

streetTRACKS®

streetTRACKS® Straits Times Index Fund

Stock Code: STI ETF

Website : www.streettracks.com.sg

Semi-Annual Report 2009

1st July 2009 to 31st December 2009

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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 (31 Dec 2009):	S\$2.94
Total assets (31 Dec 2009):	S\$804.05 million
Fund Currency:	Singapore dollar
Listing Date on SGX-ST:	17 April 2002
Stock Code on SGX-ST:	STI ETF 100
Board Lot:	1,000 shares
Price:	Approximately 1/1,000th of the STI
CPF Usage:	Included in CPF Investment Scheme – Ordinary Account
Annual Costs:	0.3%

Benefits of investing in streetTRACKS STI

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

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

Performance of the Scheme

Ending			1-year	3-Year	5-Year	Annualized
31 Dec 2009	3-month	6-month	(annualised)	(annualised)	(annualised)	since inception
From	30-Sep-09	30-Jun-09	31-Dec-08	31-Dec-06	31-Dec-04	17-Apr-02
To	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09
Fund	8.42%	24.19%	64.47%	-1.02%	7.11%	8.32%
STI	8.42%	24.19%	64.49%	-0.99%	7.00%	8.25%

Notes:

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

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MANAGER'S INVESTMENT REPORT (Continued)

Details of Top 10 Holdings of the Fund

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

As at 31 December 2008						
	Cost	Market Value/ Fair Value	Percentage of total net	Percentage of free-float adjusted share capital owned	Dividends received	Dividend Cover ratio
	SGD	SGD	%	%	SGD	
Singapore Telecommunication Limited	62,359,971	64,838,544	14.24	0.32	1,447,977	1.99
United Overseas Bank Limited	49,220,685	47,531,030	10.44	0.32	760,680	2.27
DBS Group Holdings Limited	59,294,139	46,012,128	10.10	0.32	1,489,648	2.17
Overseas-Chinese Banking Corporation	40,027,913	37,314,262	8.19	0.32	1,080,164	2.40
Singapore Airlines Limited	22,702,605	21,351,966	4.69	0.32	1,955,199	1.73
Jardine Matheson Holding Limited	30,567,029	21,133,826	4.64	0.32	0	4.55
CapitaLand Limited	24,630,304	21,027,052	4.62	0.32	0	6.56
Hong Kong Land Holdings Limited	24,831,395	19,166,908	4.21	0.32	482,228	9.52
Singapore Exchange Limited	9,465,418	17,158,244	3.77	0.32	1,076,538	1.18
Keppel Corporation Limited	15,184,535	16,408,968	3.60	0.32	547,069	1.12
	<u>338,283,994</u>	<u>311,942,928</u>				

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

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MANAGER'S INVESTMENT REPORT *(Continued)*

Amount of Subscription and Redemption

For the 6 months ending 31 Dec 2009

Subscription = 13,000,000 units SGD34,592,891

Redemption = 2,000,000 units SGD5,560,136

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 3 April 2009. 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.

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STATEMENT OF TOTAL RETURN

For the six months ended 31 December 2009 (unaudited)

	Six months ended 31 December 2009	Six months ended 31 December 2008
<i>Notes</i>	<i>S\$</i>	<i>S\$</i>
Investment Income		
Dividends	11,622,881	12,824,468
Interest	—	2,634
	<hr/>	<hr/>
	11,622,881	12,827,102
Less: Expense	3 <hr/>	(852,662) <hr/>
	10,524,951	11,974,440
Net investment income before income tax		
Less: Income Tax	4 <hr/>	(68,441) <hr/>
	10,469,130	11,905,999
Net investment income after income tax	<hr/>	<hr/>
Net gains or loss on value of investment		
Net realised gain/(loss) on investments	14,418,460	(5,855,416)
Net change in fair value of investments	136,734,656	(280,172,506)
Net realised (loss) on foreign exchange	(15,850)	(8,085)
Net unrealised gain/(loss) on foreign exchange	2,706	(898)
	<hr/>	<hr/>
Net gain/(loss) on value of investments	151,139,972	(286,036,905)
Total return/(deficit) for the financial year	<hr/> <hr/>	<hr/> <hr/>
	161,609,102	(274,130,906)

