



street**TRACKS**[®]

Straits Times Index Fund
Annual Report
30 June 2003

FINANCIAL STATEMENTS

For the financial period ended 30 June 2003

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MANAGER'S INVESTMENT REPORT

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 2003):	S\$14.62
Total Assets (30 June 2003):	S\$323.2 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 1/100th 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

Ending June 30 2003	3 Month	6 Month	1 Year	Annualised Since Inception
From To	31 March 2003 30 June 2003	31 December 2002 30 June 2003	30 June 2002 30 June 2003	17 April 2002 30 June 2003
Fund	15.9%	10.1%	-3.4%	-12.2%
Benchmark	14.2%	8.0%	-6.8%	-15.4%

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.

DETAILS OF TOP 10 HOLDINGS OF THE FUND

As at 30 June 2003

	Market Value/Fair Value	Percentage of total net assets	Percentage of share capital owned	Dividends received	Dividend cover ratio	
	Cost SGD	Value SGD	%	SGD		
United Overseas Bank Limited	57,783,276	56,139,376	17.37	0.33	1,773,097	1.48
DBS Group Holdings Limited	44,346,194	38,467,668	11.90	0.33	524,291	2.74
Oversea-Chinese Banking Corporation	30,322,007	28,424,540	8.80	0.33	374,029	3.31
Singapore Telecommunications Limited	24,956,392	27,369,831	8.47	0.33	248,776	1.83
Singapore Press Holdings Limited	22,465,288	21,580,842	6.68	0.33	1,250,456	2.13
Singapore Airlines Limited	19,642,206	19,326,663	5.98	0.34	115,823	6.39
Jardine Matheson Holdings Limited	11,960,839	12,602,376	3.90	0.34	531,753	0.90
Venture Corporation Limited	7,021,410	9,302,451	2.88	0.33	44,127	10.05
Keppel Corporation Limited	8,160,680	8,965,050	2.77	0.33	181,692	3.32
Hongkong Land Holdings Limited	8,489,222	7,706,685	2.38	0.34	328,657	0.36

AMOUNT OF SUBSCRIPTION AND REDEMPTION

For the year ending June 30 2003

Subscription = SGD 299,677,578

Redemption = SGD 11,946,816

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 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 10 April 2003. 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 the Fund in trust for the unitholders. In accordance with the Securities and Futures Act (Chapter 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 period 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 the 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 the Fund during the period covered by these 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

ONG YIM LYE
Director

STATEMENT BY THE MANAGER

In the opinion of the Manager of streetTRACKSSM Straits Times Index Fund, the accompanying financial statements set out on pages 7 to 18, comprising the Statement of Total Return, Balance Sheet, Statement of Movements in Unitholders' Funds, Portfolio Statement, Summary of Financial Highlights and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 30 June 2003, the total return and movements in unitholders' fund for the year then ended and have been properly prepared in accordance with generally accepted accounting principles in Singapore, the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the 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

CHEUNG HON WING
Director



AUDITORS' REPORT TO THE UNITHOLDERS OF streetTRACKSSM STRAITS TIMES INDEX FUND

We have audited the financial statements of streetTRACKSSM Straits Times Index Fund (the "Fund") for the financial year ended 30 June 2003 set out on pages 7 to 18. These financial statements are the responsibility of the Manager of the Fund. 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 plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2003, the total return and movements in unitholders' funds for the year then ended, and have been properly prepared in accordance with generally accepted accounting principles in Singapore, the recommendations of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

PricewaterhouseCoopers
Certified Public Accountants

Singapore

streetTRACKSSM STRAITS TIMES INDEX FUND

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2003

	Notes	Financial year ended 30 June 2003 \$	Financial period from 26 March 2002 to 30 June 2002 \$
INVESTMENT INCOME			
Dividends		12,124,379	409,344
Interest		84	2
		<hr/>	<hr/>
		12,124,463	409,346
LESS: EXPENSES	3	<hr/>	<hr/>
		(949,601)	(25,281)
NET INVESTMENT INCOME BEFORE INCOME TAX		<hr/>	<hr/>
		11,174,862	384,065
LESS: INCOME TAX	4	<hr/>	<hr/>
		(2,166,991)	(84,441)
NET INVESTMENT INCOME AFTER INCOME TAX		<hr/>	<hr/>
		9,007,871	299,624
NET GAINS OR LOSSES ON VALUE OF INVESTMENTS DURING THE YEAR/PERIOD			
Net realised losses on investments sold		(7,746,891)	(1,021)
Net unrealised appreciation/(depreciation) in value of investments		6,389,897	(4,864,309)
Net realised gains/(losses) on foreign exchange		14,049	(230)
Net unrealised gains/(losses) on foreign exchange		1,847	(351)
NET LOSSES ON VALUE OF INVESTMENTS		<hr/>	<hr/>
		(1,341,098)	(4,865,911)
TOTAL RETURN/(DEFICIT) FOR THE YEAR/PERIOD		<hr/>	<hr/>
		7,666,773	(4,566,287)

