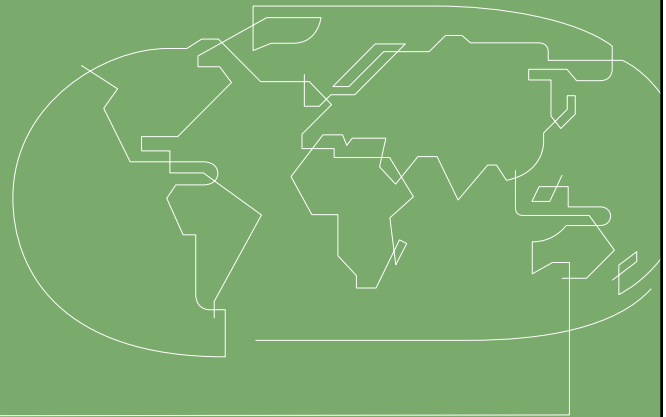


CORE AND EXPLORE TODAY'S WORLD

Thomas Reif
Global Portfolio Strategist, Asia Pacific

March 2018

This SSGA material is solely for investment professionals and is not intended for public dissemination.
The information contained in this document is current as of the date presented unless otherwise noted.



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It's a wonderful world!



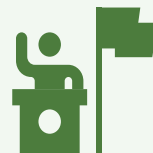
**LOW
GROWTH**



**LOW
INFLATION**



**INEFFECTIVE
POLICIES**



**DESTRUCTIVE
POLITICS**

Source: SSGA.
This document may contain certain statements deemed to be forward-looking statements. Please note that any such statements are not guarantees of any future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

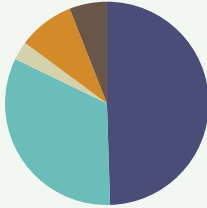
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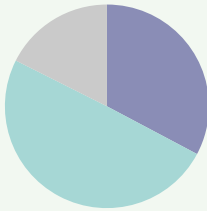
2

Typical asset allocation

Growth Allocation



Defensive Allocation



Asset Class

- Australian Equities
- International Equities
- Emerging Market Equities
- Australian Listed Property
- International Listed Property

Strategic Asset Allocation

Australian Equities	35%
International Equities	23%
Emerging Market Equities	2%
Australian Listed Property	6%
International Listed Property	4%
Growth Assets	70%
Australian Fixed Income	10%
International Fixed Income	15%
Cash	5%
Defensive Assets	30%
Total	100%

Source: SSGA Investment Solutions Group. For illustrative purposes only.

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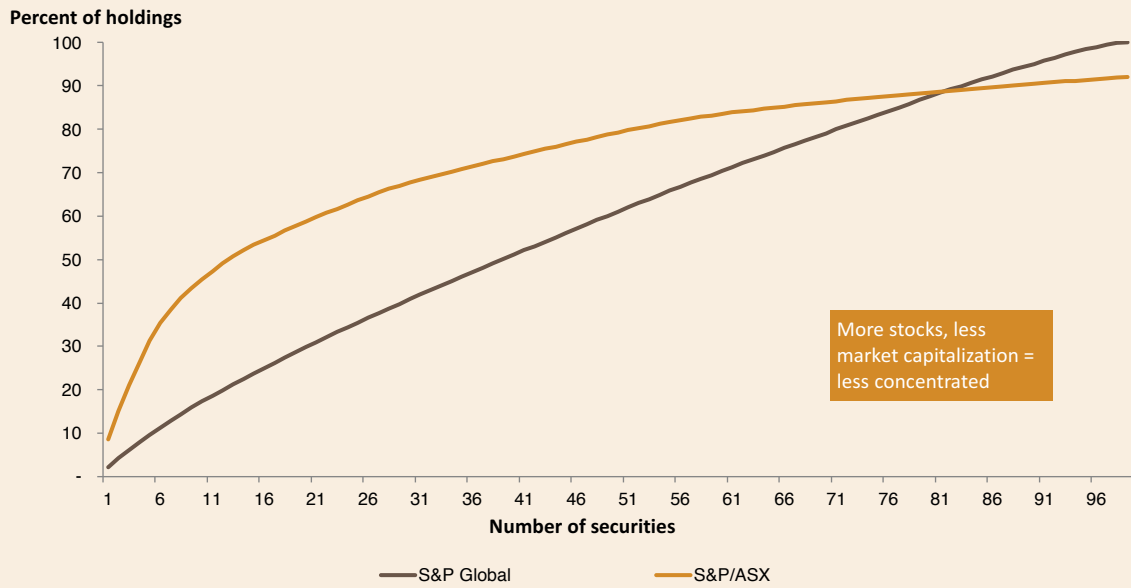
GLOBAL DIVIDEND

1

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Decreases concentration risk typically found in the Australian market



