

Report and Financial Statements (unaudited)

For the period ended 30th June 2018

State Street Europe Ex UK Equity Tracker Fund

State Street Europe Ex UK Equity Tracker Fund

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State Street Europe Ex UK Equity Tracker Fund

Manager's Report

For the period ended 30th June 2018

Authorised Status

This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and it is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook. The unitholders are not liable for the debts of the Fund.

Investment Objective and Policy

The objective of the Fund is to replicate, as closely as possible, and on a "gross of fees" basis, the return of the Europe Ex UK equity market as represented by the FTSE Developed Europe Ex UK Index (the "Index") net of unavoidable withholding taxes (or its recognised replacement or equivalent).

The Manager will seek to achieve this objective principally by investing in the shares of certain companies included from time to time in the Index considered by the Investment Adviser to reflect accurately the performance of that Index. The Fund may also invest in transferable securities, money market instruments, warrants, units in collective investment schemes, deposits and derivatives.

The Fund may invest in collective investment schemes managed or operated by companies in the same group as the Manager or the Investment Adviser. The Fund will seek to track the performance of the Index whilst seeking to minimise as far as possible the tracking error between the Fund's performance and that of the Index.

Strategy

The fund is constructed to track, on a gross of fees basis, the performance of the FTSE Developed Europe ex-UK Index (the "Index"). The fund is managed on a fully replicated basis, and typically has a portfolio of approximately 430 stocks. The emphasis is on maintaining tracking precision, and a combination of stocks is selected to minimise deviation from the Index. The fund is managed to remain neutral on all factors contributing to risk.

Performance

The fund returned -1.24% for six-month period ending on 30th June 2018, compared to the Index return of -1.73%. The size of the fund's tracking difference for the six months ending on 30th June 2018 was 0.49%, the outperformance being largely attributable to uplift from beneficial tax rates versus the Index. One year ex-post tracking error was 0.22%.

Market Review

2018 commenced with an acceleration of positive momentum in global equity markets following what was the strongest year for global equity markets since 2009. Providing fuel for the broad global gains were expectations of a second year of improving global economic growth and a strong 2017 Q4 earnings season in which nearly 80% of US companies reporting through the end of January beat consensus earnings expectations. The gains experienced by global equity markets and the historically low volatility across asset classes came to an abrupt end, with US equities falling into correction territory for the first time in two years in February. Premonitions that equity market resilience would be tested in February began to emerge in the closing days of January as the CBOE VIX Index of implied volatility finished the month at the highest closing level since the end of 2016. Concerns around inflation and higher yields receded in early March with the release of the February US jobs report. Global markets were tested again in the second half of the reporting period by apprehensions about disruption to global trade, central bank decisions and a return of geopolitical concerns. From 1 January 2018 to 30 June 2018, global equities declined. Regionally performance was mixed with developed advancing whilst emerging markets declining.

European ex-UK equity markets ended lower, tested by global trade concerns despite being mostly positive in the second half of the reporting period. Political uncertainty resurfaced in the eurozone. After five months of political impasse, Angela Merkel finally secured her fourth term as Germany's Chancellor on 14 March. In Spain, parliament voted against Prime Minister Mariano Rajoy in a vote of confidence. In Italy, the March general elections witnessed anti-EU parties essentially winning and support for centre parties dwindling, an event largely underestimated by the polls. At the end of May, an attempt by two populist parties in Italy, League and 5-Star, to form a government was blocked by President Sergio Mattarella, who prevented the appointment of a Eurosceptic finance minister. By the beginning of June, a new government was finally formed, 88 days since the March general election, with Giuseppe Conte named as the Italian prime minister.

State Street Europe Ex UK Equity Tracker Fund

Manager's Report (continued)

For the period ended 30th June 2018

The eurozone has contended with slowing economic performance relative to expectations, as evidenced by a decline in the Citibank Eurozone Economic Surprise Index from just under +50 at the start of the year to -100 in mid-June, though the index did recover to around -60 to close the second quarter. The combination of political uncertainty and moderating economic performance likely contributed to the dovish guidance provided by the European Central Bank (ECB) at its June meeting, extending forward the possibility of any rate hike by the ECB until at least the second half of 2019. The ECB announced its decision to end quantitative easing (QE) purchases entirely in December and to reduce the pace of its net QE purchases to €15 billion a month in the fourth quarter of 2018.

