,330
Sales awaiting settlement		3,628,913	5,096,105
Net dividend receivables		82,711	76,993
Interest receivables		1,265	1,121
Bank balances	5	14,963,518	18,164,193
Total assets		822,808,315	580,097,742
LIABILITIES			
Purchases awaiting settlement		4,134,775	5,096,105
Due to manager		599,264	439,079
Net assets attributable to unitholders	6	818,074,276	574,562,558
Total liabilities		822,808,315	580,097,742

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

streetTRACKS® STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2007

Primary – By Industry

	Holdings at 30 June 2007	Fair value at 30 June 2007 \$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
Quoted			
EQUITIES			
Finance			
DBS Group Holdings Limited	3,491,454	79,256,006	9.69
Oversea-Chinese Banking Corporation	7,719,974	70,637,762	8.64
Singapore Exchange Limited	3,492,546	33,877,696	4.14
United Overseas Bank Limited	4,013,182	87,888,686	10.74
		271,660,150	33.21
Manufacturing			
Chartered Semiconductor Manufacturing Limited			
	4,137,210	5,585,234	0.68
Creative Technology Limited	203,921	1,529,408	0.19
Fraser & Neave Limited	3,151,073	17,173,348	2.10
Jurong Techno Industry Corporation Limited			
	363,574	329,034	0.04
People's Food Holdings Limited	2,137,274	3,975,330	0.49
SembCorp Marine Limited	1,673,040	8,164,435	1.00
Singapore Petroleum Company Limited	588,864	3,385,968	0.41
Singapore Press Holdings Limited	5,215,115	24,198,134	2.96
UTD Test + Assembly	3,658,934	4,244,363	0.52
Venture Corporation Limited	444,704	6,848,442	0.84
Want Want Holdings Limited	1,229,676	4,325,674	0.53
		79,759,370	9.76
Properties			
Allgreen Properties	2,334,000	4,854,720	0.59
Ascendas Real Estate Investment Trust	2,829,680	8,319,259	1.02
CapitaCommercial	1,578,000	4,607,760	0.56
CapitaLand Limited	5,072,542	40,833,963	4.99
Capitalmall Trust	2,037,020	8,555,484	1.05
City Developments Limited	1,494,630	25,558,173	3.12
Genting Intl Plc	4,888,000	4,619,160	0.56
Hongkong Land Holdings Limited	4,156,137	28,604,717	3.50
Keppel Land Limited	1,056,074	9,187,844	1.12
Suntec Reit	3,509,000	6,772,370	0.83
United Overseas Land Limited	1,556,010	9,024,858	1.10
Wing Tai Holdings Limited	1,172,944	4,574,482	0.56
		155,512,790	19.00

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

streetTRACKS® STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2007 (continued)

Primary - By Industry (continued)

	Holdings at 30 June 2007	Fair value at 30 June 2007 \$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
Quoted			
EQUITIES			
Multi-Industry			
Keppel Corporation Limited	3,640,550	44,778,765	5.47
SembCorp Industries Limited	2,602,250	14,702,712	1.80
Singapore Technologies Engineering Limited	3,368,798	12,127,673	1.48
		<u>71,609,150</u>	<u>8.75</u>
Services			
Datacraft Asia Limited	672,304	1,326,449	0.16
Hyflux Limited	762,146	2,217,845	0.27
Parkway Holdings Limited	1,376,670	5,506,680	0.67
		<u>9,050,974</u>	<u>1.10</u>
Commerce			
Jardine Cycle & Carriage Limited	387,371	5,965,512	0.73
Jardine Matheson Holdings Limited	611,860	22,272,261	2.72
Jardine Strategic Holdings Limited	699,303	14,011,092	1.71
Labroy Marine	947,000	2,490,610	0.31
Noble Group Limited	2,536,844	4,338,003	0.53
Olam International	1,521,000	4,684,680	0.57
Thai Beverage Public	16,383,000	4,259,580	0.52
		<u>58,021,738</u>	<u>7.09</u>
Transportation/storage/ communication			
Comfortdelgro Corp Limited	5,404,210	11,781,178	1.44
Cosco Corporation (S) Limited	2,528,020	9,404,234	1.15
Mobileone Limited	1,130,620	2,453,445	0.30
Neptune Orient Lines Limited	1,445,163	7,442,589	0.91
Singapore Airlines Limited	1,852,847	34,648,239	4.24
Singapore Post Limited	3,745,133	4,718,868	0.58
Singapore Telecommunications Limited	23,570,536	79,668,412	9.74
Starhub Limited	1,937,790	6,239,684	0.76
Total Access Communication Public Company Limited	1,121,415	2,161,087	0.27
		<u>158,517,736</u>	<u>19.39</u>
Portfolio investments		804,131,908	98.30
Cash and other net assets		13,942,368	1.70
Net assets attributable to unitholders		<u>818,074,276</u>	<u>100.00</u>