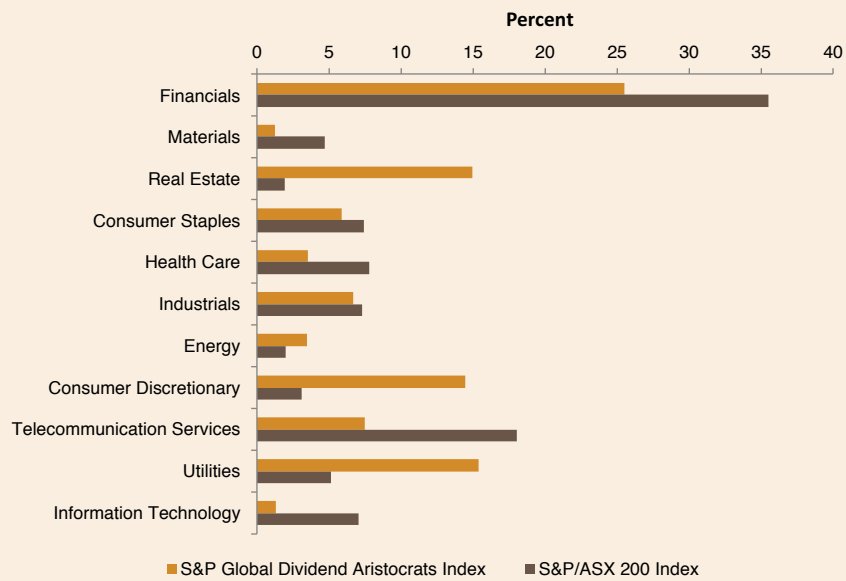
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Source: S&P, FactSet as at 31 January 2018. The information contained above is for illustrative purposes only.

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5

Reduces sector concentration risk typically found in the Australian market



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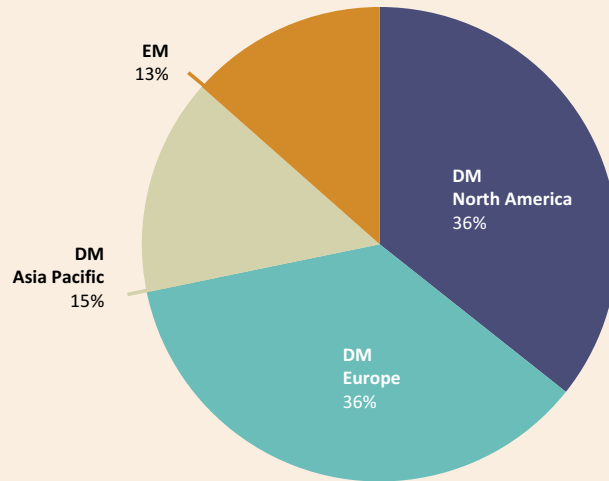
Source: S&P, FactSet as at 31 January 2018. The information contained above is for illustrative purposes only.

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6

Access to developed and emerging economies

Developed Markets (DM) and Emerging Market (EM) Weight of the S&P Global Dividend Aristocrats Index



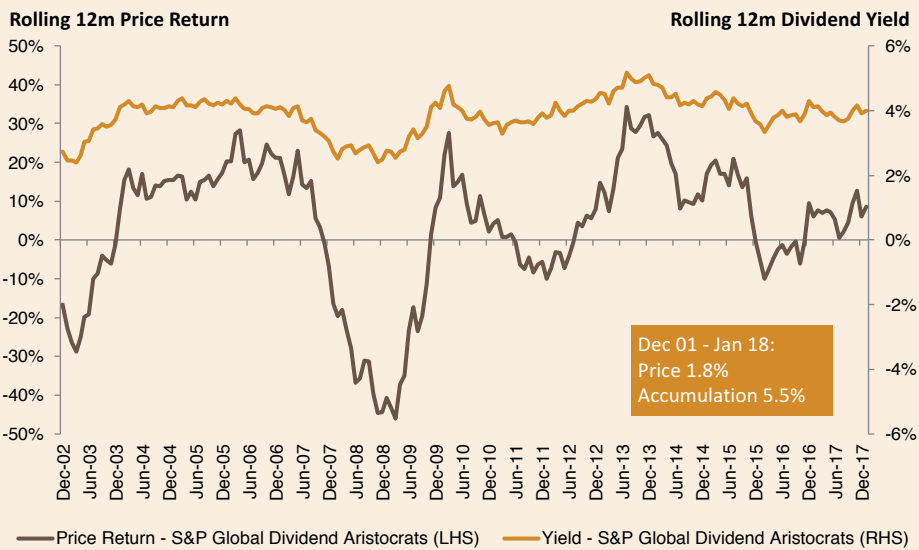
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Source: S&P, FactSet, as at 31 January 2018. Weights are as of the date indicated, subject to change, and should not be relied upon thereafter.

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Stability of dividend income versus growth in global shares (including reinvestment)



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Source: SSGA and S&P, as at 31 January 2018.