A Brexit transition agreement was reached between the UK and the EU during the reporting period; however, numerous issues remained unresolved, particularly concerning the Irish border. Within the Conservative Party, conflicts arose between UK Prime Minister May's administration and "soft" Brexit supporters regarding the role of Parliament around the EU withdrawal bill and whether to use as "a new customs union with the EU" as a negotiating objective. The Bank of England (BOE) left rates unchanged in the first half of the reporting period. In the second half of the reporting period, following a number of discouraging economic data releases in the UK, the BOE again left rates unchanged and in June voted to maintain the stock of corporate and UK government bond purchases.

Outside of Europe, the Trump administration took a more aggressive trade stance in March by announcing the imposition of tariffs of 25% and 10% on imported steel and aluminium, respectively. Concerns about the negative economic impact of those tariffs receded, however, with the subsequent exclusion of some of the largest exporters of steel and aluminium to the US including Canada, Mexico and the European Union. Seemingly more impactful to markets was the announcement on 22 March of possible tariffs on \$60 billion in Chinese goods followed by an announcement from China that it would respond in kind imposing tariffs on a select list of US imports. President Trump sanctioned a final list of tariffs on approximately \$50 billion worth of Chinese imports on 15 June. China responded they would impose reciprocal tariffs. The trade tensions between the US and China and the potential collateral damage on other economies weighed on global equity markets during the reporting period despite improving economic data.

The Federal Reserve (Fed) raised rates by 25 basis points to 1.75% in March in a widely expected move. After the Fed's rate hike, central banks in Asia Pacific followed suit as widely expected. The Hong Kong Monetary Authority raised its base rate by 25 basis points to 2.0% and the People's Bank of China raised interest rates on its 7-day reverse repurchase agreement by 5 basis points to 2.55%. The Fed raised rates again in June, by 25 basis points to 2.00%, and was more hawkish in their guidance regarding the course of future rate hikes. Bank of Japan (BOJ) Governor Haruhiko Kuroda was re-elected for a second term; he has vowed to maintain a loose monetary policy given Japan's still-weak inflation. The BOJ left rates unchanged over the reporting period.

Index Activity

A March review of the Index witnessed twelve inclusions and zero exclusions. The largest of the inclusions was Fischer (Georg) (Switzerland), Rheinmetall AG (Germany), and Elis SA (France). During a June review of the Index, there were no inclusions and two exclusions. The securities excluded were Arjo B (Sweden) and Getinge B (Sweden).

Outlook

While we will not hazard to call the top of the equity markets, we know we are closer to the end of this cycle than to the beginning. This is what drives us to be more cautious and take some risk off the table. While we still maintain an overweight to US large caps, we are underweight to Europe and retain a small overweight to both Japanese and emerging market equities. With the increased capital expenditure in the US, we see the potential for lengthening the runway for US stocks. But there are enough uncertainties still around geopolitics, trade protectionism and inflation risk for us to adopt a more defensive approach and deploy our teams' stock-picking skills to identify attractive, late-cycle opportunities.

Sensitivity Analysis

Derivatives are used in the fund for efficient portfolio management purposes. The fund invests in the EURO STOXX 50, Swedish OMXS30 Index, and Eurex Swiss Market New Index futures as these are the closest matches to the Index. The main application of futures is in managing client inflows and outflows and to hedge accrued income. At all times the futures exposure is covered entirely by cash or cash equivalents.

As at 30 June 2018, the fund had a futures holding of 1.45%.

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Manager's Report (continued)

For the period ended 30th June 2018

Risk and Reward Profile



Risk Disclaimer

The risk category above is not a measure of capital loss or gains but of how significant the rises and falls in the Fund's return have been historically.

For example a fund whose return has experienced significant rises and falls will be in a higher risk category, whereas a fund whose return has experienced less significant rises and falls will be in a lower risk category.