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

streetTRACKS[®] STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2007 (continued)

Primary - By Industry *(continued)*

Summary

	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 30 June 2006 %
Finance	33.21	34.11
Manufacturing	9.76	13.06
Properties	19.00	14.50
Multi-Industry	8.75	8.56
Services	1.10	1.45
Commerce	7.09	7.22
Transportation/storage/communication	19.39	18.00
Portfolio of investments	98.30	96.90
Cash and other net assets	1.70	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 30 June 2007 (continued)

Secondary – By Geography

	Fair value at 30 June 2007 \$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 30 June 2006 %
By Country of Incorporation			
Singapore	724,509,839	88.56	84.18
Bermuda	6,420,667	0.79	12.39
Thailand	73,201,402	8.95	0.33
<hr/>			
Portfolio of investments	804,131,908	98.30	96.90
Cash and other net assets	13,942,368	1.70	3.10
<hr/>			
Net assets attributable to unitholders	818,074,276	100.00	100.00

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

streetTRACKS® STRAITS TIMES INDEX FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

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

1. GENERAL

streetTRACKS® Straits Times Index Fund (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 26 March 2002 (the "Original Deed"). The Original Deed as modified by subsequent supplemental deeds (the "Supplemental Deeds") is amended and restated by a Fourth Amending and Restating Deed dated 5 April 2007. 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. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Recognition of income

Dividend income is recorded gross in the financial statements in the accounting year in which the security is quoted ex-dividend. Interest income is recognised on a time proportion basis using the effective interest method.

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

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

(i) Initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

(ii) Subsequent measurement

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

(iii) Derecognition

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

(d) Basis of valuation of investments

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

(e) Foreign currency translation

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

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

(f) Provisions

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

streetTRACKS[®] STRAITS TIMES INDEX FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

(g) Distribution

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

3. EXPENSES

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

4. INCOME TAX

	2007	2006
	\$	\$
Singapore income tax	2,582,089	2,785,517

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 financial year ended 30 June 2007 (continued)

5. BANK BALANCES

	2007	2006
	\$	\$
Cash at bank and on hand	752,791	1,799,554
Short-term bank deposits	14,210,727	16,364,639
	<u>14,963,518</u>	<u>18,164,193</u>

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

Cash and cash equivalents are denominated in the following currencies:

	2007	2006
	\$	\$
Singapore Dollar	14,963,370	17,610,957
United States Dollar	148	553,236
	<u>14,963,518</u>	<u>18,164,193</u>

Short-term bank deposits at the balance sheet date have an average maturity within 1 month (2006: 1 week) from the end of the financial year with the following weighted average effective interest rates:

	2007	2006
	%	%
Singapore Dollar	<u>1.63</u>	<u>2.5</u>

streetTRACKS® STRAITS TIMES INDEX FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2007	2006
	\$	\$
At the beginning of the financial year		
- as previously reported	574,562,558	524,683,075
- effect of adopting revised RAP 7	-	(2,269,126)
- as restated	574,562,558	522,413,949
Operations		
Net investment income after income tax	19,155,526	16,280,917
Net gain on investments	252,471,591	52,584,692
Change in net assets attributable to unitholders resulting from operations	271,627,117	68,865,609
Unitholders' contributions/(withdrawals)		
Cancellation of units	(5,315,399)	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(5,315,399)	-
Distribution to unitholders	(22,800,000)	(16,717,000)
Total increase in net assets attributable to unitholders	243,511,718	52,148,609
At the end of the financial year	818,074,276	574,562,558
Units in issue (note 7)	22,700,000	22,900,000
	\$	\$
Net assets attributable to unitholders per unit	36.04	25.09