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MULTI-FACTOR SMART BETA

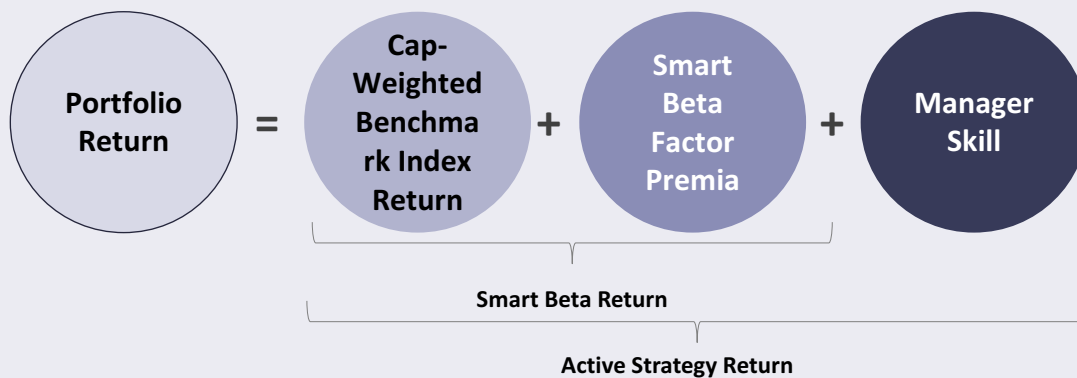
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Factors are the underlying drivers of the risks and return of an asset class

And they are the building blocks that enable investors to shape or achieve target investment returns

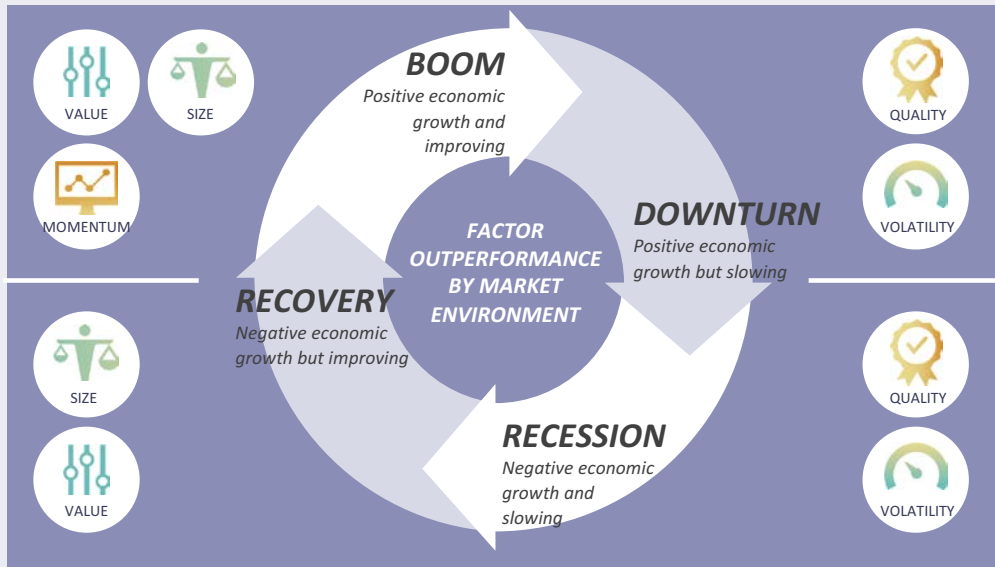


These Factors Have Generated Positive Excess Returns Over Historical Time Period, with Low Correlations

		20 Year Excess Returns versus MSCI World Index	20 Year Excess Return Correlations				
			VALUE	SIZE	LOW VOL	QUALITY	MOMENTUM
	Value	2.87%	1.00				
	Size	3.47%	0.56	1.00			
	Low Vol	2.64%	-0.10	-0.12	1.00		
	Quality	2.81%	-0.25	0.14	0.33	1.00	
	Momentum	3.14%	-0.16	0.10	-0.34	0.10	1.00

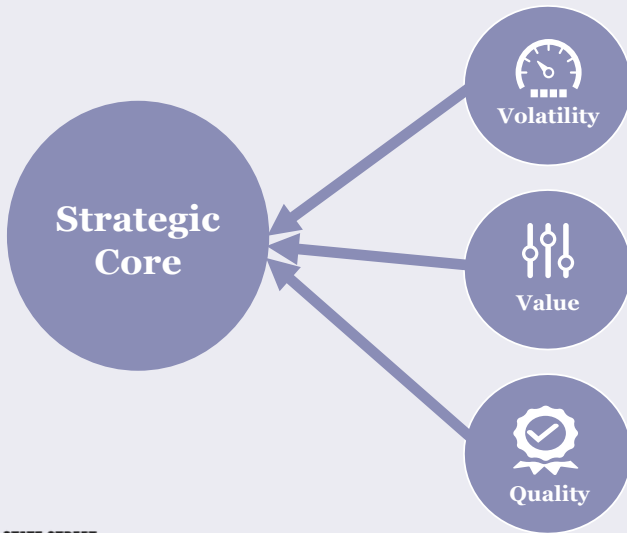
As at June 30, 2017. Backtested performance is not indicative of the past or future performance of any SSGA offering. The portion of results through 6/30/2017 represents a back-test of the SSGA Single Factor Optimized models shown, which means that those results were achieved by means of the retroactive application of the model which was developed with the benefit of hindsight. All data shown above does not represent the results of actual trading, and in fact, actual results could differ substantially, and there is the potential for loss as well as profit. The performance does not reflect management fees, transaction costs, and other fees and expenses a client would have to pay, which reduce returns. Please reference the Backtested Methodology Disclosure for a description of the methodology used as well as an important discussion of the inherent limitations of backtested results. Past index performance is not a guarantee of future results. Index returns do reflect capital gains and losses, income, and the reinvestment of dividends. Performance is calculated in USD.

