

AUSTRALIAN

RESEARCH

INDEPENDENT INVESTMENT RESEARCH

SPDR S&P/ASX 200 Financials Ex A-REIT Fund (OZF)

Company Overview

OZF is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 200 Financials Ex A-REIT sector. OZF was listed on the ASX AQUA market on 13 April 2011, and was launched to provide investors the ability to make sector specific investments. The fund is issued by State Street Global Advisors Australia Limited (SSgA), the asset management business of State Street Corporation, which has approx. US\$2T of assets under management. Retail investors can gain access to OZF through the ASX (once listed), whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. Citigroup Global Markets Australia Pty Ltd has been appointed as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The fund seeks to provide investors with the ability to gain exposure to the Australian Financials sector in a single transaction.

Style and Process

OZF is an index fund that tracks the S&P/ASX 200 Financials Ex A-REIT Accumulation Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns should be in line with the index; however, OZF will likely slightly underperform due to fees charged. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

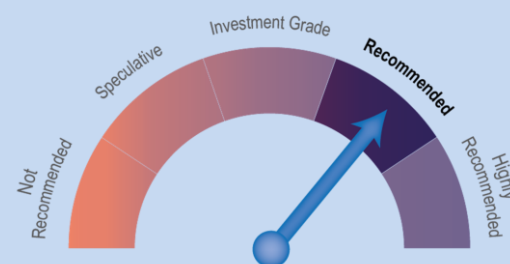
Portfolio Characteristics

The portfolio will mimic the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The index comprises 19 stocks. Four of these stocks account for in excess of 77% of the index, therefore fluctuations in these stocks will have a large impact on the performance of the index. Turnover is expected to be low.

Independent Investment Research Comments

OZF provides investors cost- and tax-effective exposure to the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The appointed market maker ensures that liquidity is available for investors. The fund will accrue dividends and distributions from the securities comprising the portfolio and distribute them semi-annually, net of fees and with any appropriate franking credits. The addition of OZF to the SPDR's suite of ETFs, offers investors the ability to gain access to the largest financial institutions listed on the ASX, in a single transaction, with high levels of transparency.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 200 Financial Ex A-REIT Index

INVESTMENT SECTORS

Financials

Key Investment Information

Price as at 23 November 2011	\$13.07
Market cap (\$M)	10.5
Shares on issue (M)	0.8
Shares traded (\$M p.a)	10.1
12-month L/H (\$)	11.60/15.25
Listing date	13 April 2011
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	na	na
TE (%)	na	na

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY08	na
FY09	na
FY10	na

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

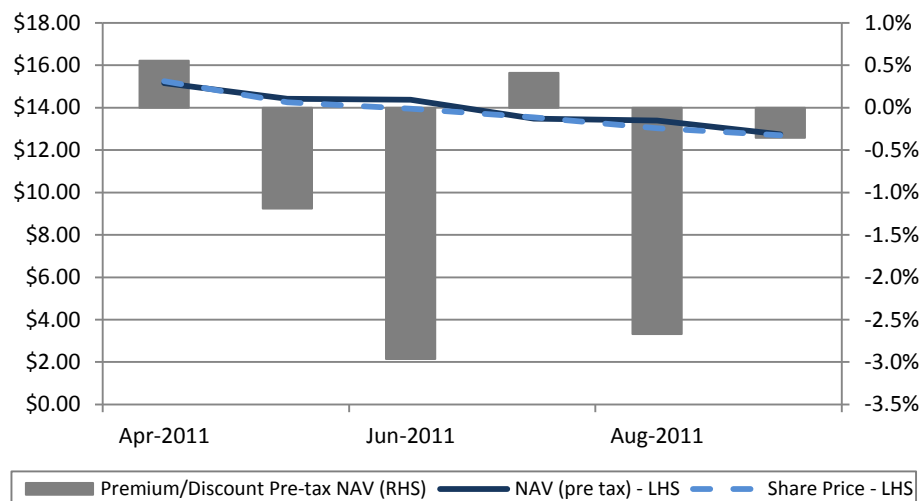
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

OZF's Portfolio (Top 10) Weighting

Code	(%)
CBA	23.5
WBC	20.4
ANZ	16.9
NAB	16.3
QBE	4.7
AMP	3.7
SUN	3.4
MQG	3.6
IAG	2.1
ASX	1.8
	95.2

Source all figures: OZF/Independent Investment Research/IRESS.
All data as at 30 September 2011 unless otherwise specified

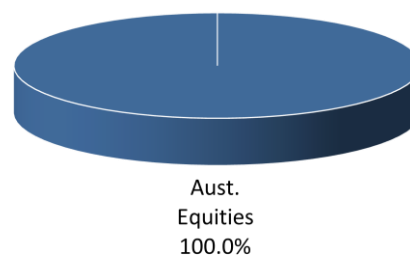
Historical Performance



Sector Breakdown

Sector	(%)
Energy	0.0
Materials	0.0
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	100.0
Property	0.0
Information Technology	0.0
Telecommunication Services	0.0
Utilities	0.0

Asset Weighting



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