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BALANCE SHEET

For the six months ended 31 December 2009 (unaudited)

	As at 31 December 2009	As at 30 June 2009
Notes	S\$	S\$
ASSETS		
Portfolio of investments	798,432,697	612,963,487
Sales awaiting settlement	-	-
Net dividend receivables	1,546,056	200,788
Interest receivables	-	-
Cash and bank balances	5 10,469,243	14,235,169
Total assets	<u>810,447,996</u>	<u>627,399,444</u>
LIABILITIES		
Purchases awaiting settlement	5,818,952	2,595,642
Due to manager	579,178	775,793
Net assets attributable to unitholders	6 804,049,866	624,028,009
Total liabilities	<u>810,447,996</u>	<u>627,399,444</u>

PORTFOLIO STATEMENT

As at 31 December 2009 (unaudited)

Primary – By Industry

	Holdings at 31 December 2009	Fair value at 31 December 2009 S\$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
Quoted			
EQUITIES			
Finance			
DBS Group Holdings Limited	5,395,264	82,979,160	10.32
Oversea-Chinese Banking Corporation	7,675,482	69,770,131	8.68
Singapore Exchange Limited	3,375,763	28,086,348	3.49
United Overseas Bank Limited	3,634,298	71,522,985	8.90
Manufacturing			
Fraser & Neave Limited	4,394,066	18,455,077	2.30
SembCorp Marine Limited	2,596,508	9,581,115	1.19
Singapore Press Holdings Limited	5,021,093	18,427,411	2.29
Golden Agri-Resources Limited	28,733,732	14,510,535	1.80
Golden Agri-Resources Wts	1,669,834	233,777	0.03
Properties			
City Developments Limited	2,153,760	24,768,240	3.08
CapitaLand Limited	10,000,111	42,000,466	5.22
Capitalmall Trust*	7,470,469	13,372,140	1.66
Genting Singapore Plc	14,739,333	19,013,740	2.36
Hong Kong Land Holdings Limited	5,320,278	36,423,432	4.53

* This is a scheme

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PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2009 (unaudited)

Primary – By Industry *(Continued)*

	Holdings at 31 December 2009	Fair value at 31 December 2009 S\$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
Quoted			
EQUITIES			
Multi-Industry			
Keppel Corporation Limited	3,737,345	30,720,976	3.82
Jardine Matheson Holdings Limited	800,830	33,457,366	4.16
SembCorp Industries Limited	2,811,122	10,344,929	1.29
Singapore Technologies Engineering Limited	4,734,934	15,341,186	1.91
Commerce			
Jardine Cycle & Carriage Limited	448,066	12,061,937	1.50
Jardine Strategic Holdings Limited	696,130	17,188,174	2.14
Noble Group Limited	9,094,504	29,466,193	3.67
Olam International Limited	4,709,505	12,480,188	1.55
Wilmar International Limited	8,043,535	51,719,930	6.43
Transportation/storage/communication			
Comfortdelgro Corporation (S) Limited	6,521,881	10,630,666	1.32
Cosco Corporation (S) Limited	2,841,133	3,380,948	0.42
Neptune Orient Lines Limited	3,256,372	5,373,014	0.67
Singapore Airlines Limited	1,870,319	27,867,753	3.47
Singapore Telecommunications Limited	25,074,682	77,731,514	9.67
SMRT Corporation (S) Limited	2,409,422	4,601,996	0.57
Starhub Limited	2,176,296	4,657,273	0.58
SIA Engineering Co	681,957	2,264,097	0.28
Portfolio investments		798,432,697	99.30
Cash and other net assets		5,617,169	0.70
Net assets attributable to unitholders		804,049,866	100.00

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PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2009 (unaudited)