The lowest category (i.e. category 1) does not mean that a fund is a risk free investment.

As the Fund's risk category has been calculated using historical data, it may not be a reliable indication of the Fund's future risk profile.

The Fund's risk category shown is not guaranteed and may change in the future.

Why is this Fund in this category?

The Fund is in risk category 5 as its return has experienced medium to high rises and falls historically.

The following are material risks relevant to the Fund which are not adequately captured by the risk category.

Index Tracking Risk: The Fund's performance may not exactly track the Index. This can result from market fluctuations, changes in the composition of the Index, transaction costs, the costs of making changes to the Fund's portfolio and other Fund expenses.

Liquidity Risk: It may be difficult for the Fund to buy or sell certain investments in difficult market conditions. Consequently the price obtained when selling securities may be lower than under normal market conditions.

Concentration Risk: A Fund that purchases a limited number of securities, or only securities of a limited number of countries or industries may experience higher changes in value than a fund that does not limit its investments.

Counterparty Risk: Other financial institutions provide services to the Fund, acting as a counterparty to financial derivative transactions. There is a risk that these institutions may not be able to perform their obligations. This could reduce the value of the Fund's investments.

Derivatives Usage

Derivatives are used in the fund for efficient portfolio management purposes. The fund invests in the EURO STOXX 50, Swedish OMXS30 Index, and Eurex Swiss Market New Index futures as these are the closest matches to the Index. The main application of futures is in managing client inflows and outflows and to hedge accrued income. At all times the futures exposure is covered entirely by cash or cash equivalents.

As at 30th June 2018, the Fund had a total notional exposure to futures of £59,682,424.

Tracking Error

The Tracking Error measures the standard deviation of the relative returns. It is the annualised standard deviation of the returns of a fund minus those of its benchmark (relative returns) and not the standard deviation of each fund's unique returns. The lower the tracking error of a fund, the more the Fund resembles its benchmark or the market regarding risk and return characteristics.

The size of the Fund's tracking error for the twelve months ended 30th June 2018 was 0.22% which was within the targeted tolerance.

State Street Europe Ex UK Equity Tracker Fund

Manager's Report (continued)

For the period ended 30th June 2018

Distribution

There will be a distribution of 4.4215 pence per unit payable on 31st August 2018 (31.8.17: 3.9444).

State Street Europe Ex UK Equity Tracker Fund

Manager's Report (continued)

As at 30th June 2018 (unaudited)

Securities Financing Transactions (SFT)

1) Global Data

Proportion of securities and commodities on loan as at 30th June 2018

	£'000	%
Total lendable assets excluding cash and cash equivalents:	3,694,349	
Securities and commodities on loan	188,557	5.10%

Assets engaged in SFTs and total return swaps as at 30th June 2018

	£'000	%
Fund assets under management (AUM)	4,141,936	
Absolute value of assets engaged in:		
Securities lending	188,557	4.55%

2) Concentration Data

Top 10 Collateral Issuers

Name and value of collateral and commodities received as at 30th June 2018

	£'000
France, Republic of (Government)	26,290
United Kingdom of Great Britain and Northern Ireland (Government)	23,346
United States of America (Government)	21,289
Germany, Federal Republic of (Government)	19,270
Belgium, Kingdom of (Government)	14,146
Netherlands, Kingdom of the (Government)	13,260
Austria, Republic of (Government)	4,994
Kering SA	2,779
Canada (Government)	2,328
Ping An Insurance Group Co of China Ltd	2,214

Top 10 Counterparties

Name and value of outstanding transactions as at 30th June 2018

Securities lending

	£'000
UBS	62,669
JP Morgan Securities	40,188
Morgan Stanley International	23,999
Merrill Lynch	21,483
Societe Generale	11,460
Credit Suisse (Dublin)	10,561
Deutsche Bank	6,668
Citigroup Global Markets (UK)	6,238
Credit Suisse Securities (Europe)	5,291

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Manager's Report (continued)

As at 30th June 2018 (unaudited)