Factors can outperform over time, but performance can vary by economic environment



Examples of multi-factor smart beta strategies

Strategic Core: Seek Reduced Risk, Increased Diversification And Improved Consistency of Performance



- Seek to reduce total risk
- Pro-cyclical: Favored in risk seeking environment
- Tend to Perform well during economic recovery and expansion
- Defensive Growth
- Less drawdown in market downturn
- Tend to perform well during economic slowdown

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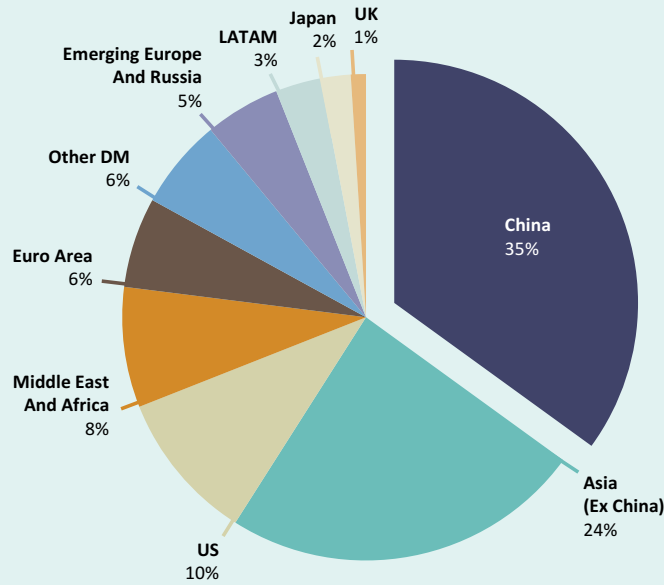
EMERGING MARKETS

3

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China's contribution to global GDP growth (purchasing power parity basis)



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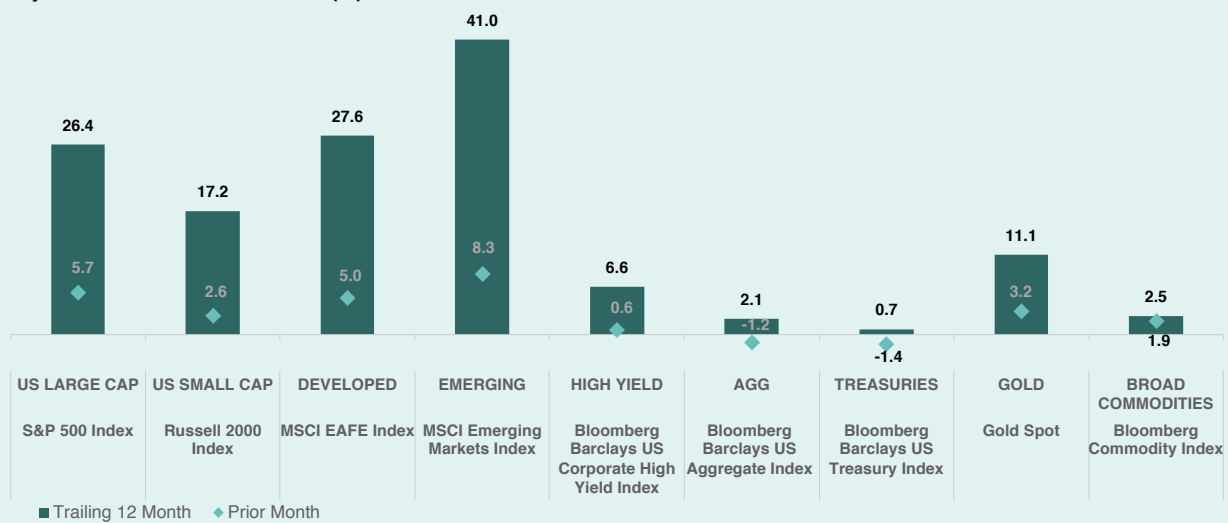
Source: IMF April 2017. Past performance is not a guarantee of future results.