Primary – By Industry *(Continued)*

Summary

	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
QUOTED		
Finance	31.39	30.39
Manufacturing	7.61	8.09
Properties	16.85	16.23
Multi-Industry	11.18	12.43
Commerce	15.29	10.80
Transportation/storage/communication	16.98	20.28
	99.30	98.22
Portfolio of investments		
Cash and other net assets	0.70	1.78
	100.00	100.00
Net assets attributable to unitholders	100.00	100.00

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PORTFOLIO STATEMENT *(Continued)*

As at 31 December 2009 (unaudited)

Secondary – By Geography

	Fair value at 31 December 2009 S\$	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Country of Incorporation			
Singapore	648,373,257	80.64	81.09
Bermuda	116,535,165	14.50	14.08
Mauritius	14,510,535	1.80	1.73
United Kingdom	19,013,740	2.36	1.32
	<hr/>	<hr/>	<hr/>
Portfolio of investments	798,432,697	99.30	98.22
Cash and other net assets	5,617,169	0.70	1.78
	<hr/>	<hr/>	<hr/>
Net assets attributable to unitholders	804,049,866	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2009 (Unaudited)

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

1. GENERAL

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

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Straits Times Index. The Straits Times Index ("STI") was revamped and relaunched effective 10 Jan 2008. The revamped STI comprises 30 blue-chip companies on the SGX Mainboard ranked by market capitalisation as at 31 August 2007. In connection with this revamping exercise, the index sponsor of the STI has been changed to FTSE International Limited.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Accounting*

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

(b) *Recognition of income*

Dividend income is recorded gross in the financial statements in the accounting period in which the security is quoted ex-dividend. Bank interest and other income are recognised on an 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 recognized on trade date. Investments are recorded at fair value on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) *Financial assets at fair value through profit or loss* *(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) De-recognition

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

(d) *Basis of valuation of investments*

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

(e) *Foreign currency translation*

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

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

(f) *Provisions*

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

(g) *Distribution*

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

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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

4. TAXATION

	Six months ended 31 December 2009	Six months ended 31 December 2008
	S\$	S\$
Singapore income tax	55,821	51,837
Overseas income tax	-	16,604
	<u>55,821</u>	<u>68,441</u>

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

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

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

5. BANK BALANCE

	As at 31 December 2009	As at 30 June 2009
	S\$	S\$
Cash at bank and on hand	<u>10,469,243</u>	<u>14,235,169</u>

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

Cash and cash equivalents are denominated in the following currencies.

	As at 31 December 2009	As at 30 June 2009
	S\$	S\$
Singapore Dollar	<u>10,469,243</u>	<u>14,235,169</u>

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Six months ended 31 December 2009	For the Financial Year ended 30 June 2009
	S\$	S\$
At the beginning of the financial year	624,028,009	714,219,038
Operations		
Net investment income after income tax	10,469,131	21,994,537
Net gain/(loss) on investments	151,139,971	(132,828,174)
Change in net assets attributable to unitholders resulting from operations	161,609,102	(110,833,637)
Unitholders' contributions/(withdrawals)		
Creation of units	34,592,891	57,008,405
Cancellation of units	(5,560,136)	(9,470,797)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	29,032,755	47,537,608
Distribution to unitholders <i>(note 8)</i>	(10,620,000)	(26,895,000)
Total increase/(decrease) in net assets attributable to unitholders	180,021,857	(90,191,029)
At the end of the financial year	804,049,866	624,028,009
Units in issue <i>(note 7)</i>	273,500,000	262,500,000
	S\$	S\$
Net assets attributable to unitholders per unit	2.94	2.38

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

7. UNITS IN ISSUE

	Six months ended	Year ended
	31 December 2009	30 June 2009
	Units	Units
Units at beginning of the year	262,500,000	236,500,000
Unit created	13,000,000	30,500,000
Unit cancelled	(2,000,000)	(4,500,000)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Units at end of the year	<u>273,500,000</u>	<u>262,500,000</u>

8. DISTRIBUTION

On 24 July 2009, the Fund announced a Final dividend of S\$0.04 per unit in relation to the income received in the financial year ended 30 June 2009. The dividend totalling S\$10,620,000 was paid on 11 August 2009.