*The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

BALANCE SHEET

As at 30 June 2003

	Notes	2003 \$	2002 \$
PORTFOLIO OF INVESTMENTS		321,599,466	38,869,567
NON-CURRENT ASSET			
Preliminary expenses at cost, less amortisation	5	-	199,920
CURRENT ASSETS			
Net dividend receivables		1,474,776	8,578
Cash and bank balances		6,476,736	367,321
		<u>7,951,512</u>	<u>375,899</u>
LESS:			
CURRENT LIABILITIES			
Due to manager		629,258	246,201
Due to unitholders		5,746,000	-
		<u>6,375,258</u>	<u>246,201</u>
NET CURRENT ASSETS		<u>1,576,254</u>	<u>129,698</u>
NET ASSETS		<u>323,175,720</u>	<u>39,199,185</u>
UNITHOLDERS' FUNDS		<u>323,175,720</u>	<u>39,199,185</u>
UNITS IN ISSUE	6	<u>22,100,000</u>	<u>2,500,000</u>
		\$	\$
NET ASSET VALUE PER UNIT		<u>14.62</u>	<u>15.68</u>

The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUND

For the financial year ended 30 June 2003

	Notes	2003 \$	2002 \$
OPERATIONS			
Net investment income after income tax		9,007,871	299,624
Net losses on investments		(1,341,098)	(4,865,911)
Net increase/(decrease) in net assets resulting from operations		<u>7,666,773</u>	<u>(4,566,287)</u>
UNITHOLDERS' CONTRIBUTIONS/(WITHDRAWALS)			
Creation of units	7	299,677,578	43,765,472
Cancellation of units	7	<u>(11,946,816)</u>	-
Net increase in net assets resulting from net creation of units		287,730,762	43,765,472
DISTRIBUTION TO UNITHOLDERS	8	<u>(11,421,000)</u>	-
TOTAL INCREASE IN NET ASSETS		283,976,535	39,199,185
NET ASSETS:			
Beginning of year		39,199,185	-
End of year		<u>323,175,720</u>	<u>39,199,185</u>

*The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2003

	Holdings at 30 June 2003	Market Value at 30 June 2003 \$	Percentage of total net assets at 30 June 2003 %	Percentage of total net assets at 30 June 2002 %
SINGAPORE - QUOTED EQUITIES				
BY INDUSTRY				
FINANCE				
DBS Group Holdings Limited	3,734,725	38,467,668	11.90	
Great Eastern Holdings Limited	558,802	5,448,320	1.69	
Oversea-Chinese Banking Corporation	2,842,454	28,424,540	8.80	
Singapore Exchange Limited	3,222,363	4,414,637	1.37	
United Overseas Bank Limited	4,527,369	56,139,376	17.37	
		132,894,541	41.13	43.51
MANUFACTURING				
Chartered Semiconductor Manufacturing Limited	3,391,497	3,086,262	0.95	
Creative Technology Limited	176,689	2,491,315	0.77	
Elec & Eltek International Company Limited	272,184	910,804	0.28	
Fraser & Neave Limited	680,064	5,848,550	1.81	
GES International Limited	1,694,215	643,802	0.20	
People's Food Holdings Limited	960,636	922,211	0.29	
SembCorp Marine Limited	1,917,460	1,879,111	0.58	
Singapore Press Holdings Limited	1,179,281	21,580,842	6.68	
ST Assembly Test Services Limited	1,008,585	1,724,680	0.53	
Venture Corporation Limited	577,792	9,302,451	2.88	
Want Want Holdings Limited	1,942,411	2,668,360	0.83	
		51,058,388	15.80	15.66
HOTELS/RESTAURANTS				
Overseas Union Enterprise Limited	268,869	1,882,083	0.58	0.58
PROPERTIES				
CapitaLand Limited	2,986,646	3,703,215	1.15	
City Developments Limited	1,357,579	6,027,651	1.87	
Hongkong Land Holdings Limited	3,500,652	7,706,685	2.38	
Keppel Land Limited	1,080,567	1,383,126	0.43	
Singapore Land Limited	408,648	1,528,344	0.47	
United Overseas Land Limited	1,143,368	2,401,073	0.74	
Wing Tai Holdings Limited	1,244,529	920,951	0.28	
		23,671,045	7.32	8.43

The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2003 (continued)