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Asset class performance — Emerging market equities continue to leads

Major Asset Class Performance (%)



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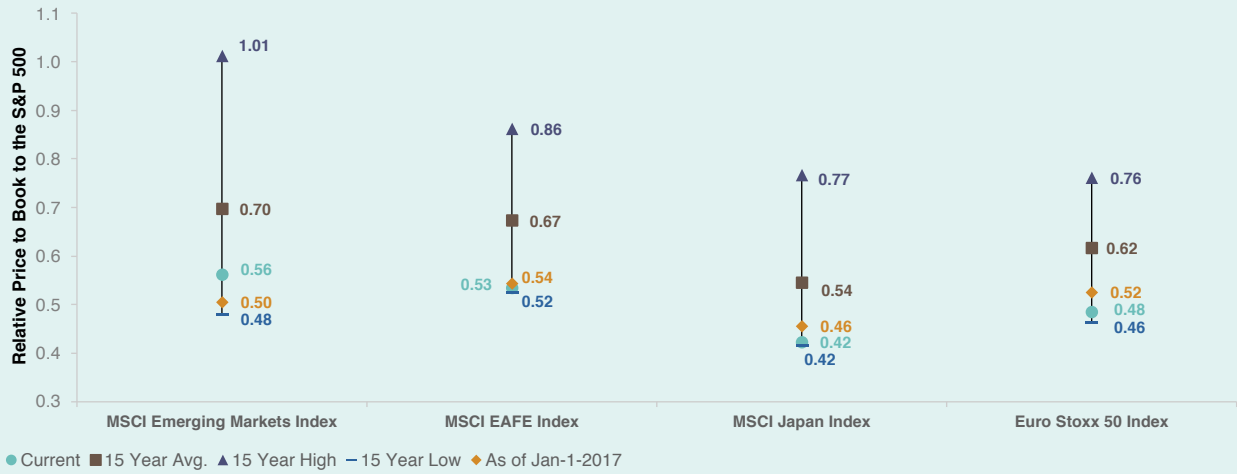
Source: Bloomberg Finance, L.P. As of January 31, 2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Performance returns for periods of less than one year are not annualized.

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Global valuations — Emerging market appear attractive on a relative basis

Global Equity Market Price to Book Ratios (P/B) Relative to the S&P 500 Index



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Source: Bloomberg Finance, L.P., State Street Global Advisors. As of January 31, 2018. Characteristics are as of the date indicated and should not be relied upon as current thereafter.

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TRADE IDEAS

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Explore today's world

Global Dividend

- Implementation idea: **SPDR® S&P® Global Dividend Fund (WDIV)**
- Investors looking for alternate income with upside participation.
- Low and increasing yields put pressure on the capital value of bonds.
- Potential to participate in the synchronized global growth with an alternative income stream.

Multi-Factor Smart Beta

- Implementation idea: **SPDR® MSCI World Quality Mix Fund (QMIX)**
- Defensively positioned diversified fund through its focus on higher quality and less volatile securities.
- Upside participation with value driver
- Removes the need to time the market through its multi-factor investment discipline.

Emerging Markets

- Implementation idea: **SPDR® S&P® Emerging Markets Fund (WEMG)**
- WEMG has approx. 30% China exposure, along with other global emerging markets.
- China growth hasn't slowed as much as anticipated with 6.8% growth in 2017 and 6.5% expectation for 2018.
- Potential to participate in this a globally synchronized growth environment, including Russia and Brazil.

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Source: SSGA, as at 31 January 2018.
The information provided herein does not constitute investment advice and is not a solicitation. It does not take into account any investor's particular investment objectives, risk tolerance, or financial and tax status. You should consult your tax and financial advisor. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information.

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WHY ETFs?

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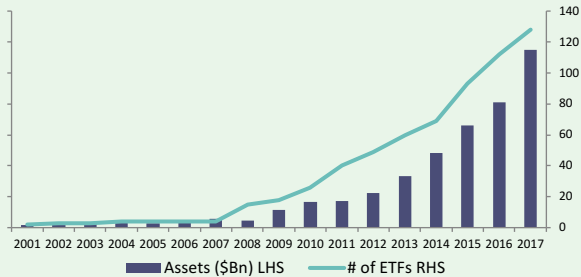
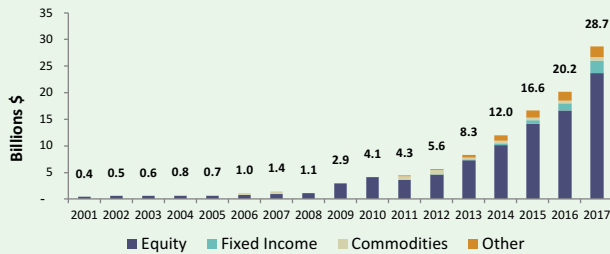
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The rise of exchange traded funds

635,000 Australian investors placed at least one online share trade in the 12 months to May 2017¹

MARKET GROWTH

Total Australian ETF assets under management: **\$28.7 billion**



Source: Morningstar Direct, total year end ETF assets in AUD 2001 - 2017.

MARKET TRENDS

¹ Source: Investment Trends 2017 SMSF Investor Reports.



Portfolio Construction

ETFs based model portfolio and managed accounts

More choice

21 new ETFs added in the 12 months to September 2017.¹

Key Themes

Discussions continue to focus on ESG, Income, Global Equities, Currency, Smart-Beta

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What is an ETF?