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

9. FINANCIAL RISK MANAGEMENT

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

Market risk

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

At 31 December 2009, the Fund's market risk is affected by two main components: changes in actual market prices and foreign currency movements. If the Straits Times Index at 31 December 2009 had increased by 5% with all other variables held constant, this would have increased net assets attributable to unitholders by approximately 5% (2008: 5%). Conversely, if the Straits Times Index had decreased by 5%, this would have decreased net assets attributable to unitholders by approximately 5% (2008: 5%). If the spot exchange rate of Singapore dollars had appreciated 0.50% against the US dollars with all other variables held constant, this would have increased the net asset value of the fund by approximately 0.04%. Conversely, if the spot exchange rate of Singapore dollars had depreciated by 0.50% against the US dollars, this would have decreased the net asset value of the fund by approximately 0.04%.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2009 (Unaudited)

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 and/or investments where the issuer stands ready to unwind.

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.

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

Foreign currency risk

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

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

	31 December 2009		
	SGD	USD	Total
Assets			
Portfolio of investments	711,363,725	87,068,972	798,432,697
Cash and bank balances	10,469,243	–	10,469,243
Sales awaiting settlement	–	–	–
Net dividend receivables	1,546,056	–	1,546,056
Interest receivable	–	–	–
	<hr/>	<hr/>	<hr/>
Total assets	723,379,024	87,068,972	810,447,996
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Purchases awaiting settlement	5,179,019	639,933	5,818,952
Due to manager	579,178	–	579,178
Net assets attributable to unitholders	804,049,866	–	804,049,866
	<hr/>	<hr/>	<hr/>
Total liabilities	809,808,063	639,933	810,447,996
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

9. FINANCIAL RISK MANAGEMENT *(Continued)*

Foreign currency risk (Continued)

	31 December 2008		Total
	SGD	USD	
Assets			
Portfolio of investments	391,512,712	50,063,368	441,576,080
Cash and bank balances	12,316,578	–	12,316,578
Sales awaiting settlement	9,419,586	1,126,135	10,545,721
Net dividend receivables	1,456,945	–	1,456,945
Interest receivables	–	–	–
	<hr/>	<hr/>	<hr/>
Total assets	414,705,821	51,189,503	465,895,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Purchases awaiting settlement	10,086,837	–	10,086,837
Due to manager	371,819	–	371,819
Net assets attributable to unitholders	455,436,668	–	455,436,668
	<hr/>	<hr/>	<hr/>
Total liabilities	465,895,324	–	465,895,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

9. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk

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

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

Credit risk also arises from cash and cash equivalents held with financial institutions. The table below summarizes the credit rating of banks in which the Fund's assets are held as at 31 December 2009.

	Amount \$	Credit Rating	Source of Credit Rating
As at 31 December 2009			
Bank			
State Street Bank & Trust Co.	10,469,243	B	Moody's
<i>As at 30 June 2009</i>			
<i>Bank</i>			
<i>State Street Bank & Trust Co.</i>	<i>14,235,169</i>	<i>B</i>	<i>Moody's</i>

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.

Market price risk

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

10. RELATED PARTY DISCLOSURES

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

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

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

	As at	As at
	31 December 2009	30 June 2009
	S\$	S\$
Bank balance held at SSB	10,469,243	14,235,169

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

	As at	As at
	31 December 2009	30 June 2009
	S\$	S\$
Interest income – SSB	-	2,634

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2009 (Unaudited)

11. FINANCIAL RATIOS

	Six months ended 31 December 2009	Six months ended 31 December 2008
Ratio of expenses to average net assets ¹	0.30%	0.30%
Portfolio turnover rate ²	5.04%	9.28%

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

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

12. EVENT OCCURRING AFTER BALANCE SHEET DATE

On 18 January 2010, the Fund declared an interim dividend distribution of S\$0.03 per unit in relation to the income received in the financial year ended 31 December 2009. This dividend distribution comprises S\$0.019 per unit made out of Foreign tax exempt dividends and S\$0.011 per unit made out of Singapore tax exempt one-tier dividends. The dividend totalling S\$8,340,000 was paid on 2 February 2010.

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

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

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

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



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