3) Aggregate Transaction Data

Type, Quality and Currency of Collateral as at 30th June 2018

Type	Quality	Currency	£'000
Securities lending			
Equity	Traded on recognised exchange	Sterling	3,201
Equity	Traded on recognised exchange	Australian dollar	11,152
Equity	Traded on recognised exchange	Canadian dollar	45
Equity	Traded on recognised exchange	Danish krone	567
Equity	Traded on recognised exchange	Euro	24,220
Equity	Traded on recognised exchange	Hong Kong dollar	3,924
Equity	Traded on recognised exchange	Japanese yen	5,693
Equity	Traded on recognised exchange	New Zealand dollar	11
Equity	Traded on recognised exchange	Norwegian krone	1,427
Equity	Traded on recognised exchange	Singapore dollar	84
Equity	Traded on recognised exchange	Swedish krona	457
Equity	Traded on recognised exchange	Swiss franc	2,755
Equity	Traded on recognised exchange	US dollar	21,493
Fixed Income	Investment Grade	Sterling	23,346
Fixed Income	Investment Grade	Canadian dollar	2,369
Fixed Income	Investment Grade	Euro	79,873
Fixed Income	Investment Grade	Swedish krona	326
Fixed Income	Investment Grade	US dollar	21,289
Total collateral held			<u>202,232</u>

Maturity Tenor of Collateral (remaining period to maturity) as at 30th June 2018

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	–	1,406	9,014	2,613	8,110	106,060	75,029	202,232
	–	1,406	9,014	2,613	8,110	106,060	75,029	202,232

State Street Europe Ex UK Equity Tracker Fund

Manager's Report (continued)

As at 30th June 2018 (unaudited)

Counterparty details as at 30th June 2018

Type	Country of counterparty establishment	Settlement and clearing	£'000
Securities lending	France	Tri-party	12,383
Securities lending	Germany	Tri-party	7,205
Securities lending	Ireland	Tri-party	11,252
Securities lending	Switzerland	Tri-party	66,768
Securities lending	United Kingdom	Tri-party	104,624
Total collateral held			<u>202,232</u>

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity) as at 30th June 2018

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	–	–	–	–	–	–	188,557	188,557
	–	–	–	–	–	–	188,557	188,557

4) Re-use of Collateral

The Fund does not engage in re-use of collateral.

5) Safekeeping of Collateral Received

Names and value of custodians safekeeping collateral as at 30th June 2018	£'000
Bank of New York	134,519
JP Morgan	67,713
Number of custodians safekeeping collateral	2

6) Safekeeping of Collateral Granted

The Fund does not borrow stock from counterparties; therefore, no collateral has been granted.

7) Return and Cost

For the period ended 30th June 2018

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Total £'000
Securities lending			
Gross return	221	95	316
% of total gross return	70%	30%	100%
Cost*	–	–	–

*All direct costs from securities lending are borne by lending agent.

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Austria – 0.59% (31.12.2017 – 0.63%)			
ams	46,896	2,639	0.06
ANDRITZ	60,264	2,423	0.06
Erste Bank	235,914	7,458	0.18
OMV	115,799	4,974	0.12
Raiffeisen Bank International	113,191	2,632	0.06
Telekom Austria	93,772	592	0.02
Vienna Insurance	26,262	542	0.01
voestalpine	92,916	3,242	0.08
		24,502	0.59
Belgium – 2.41% (31.12.2017 – 2.47%)			
Ackermans & van Haaren	17,941	2,340	0.06
Ageas	159,188	6,083	0.15
Anheuser-Busch InBev	620,869	47,494	1.15
bpost	73,775	883	0.02
Bruxelles Lambert	58,793	4,696	0.11
Colruyt	48,577	2,099	0.05
KBC	221,543	12,954	0.31
Proximus	123,412	2,107	0.05
Sofina	10,428	1,365	0.03
Solvay	55,560	5,314	0.13
Telenet	36,503	1,291	0.03
UCB	98,988	5,895	0.14
Umicore	170,058	7,392	0.18
		99,913	2.41
Denmark – 3.52% (31.12.2017 – 3.81%)			
AP Moeller – Maersk ‘A’ Shares	3,554	3,195	0.08
AP Moeller – Maersk ‘B’ Shares	5,361	5,057	0.12
Carlsberg	84,690	7,555	0.18
Chr Hansen	72,907	5,100	0.12
Coloplast	106,347	8,051	0.20
Danske Bank	532,222	12,618	0.31
DSV	149,176	9,129	0.22
Genmab	45,586	5,329	0.13