- Exchange Traded Funds (ETFs) combine the best features of a fund and a security and are traded on exchange, creating a cost-efficient, transparent and liquid tool for investment management



- The ETF typically **buys and holds the exact same basket of shares** as a particular market index in the exact same weightings.
- The ETF is **priced daily at NAV** but **also trades like a stock** through out the day **on-exchange**
- The security that is the ETF **clears and settles just like a normal equity** through standard brokerage systems
- The ETF has **segregated liability between other funds/umbrellas** with separated custody accounts

Source: SSGA. The information contained above is for illustrative purposes only.



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BENEFITS OF ETFS

- Low cost
- Exchange traded
- Traded throughout the day
- Access to difficult exposures
- Trading flexibility
- Tax efficiency
- ASIC regulated
- Simplified administration
- Easy diversification
- Transparency

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A global reach through a local presence

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APPENDIX

State Street – responsible for 11% of the world’s assets¹

SSGA is the world’s third largest asset manager, leveraging State Street’s global scale, infrastructure and relationships



STATE STREET

Custodian bank with \$31 trillion²
under custody and administration

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Institutional, investor-
focused asset manager

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SPDR

#3 ETF provider in the world⁷



● Global locations of State Street Global Advisors⁵

SPDR ETFs is the exchange traded fund offering from State Street Global Advisors

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1978	Launch of business
#3	Global asset manager ³
\$2.61	Trillion in Total AUM ⁴
\$1.87	Trillion in Passive AUM ⁴
14	Product domiciles
24hr	Global trading capability
2,800+	Employees around the world
11	Investment centres

AUM by category⁶

\$1.5tn in Equities
\$417bn in Fixed Income
\$100bn in Smart Beta
\$156bn in Alternatives, including ESG

All figures are in USD. ¹State Street and McKinsey Global Institute, January 2017. ²Source: State Street 30 June 2017 ³Pensions and Investments Research Center, 31 December 2015. ⁴AUM reflects approx. \$34.06 billion (as of 30 June 2017) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated. ⁵Locations can be found in the following countries: Australia, Belgium, Canada, United Arab Emirates (Dubai), France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, Singapore, Switzerland, United Kingdom, and United States. ⁶SSGA as of 31 May 2017 ⁷SSGA as of 31 May 2017.

The original ETF innovation

Creator of the first ETF and third largest ETF provider in the world by assets under management¹

Global Heritage

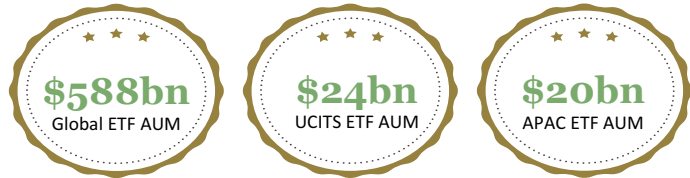
- In 1993, SPDR created the first ETF, SPY, which tracks the S&P 500 and is the largest ETF in the world.²
- SSGA have 40 years of indexing experience.
- SPDR is backed by the strength and access of SSGA, the third-largest asset manager in the world with USD\$2.67 trillion in AUM.³

Local Presence

- In 2001, SPDR pioneered the Australian ETF market with the launch of STW and SFY
- Third largest ETF provider with A\$5.7 billion in AUM.⁴

2018 Focus

- Our business revolves around the needs of our clients.
- Product review and development – seeking feedback from clients.
- Remain core, focus on our unique products and enhancing our model portfolio offerings.



Source: SSGA. Figures represent SPDR AUM and are in US dollar.

“A leading investment manager in the global ETF market and has significant scale, experience, and resources for effectively managing and structuring ETFs both in Australia and abroad.”

Lonsec Manager Review⁵

Source: 1 Bloomberg Finance L.P., as at 30 June 2017. 2 Bloomberg Finance L.P., as of 9/30/2017 3 AUM reflects approx. USD \$36.00 billion (as of September 30, 2017) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated. 4 ASX Monthly Fund Report, as at 31 December 2017. 5 According to 2017 Lonsec Manager Review for State Street Global Advisors, Australia Services Limited

Australian Listed SPDR ETFs

16 SPDR ETFs covering major beta sources

Australian shares

SPDR S&P/ASX 200 Fund	STW
SPDR S&P/ASX 50 Fund	SFY
SPDR S&P/ASX Small Ordinaries Fund	SSO
SPDR S&P/ASX Listed Property Fund	SLF
SPDR S&P/ASX 200 Financials ex A-REIT Fund	OZF
SPDR S&P/ASX 200 Resources Fund	OZR

Australian Fixed Income

SPDR S&P/ASX 200 Australian Bond Fund	BOND
SPDR S&P/ASX 200 Australian Government Bond Fund	GOVT

International shares

SPDR S&P 500 ETF Trust	SPY
SPDR S&P World ex Australia Fund	WXOZ
SPDR S&P World ex Australia (Hedged) Fund	WXHG
SPDR S&P Emerging Markets Fund	WEMG
SPDR Dow Jones Global Real Estate Fund	DJRE

Smart Beta

SPDR MSCI World Quality Mix Fund	QMIX
SPDR MSCI Australia Select High Dividend Yield Fund	SYI
SPDR S&P/ASX Global Dividend Fund	WDIV

as of 25 January 2018.