	Holdings at 30 June 2003	Market Value at 30 June 2003 \$	Percentage of total net assets at 30 June 2003 %	Percentage of total net assets at 30 June 2002 %
SINGAPORE – QUOTED EQUITIES				
BY INDUSTRY				
MULTI-INDUSTRY				
Haw Par Corp Limited	196,876	854,442	0.26	
Keppel Corporation Limited	1,829,602	8,965,050	2.77	
NatSteel Limited	696,488	1,866,588	0.58	
SembCorp Industries Limited	3,085,935	3,949,997	1.22	
Singapore Technologies Engineering Limited	4,399,488	7,655,109	2.37	
		23,291,186	7.20	6.34
SERVICES				
Datacraft Asia Limited	787,760	1,387,403	0.43	
Parkway Holdings Limited	1,952,653	1,523,069	0.47	
		2,910,472	0.90	0.38
COMMERCE				
Cycle & Carriage Limited	367,980	1,817,821	0.56	
Dairy Farm International Holdings Limited	1,397,230	3,076,002	0.95	
Jardine Matheson Holdings Limited	1,163,506	12,602,376	3.90	
Jardine Strategic Holdings Limited	1,420,016	6,902,573	2.14	
		24,398,772	7.55	7.14
TRANSPORTATION/STORAGE/COMMUNICATION				
Comfordelgro Corp Limited	5,835,055	4,697,219	1.45	
Mobileone Limited	2,135,392	2,861,425	0.89	
Neptune Orient Lines Limited	2,591,184	3,834,952	1.19	
SembCorp Logistics Limited	722,401	1,358,114	0.42	
Singapore Airlines Limited	1,858,333	19,326,663	5.98	
Singapore Telecommunications Limited	18,125,716	27,369,831	8.47	
SMRT Corporation Limited	1,779,522	1,103,304	0.34	
Total Access Communication Public Company Limited	401,927	941,471	0.29	
		61,492,979	19.03	17.12
PORTFOLIO OF INVESTMENTS		321,599,466	99.51	99.16
CASH AND OTHER NET ASSETS		1,576,254	0.49	0.84
NET ASSETS		323,175,720	100.00	100.00

The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

PORTFOLIO STATEMENT

As at 30 June 2003 (continued)

	Market Value at 30 June 2003 SGD	Percentage of total net assets at 30 June 2003 %	Percentage of total net assets at 30 June 2002 %
DISTRIBUTION OF INVESTMENTS			
<i>a) By Country of Incorporation</i>			
Singapore	289,448,147	89.56	89.34
Hong Kong	30,287,636	9.37	9.60
Thailand	941,472	0.29	0.22
China	922,211	0.29	-
PORTFOLIO OF INVESTMENTS	321,599,466	99.51	99.16
<i>b) By Asset Class</i>			
Equities	321,599,466	99.51	99.16
Cash and other net assets	1,576,254	0.49	0.84
	323,175,720	100.00	100.00

*The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

SUMMARY OF FINANCIAL HIGHLIGHTS

For the financial year ended 30 June 2003

PER UNIT DATA

	2003	2002
	\$	\$
Net asset value at beginning of year/period	15.68	17.72
Income from investment operations		
Net investment income	0.47	0.12
Net realised and unrealised losses on investments	(1.02)	(2.16)
Total from investment operations	(0.55)	(2.04)
Less: Distribution	(0.51)	-
Net asset value at end of the year/period	14.62	15.68
Total Return	(0.40)	(1.90)

SUPPLEMENTAL DATA AND RATIOS

	2003	Period from 26 March 2002 to 30 June 2002
Net assets at end of the year/period	\$323,175,720	\$39,199,185
Ratio of expenses to weighted average net assets ^{bc}	0.37%	0.25%
Ratio of net investment income to weighted average net assets ^{bc}	3.36%	2.97%
Portfolio turnover rate ^a	3.93%	0.19%

- a 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.

The same accounting policies and methods of computation have been followed in these financial statements as compared with the financial statements for the financial period ended 30 June 2002, except as disclosed in 2 below.

- b Annualised ratios.

- c The expense ratio is computed from the annualised expenses for the year and includes a non-recurring amount relating to preliminary expenses written off in accordance with the Fund's accounting policies used in the presentation of these financial statements. Excluding this non-recurring amount, the expense ratio based on recurring expenses is 0.28%.

The expense ratio does not include brokerage and other transaction costs, foreign exchange gains/losses and tax deducted at source or arising out of income received.