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Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Denmark – 3.52% (31.12.2017 – 3.81%) (continued)			
H Lundbeck	52,407	2,789	0.07
ISS	147,660	3,843	0.09
Jyske Bank	57,452	2,387	0.06
Novo Nordisk	1,390,055	48,837	1.18
Novozymes	176,311	6,774	0.16
Orsted	132,540	6,072	0.15
Pandora	87,746	4,643	0.11
Rockwool International	4,960	1,467	0.04
Tryg	103,258	1,836	0.05
Vestas Wind Systems	167,902	7,872	0.19
William Demant	87,848	2,678	0.06
		145,232	3.52
Finland – 2.42% (31.12.2017 – 2.14%)			
Elisa	129,378	4,539	0.11
Fortum	352,378	6,370	0.15
Huhtamaki	75,157	2,106	0.05
Kesko	55,655	2,579	0.06
Kone	309,374	11,945	0.29
Metso	96,514	2,450	0.06
Neste	102,207	6,074	0.15
Nokia	4,677,644	20,393	0.49
Nokian Renkaat	113,900	3,408	0.08
Orion	85,859	1,753	0.04
Sampo	385,871	14,264	0.35
Stora Enso	458,109	6,790	0.17
UPM-Kymmene	433,379	11,735	0.28
Wartsila	384,290	5,720	0.14
		100,126	2.42
France – 21.73% (31.12.2017 – 20.79%)			
Accor	161,376	5,997	0.14
Aeroports de Paris	23,671	4,055	0.10
Air France-KLM	194,960	1,204	0.03
Air Liquide	343,807	32,745	0.79

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
France – 21.73% (31.12.2017 – 20.79%) (continued)			
ALD	60,706	785	0.02
Alstom	122,034	4,248	0.10
Amundi	41,519	2,179	0.05
Arkema	57,145	5,124	0.12
Atos	73,851	7,638	0.18
AXA	1,585,751	29,470	0.71
BioMerieux	31,878	2,174	0.05
BNP Paribas	882,190	41,496	1.00
Bollore	835,793	2,945	0.07
Bouygues	163,441	5,335	0.13
Bureau Veritas	200,630	4,056	0.10
Capgemini	132,064	13,454	0.32
Carrefour	454,962	5,580	0.13
Casino Guichard Perrachon	48,403	1,423	0.03
CNP Assurances	120,860	2,083	0.05
Covivio**	33,858	2,668	0.07
Credit Agricole	930,608	9,411	0.23
Danone	485,105	26,971	0.65
Dassault Aviation	1,919	2,770	0.07
Dassault Systemes	105,609	11,207	0.27
Edenred	203,298	4,865	0.12
Eiffage	62,593	5,158	0.13
Electricite de France	399,841	4,165	0.10
Elior	102,601	1,122	0.03
Elis	156,224	2,713	0.07
Engie	1,341,449	15,576	0.38
Essilor International	167,235	17,880	0.43
Eurazeo	34,452	1,979	0.05
Eutelsat Communications	143,486	2,254	0.05
Faurecia	62,173	3,361	0.08
Gecina**	38,967	4,938	0.12
Getlink***	375,103	3,896	0.10
Hermes International	25,124	11,638	0.28
ICADE**	26,529	1,884	0.05