SPDR® S&P® Global Dividend Fund

WDIV

An allocation to WDIV can help address several issues important for investors today: the search for yield, diversification across regions of the globe and a desire to participate in rising equity markets with potentially less volatility.

ETF characteristics

ASX Ticker	WDIV
Structure	ASX quoted and traded Australian managed investment scheme
Underlying index	S&P Global Dividend Aristocrats Index
Expense ratio	0.50% capped
Portfolio managements	Physically backed, full replication.
Distribution frequency	Semi-annually (DRP option available)
Index descriptions	Measures the performance of the highest dividend yielding companies within the S&P Global Broad Market Index that have followed a policy of increasing or stable dividends for at least 10 consecutive years.

Source: SSGA, as at 31 January 2018.
Past performance is not a reliable indicator of future performance. Diversification does not ensure a profit or guarantee against loss.

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Index Methodology: S&P Global Dividend Aristocrats Index

The index methodology aims to achieve a balance between:

- High Dividend Yield
- Dividend Sustainability
- Growth

Stability Criteria

Dividend Growth	Payout Ratio	Dividend Yield
Increased dividends or maintained stable dividends every year for at least 10 consecutive years	Maximum 100% dividend payout ratio for new index constituents and non-negative dividend payout ratio for existing index constituents	Maximum 10% indicated dividend yield at rebalance reference date

Eligibility Factors

Market Cap	Liquidity	Country Cap	Diversification
Float-adjusted market capitalisation of at least USD1 billion as of rebalance reference date	Average daily value traded of at least USD5 million for 3 months prior to rebalance date	The top 100 stocks with the highest indicated dividend yield are selected, with the number of stocks from each country capped at 20	Individual stocks capped at 3% and maximum 25% in each GICS sector (at rebalancing date)

Selection Universe

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Source: S&P
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Characteristics: SPDR[®] S&P[®] Global Dividend Fund

Characteristics

Number of holdings	99
Dividend Yield	4.26%
FY1 P/E	15.25
P/E	14.47

Top 10 holdings

Company Name	Weight (%)
Fortum	2.16
Waddell & Reed	2.07
Abertis Infraestructuras	1.77
Ig Group Holdings	1.76
Edp	1.63
Truworths International	1.54
Starhub	1.53
Mr Price Group	1.51
Ashmore Group	1.47
Axel Springer Se	1.37
Top 10 holdings	16.81

Performance as at 31/12/2017

	1 month	3 months	6 months	1 year	3yrs pa.	5yrs pa.
Growth	-2.44%	4.12%	5.05%	5.47%	2.85%	-
Distribution	1.85%	1.97%	1.99%	4.33%	5.80%	-
Total Return	-0.59%	6.10%	7.04%	9.80%	8.65%	-

Top 5 countries

United States	19.7%
Canada	16.3%
United Kingdom	12.2%
South Africa	7.6%
Hong Kong	7.0%
Top 5 countries	62.8%

Top 5 sectors

Financials	25.6%
Utilities	15.3%
Real Estate	14.9%
Consumer Disc.	14.4%
Telecommunications	7.6%
Top 5 sectors	77.8%

Source: FactSet, S&P, SSGA, as at 22 January 2018.
 Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be used or construed as an offer to sell, a solicitation of an offer to buy, or a recommendation for any security. Returns for less than one year are not annualised. Past performance is not a reliable indicator of future results. The performance figures contained herein are provided on a net of fees basis, before taxes but after management and transaction costs. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in AUD.

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SPDR MSCI World Quality Mix Fund

QMIX

Seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the MSCI World Factor Mix A-Series Index.

ETF characteristics

ASX Ticker	QMIX
Structure	ASX quoted and traded Australian managed investment scheme
Underlying index	MSCI World Factor Mix A-Series Index
Expense ratio	0.40% capped
Portfolio managements	Physically backed, optimised
Distribution frequency	Semi-Annually
Index descriptions	The MSCI World Factor Mix A-Series Index captures large-and mid-cap representation across 24 developed countries and aims to represent the performance of value, low volatility, and quality factor strategies. The Index is an equal weighted combination of the following three MSCI Factor Indices in a single composite index: the MSCI World Value Weighted Index, the MSCI World Minimum Volatility Index, and the MSCI World Quality Index (each, a "Component Index").