7. UNITS IN ISSUE

	2007	2006
	Units	Units
At 1 July	22,900,000	22,900,000
Created	-	-
Cancelled	(200,000)	-
At 30 June	22,700,000	22,900,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

8. CREATION/CANCELLATION OF UNITS

There is a cancellation of 200,000 units for the financial year ended 30 June 2007. Income equalisation arising from cancellation is \$106,204. This amount represents the amount imported 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.

9. DISTRIBUTION

During the year ended 30 June 2007, the Fund declared a final dividend of \$0.50 per unit in relation to the income received in the financial year ended 30 June 2006 ("Final Dividend"). The Final Dividend comprises of \$0.25 (net of tax at 20%) per unit made out of Singapore taxable dividends and \$0.25 per unit made out of Singapore tax exempt dividends. The Final Dividend totaling \$11,450,000 was paid on 2 August 2006.

An interim dividend distribution of \$0.50 per unit was made. This interim dividend comprises \$0.22 (net of 20% tax) per unit made out of Singapore taxable dividends and \$0.28 per unit made out of foreign tax exempt dividends. The dividend totaling \$11,350,000 was paid on 1 February 2007. For the year ended 30 June 2006, the Fund declared an interim dividend of \$0.40 per unit, net of tax at 20%, totaling \$9,160,000 which was paid on 2 February 2006.

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

10. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable effects will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The Manager may employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would be typically be expected for traditional investment instruments. No such investments were held at the balance sheet date.

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.

streetTRACKS® STRAITS TIMES INDEX FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

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

	SGD	30 June 2007 USD	Total
Assets			
Portfolio of investments	731,430,628	72,701,280	804,131,908
Cash and bank balances	14,963,370	148	14,963,518
Sales awaiting settlement	3,628,913	-	3,628,913
Net dividend receivables	-	82,711	82,711
Interest receivables	1,265	-	1,265
Total assets	750,024,176	72,784,139	822,808,315
Liabilities			
Purchases awaiting settlement	4,134,775	-	4,134,775
Due to manager	599,264	-	599,264
Net assets attributable to unitholders	818,074,276	-	818,074,276
Total liabilities	822,808,315	-	822,808,315

	SGD	30 June 2006 USD	Total
Assets			
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	-	76,993	76,993
Interest receivables	1,121	-	1,121
Total assets	513,305,650	66,792,092	580,097,742
Liabilities			
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
Total liabilities	580,097,742	-	580,097,742

streetTRACKS[®] STRAITS TIMES INDEX FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

Credit risk

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

11. RELATED PARTY DISCLOSURES

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

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

- (b) The bank balance of the Fund comprises:

	2007 \$	2006 \$
Bank balance held at DBS Bank	752,643	1,246,318
Bank balance held at State Street Bank and Trust Company	148	553,236
Fixed deposit held at State Street Bank and Trust Company	14,210,727	16,364,639
	<hr/>	<hr/>
	14,963,518	18,164,193

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2007 (continued)

12. FINANCIAL RATIOS


	2007	2006
Expense ratio ¹	0.30%	0.30%
Turnover ratio ²	9.57%	4.11%

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

² The portfolio turnover ratio is calculated in accordance with the formulae 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.

13. EVENT OCCURRING AFTER BALANCE SHEET DATE

Subsequent to year end, the Fund announced a Final Dividend of \$0.50 per unit comprising of \$0.20 per unit (net of 18% tax) made out of Singapore taxable dividends; \$0.25 per unit made out of Singapore tax exempt dividends and \$0.05 per unit made out of foreign tax exempt dividend. The Final Dividend totaling \$11,350,000 was paid on 2 August 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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