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
France – 21.73% (31.12.2017 – 20.79%) (continued)			
Iliad	20,481	2,451	0.06
Imerys	27,487	1,683	0.04
Ingenico	57,808	3,936	0.10
Ipsen	29,239	3,474	0.08
JCDecaux	52,072	1,320	0.03
Kering	60,278	25,779	0.62
Klepierre**	165,985	4,734	0.12
Lagardere	100,508	2,010	0.05
Legrand	217,276	12,086	0.29
L'Oreal	196,762	36,802	0.89
LVMH Moet Hennessy Louis Vuitton	203,247	51,262	1.24
Michelin (CGDE)	144,227	13,303	0.32
Natixis	684,061	3,677	0.09
Orange	1,597,666	20,268	0.49
Orpea	38,735	3,915	0.10
Pernod Ricard	171,898	21,267	0.51
Peugeot	421,825	7,297	0.18
Plastic Omnium	42,960	1,376	0.03
Publicis	174,604	9,101	0.22
Remy Cointreau	21,325	2,093	0.05
Renault	149,759	9,645	0.23
Rexel	233,262	2,540	0.06
Rubis	67,586	3,198	0.08
Safran	262,448	24,149	0.58
Saint-Gobain	402,534	13,623	0.33
Sanofi	892,783	54,201	1.31
Sartorius Stedim Biotech	22,187	1,756	0.04
Schneider Electric	429,933	27,154	0.66
SCOR	121,818	3,428	0.08
SEB	21,011	2,780	0.07
Societe BIC	19,416	1,363	0.03
Societe Generale	613,882	19,606	0.47
Sodexo	72,045	5,455	0.13
Suez	292,294	2,871	0.07

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
France – 21.73% (31.12.2017 – 20.79%) (continued)			
Teleperformance	45,813	6,130	0.15
Thales	82,967	8,097	0.20
TOTAL	2,058,033	95,022	2.29
Ubisoft Entertainment	72,388	6,016	0.15
Unibail-Rodamco-Westfield	107,229	17,880	0.43
Valeo	194,153	8,039	0.19
Veolia Environnement	390,342	6,327	0.15
Vinci	380,771	27,733	0.67
Vivendi	785,906	14,595	0.35
Wendel	23,509	2,453	0.06
Worldline	37,360	1,603	0.04
		899,945	21.73
Germany – 20.56% (31.12.2017 – 20.91%)			
1&1 Drillisch	37,505	1,617	0.04
adidas	162,269	26,828	0.65
Allianz	361,434	56,581	1.37
Axel Springer	38,606	2,115	0.05
BASF	747,511	54,147	1.31
Bayer	760,668	63,468	1.53
Bayerische Motoren Werke	261,011	17,919	0.43
Bayerische Motoren Werke Preference Shares	45,850	2,769	0.07
Beiersdorf	81,055	6,970	0.17
Brenntag	128,272	5,413	0.13
Carl Zeiss Meditec	21,989	1,137	0.03
CECONOMY	117,816	744	0.02
Commerzbank	858,714	6,235	0.15
Continental	87,857	15,193	0.37
Covestro	149,929	10,132	0.24
Daimler	714,999	34,859	0.84
Delivery Hero	87,986	3,547	0.09
Deutsche Bank	1,608,097	13,115	0.32
Deutsche Boerse	152,627	15,407	0.37
Deutsche Lufthansa	190,371	3,468	0.08
Deutsche Post	787,028	19,467	0.47

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Germany – 20.56% (31.12.2017 – 20.91%) (continued)			
Deutsche Telekom	2,645,871	31,050	0.75
Deutsche Wohnen	288,503	10,563	0.25
E.ON	1,689,072	13,674	0.33
Evonik Industries	122,652	3,181	0.08
Fielmann	18,506	971	0.02
Fraport Frankfurt Airport Services Worldwide	27,677	2,022	0.05
Fresenius	328,775	20,004	0.48
Fresenius Medical Care	173,237	13,234	0.32
FUCHS PETROLUB	25,667	919	0.02
FUCHS PETROLUB Preference Shares	57,968	2,165	0.05
GEA	132,538	3,386	0.08
Hannover Rueck	47,575	4,493	0.11
Hapag-Lloyd	34,010	917	0.02
HeidelbergCement	121,914	7,771	0.19
Hella Hueck	42,851	1,819	0.04
Henkel	87,922	7,406	0.18
Henkel Preference Shares	140,621	13,617	0.33
HOCHTIEF	15,201	2,081	0.05
HUGO BOSS	51,489	3,541	0.08
Infineon Technologies	918,621	17,734	0.43
Innogy	103,942	3,373	0.08
K+S	156,973	2,936	0.07
KION	60,504	3,298	0.08
LANXESS	73,531	4,344	0.10
LEG Immobilien	52,899	4,354	0.11
Linde	152,437	27,554	0.66
MAN	29,667	2,544	0.06
Merck	107,145	7,923	0.19
METRO	134,868	1,263	0.03
MTU Aero Engines	41,006	5,969	0.14
Muenchener Rueckversicherungs-Gesellschaft	122,173	19,561	0.47
OSRAM Licht	76,883	2,380	0.06
Porsche Automobil Preference Shares	124,562	6,010	0.15
ProSiebenSat.1 Media	189,367	3,639	0.09