*The accompanying notes form an integral part of these financial statements.
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streetTRACKSSM STRAITS TIMES INDEX FUND

SUMMARY OF FINANCIAL HIGHLIGHTS

For the financial year ended 30 June 2003 (continued)

SUPPLEMENTAL DATA AND RATIOS (continued)

2003

	Market value at 30 June 2003 SGD	Percentage of total net assets at 30 June 2003 %
10 LARGEST HOLDINGS AT BALANCE SHEET DATE		
United Overseas Bank Limited	56,139,376	17.37
DBS Group Holdings Limited	38,467,668	11.90
Oversea-Chinese Banking Corporation	28,424,540	8.80
Singapore Telecommunications Limited	27,369,831	8.47
Singapore Press Holdings Limited	21,580,842	6.68
Singapore Airlines Limited	19,326,663	5.98
Jardine Matheson Holdings Limited	12,602,376	3.90
Venture Corporation Limited	9,302,451	2.88
Keppel Corporation Limited	8,965,050	2.77
Hong Kong Land Holdings Limited	7,706,685	2.38
	229,885,482	71.13

2002

	Market value at 30 June 2002 SGD	Percentage of total net assets at 30 June 2002 %
10 LARGEST HOLDINGS AT BALANCE SHEET DATE		
United Overseas Bank Limited	6,768,186	17.27
DBS Group Holdings Limited	5,433,407	13.86
Oversea-Chinese Banking Corporation	3,908,222	9.97
Singapore Telecommunications Limited	2,923,051	7.46
Singapore Press Holdings Limited	2,764,826	7.05
Singapore Airlines Limited	2,826,545	7.21
Jardine Matheson Holdings Limited	1,444,516	3.69
Hong Kong Land Holdings Limited	1,170,011	2.98
Singapore Technologies Engineering Limited	998,970	2.55
City Development Limited	912,536	2.33
	29,150,270	74.37

*The accompanying notes form an integral part of these financial statements.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2003

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

1. GENERAL

streetTRACKSSM Straits Times Index Fund (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 10 April 2003 (amending and restating Trust Deed dated 26 March 2002) 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 investments at market value, and in accordance with the Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountant of Singapore and the Trust Deed.

The same accounting policies and methods of computation have been followed in these financial statements as compared with the financial statements for the financial period ended 30 June 2002, except as disclosed in 2(e) below.

(b) Recognition of income

Dividend income is taken up 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 accrual basis.

(c) Investments

Investments are stated at their market values prevailing at the date of the Balance Sheet. Market value is based on the last transacted price at that date. The difference between the market value and the original cost is transferred to the Statement of Total Return. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2003 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Foreign currencies

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.

(e) Preliminary expenses

Prior to 1 July 2002, expenses incurred in establishing the fund were amortised to the Statement of Total Return over three accounting years starting from June 2002.

Under Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts", all preliminary expenses are to be expensed off in the period the RAP becomes effective. On this basis, all remaining preliminary expenses capitalised as at 1 July 2002 have been fully written-off to the Statement of Total Return for the financial year ended 30 June 2003.

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

	2003	Financial period from 26 March 2002 to 30 June 2002
	\$	\$
Singapore income tax (<i>note a</i>)	2,166,991	82,314
Overseas income tax (<i>note b</i>)	-	2,127
Total income tax	<u>2,166,991</u>	<u>84,441</u>

(a) The Fund is included in the CPF Investment Scheme and its income is not taxable in Singapore except for tax deducted at source from Singapore sourced dividends.

(b) The overseas taxation represents tax withheld on foreign sourced dividends.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2003 (continued)

5. PRELIMINARY EXPENSES

	2003	2002
	\$	\$
Balance at the beginning the year/period	199,920	-
Preliminary expenses incurred during the period	-	205,632
Preliminary expenses incurred in prior period but not recorded	40,000	-
Less: Amortisation during the year	-	(5,712)
Less: Preliminary expenses written off during the year	(239,920)	-
Balance at the end of the year/period	-	199,920

The amortisation/preliminary expenses written off during the period/year is included as part of the expenses as set out in note 3.

6. UNITS IN ISSUE

	2003	2002
Units at beginning of the year/period	2,500,000	-
Units created	20,500,000	2,500,000
Units cancelled	(900,000)	-
Units at end of the year/period	22,100,000	2,500,000

7. CREATION/CANCELLATION OF UNITS

Included in the creation/cancellation of units balance are income equalisation amounts of \$4,673,304 (2002: \$26,758) and \$196,620 (2002: Nil) respectively which represents the amount imputed in the issue price or redemption proceeds (as the case may be) of the units issued or redeemed. This amount comprises the net undistributed dividends and other income received and held or receivable by the Fund up to the date of the issue or redemption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2003 (continued)

8. DISTRIBUTION

For the year ended 30 June 2003, the fund has declared a capital distribution of S\$0.25 per unit totalling S\$5,675,000 which was paid on 23 October 2002 and a dividend distribution of S\$0.26 per unit, net of tax at 22%, totalling S\$5,746,000 payable on 7 July 2003.

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.

9. 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:

	2003 \$
Bank balance held at DBS Bank	6,405,951
Bank balance held at State Street Bank and Trust Co.	70,784
	<hr style="border-top: 1px solid black;"/>
	6,476,735

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

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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