Source: SSGA, as at 31 January 2018.
 Past performance is not a reliable indicator of future performance. Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

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Characteristics: SPDR[®] MSCI World Quality Mix Fund

Characteristics

Number of holdings	520
Dividend Yield	2.30%
FY1 P/E	18.73
P/E	20.43

Top 10 holdings

Company Name	Weight (%)
Apple Inc.	2.29
Microsoft Corp	2.26
Johnson & Johnson	1.80
Alphabet Class C	1.08
Visa	1.07
Alphabet Class A	1.01
Mastercard CI A	0.93
Roche Hldgs (Genus)	0.92
Intel Corp	0.89
Wal-Mart Stores	0.83
Top 10 holdings	13.08

Performance as at 31/12/2017

	1 month	3 months	6 months	1 year	3yrs pa.	5yrs pa.
Growth	-2.09%	5.83%	8.41%	10.22%	-	-
Distribution	0.64%	0.69%	0.71%	2.65%	-	-
Total Return	-1.45%	6.52%	9.12%	12.87%	-	-

Top 5 countries

United States	58.4%
Japan	9.1%
United Kingdom	6.4%
Canada	4.2%
Switzerland	4.0%
Top 5 countries	82.1%

Top 5 sectors

Information Tech	18.3%
Financials	14.6%
Consumer Disc.	12.1%
Health Care	11.9%
Consumer Staples	11.7%
Top 5 sectors	68.6%

Source: FactSet, S&P, SSGA, as at 22 January 2018.
 Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be used or construed as an offer to sell, a solicitation of an offer to buy, or a recommendation for any security. Returns for less than one year are not annualised. Past performance is not a reliable indicator of future results. The performance figures contained herein are provided on a net of fees basis, before taxes but after management and transaction costs. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in AUD.

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SPDR[®] S&P[®] Emerging Markets Fund

WEMG

Seeks to provide investment return, before fees and other costs, that closely correspond to the performance of the S&P Emerging Markets LargeMidCap Index.

ETF characteristics

ASX Ticker	WEMG
Structure	ASX quoted and traded Australian managed investment scheme
Underlying index	S&P Emerging Markets Large Mid Cap Index
Expense ratio	0.65% capped
Portfolio managements	Physically backed, optimised
Distribution frequency	Annually (DRP option available)
Index descriptions	The S&P Emerging Markets LargeMidCap Index is constructed from the large- and mid-cap segment of each emerging country in the S&P Global BMI representing the top 85% of the float-adjusted market capitalisation of each emerging country.

Source: SSGA, as at 31 January 2018.
 Past performance is not a reliable indicator of future performance. Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

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Characteristics: SPDR[®] S&P[®] Emerging Markets Fund

Characteristics

Number of holdings	419
Dividend Yield	2.11%
FY1 P/E	16.11
P/E	17.68

Performance as at 31/12/2017

	1 month	3 months	6 months	1 year	3yrs pa.	5yrs pa.
Growth	0.91%	7.27%	13.22%	22.79%	7.49%	-
Distribution	0.00%	0.00%	0.00%	1.78%	1.99%	-
Total Return	0.91%	7.27%	13.22%	24.57%	9.48%	-

Top 10 holdings

Company Name	Weight (%)
Tencent Holdings (P Chip)	6.00
Alibaba Group Holding Ads (N Shares)	3.96
Taiwan Semiconductor Manufacturing	3.18
Naspers	2.52
China Construction Bank (H)	2.11
Hdfc Bank Ltd	1.73
Reliance Inds	1.39
Industrial And Commercial Bank Of China (H)	1.29
Baidu Ads (N Shares)	1.25
Infosys Ltd	1.21

Top 10 holdings

Top 5 countries

China	31.8%
Taiwan	13.7%
India	12.1%
Brazil	7.9%
South Africa	7.6%
Top 5 countries	73.1%

Top 5 sectors

Financials	28.2%
Information Tech	23.0%
Consumer Disc.	10.1%
Energy	7.8%
Material	7.5%
Top 5 sectors	76.6%

Source: FactSet, S&P, SSGA, as at 22 January 2018. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be used or construed as an offer to sell, a solicitation of an offer to buy, or a recommendation for any security. Returns for less than one year are not annualised. Past performance is not a reliable indicator of future results. The performance figures contained herein are provided on a net of fees basis, before taxes but after management and transaction costs. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in AUD.

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Global Single Factor Optimized Back-Tested Performance Footnotes

Provides footnotes for back-tested performance shown on page 11.

Global Multi-Factor Optimized Performance:

Returns are back-tested from January 1, 1997 to June 30, 2017. Average turnover was approximately 21% for Value, 21% for Quality, 100% for Momentum, 20% for Volatility, and 27% for Size – all annually (one-way), with annual rebalancing.

The testing methodology is an optimized process to generate historical portfolios. The data used was only the data which would have been available at the time when the historical portfolios were generated, now what is available now. These processes help to eliminate various forms of survivorship bias, both in terms of a “smarter model” and in terms of making decisions based on information that was not available at the time.

The results shown do not represent the results of actual trading using client assets but were achieved by means of the retroactive application of an investment process that was designed with the benefit of hindsight, otherwise known as back-testing. Thus, the performance results noted above should not be considered indicative of the skill of the advisor or its investment professionals. The back-tested performance was compiled after the end of the period depicted and does not represent the actual investment decisions of the advisor. These results do not reflect the effect of material economic and market factors on decision making. In addition, back-tested performance results do not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risks associated with actual investing.

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The back-tested performance data is reported on a gross of fees. Additional fees, such as the management fee, would reduce the return. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting return would be reduced from 61% to 54%. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

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