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Germany – 20.56% (31.12.2017 – 20.91%) (continued)			
Puma	8,079	3,579	0.09
Rational	3,009	1,487	0.04
Rheinmetall	34,923	2,920	0.07
RWE	462,208	7,981	0.19
RWE Preference Shares	50,594	720	0.02
SAP	789,238	69,063	1.67
Sartorius Preference Shares	28,613	3,241	0.08
Siemens	621,591	62,237	1.50
Siemens Healthineers	101,725	3,181	0.08
STADA	19,654	1,398	0.03
Suedzucker	58,872	710	0.02
Symrise	99,954	6,638	0.16
Talanx	31,929	883	0.02
Telefonica Deutschland	674,785	2,015	0.05
thyssenkrupp	373,461	6,876	0.17
Uniper	158,820	3,587	0.09
United Internet	96,359	4,181	0.10
Volkswagen	24,797	3,103	0.07
Volkswagen Preference Shares	148,920	18,730	0.45
Vonovia	429,481	15,481	0.37
Wacker Chemie	12,815	1,271	0.03
Wirecard	94,055	11,474	0.28
Zalando	100,650	4,261	0.10
		851,844	20.56
Ireland – 0.57% (31.12.2017 – 0.54%)			
AIB	737,661	3,033	0.07
Bank of Ireland	763,002	4,511	0.11
Glanbia	166,573	2,342	0.06
Irish Bank Resolution*	274,715	–	0.00
Kerry 'A' Shares	118,050	9,354	0.22
Kingspan	117,642	4,461	0.11
		23,701	0.57

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Italy – 4.68% (31.12.2017 – 4.79%)			
A2A	1,454,610	1,910	0.05
Assicurazioni Generali	1,050,591	13,351	0.32
Atlantia	432,163	9,677	0.23
Banca Mediolanum	200,325	1,028	0.02
Banco BPM	1,232,467	2,738	0.07
Buzzi Unicem	65,302	1,212	0.03
Buzzi Unicem Savings Shares	29,739	300	0.01
Davide Campari-Milano	449,989	2,804	0.07
Enel	6,319,640	26,585	0.64
Eni	2,033,554	28,605	0.69
FinecoBank	314,420	2,689	0.06
Intesa Sanpaolo	11,011,390	24,213	0.58
Intesa Sanpaolo Savings Shares	858,987	1,974	0.05
Intesa Sanpaolo Vita	11,870,377	–	0.00
Italgas	355,466	1,484	0.03
Leonardo	305,089	2,284	0.06
Luxottica	124,660	6,092	0.15
Mediaset	396,073	960	0.02
Mediobanca	465,145	3,275	0.08
Moncler	128,651	4,437	0.11
Parmalat	229,388	586	0.01
Pirelli & C	299,119	1,892	0.05
Poste Italiane	375,095	2,378	0.06
Prysmian	164,489	3,103	0.07
Recordati	82,495	2,485	0.06
Saipem	429,439	1,498	0.04
Salvatore Ferragamo	43,592	806	0.02
Snam	1,969,847	6,229	0.15
Telecom Italia	9,298,401	5,241	0.13
Telecom Italia Savings Shares	5,109,895	2,529	0.06
Terna Rete Elettrica Nazionale	1,195,657	4,898	0.12
UniCredit	1,810,515	22,890	0.55
Unione di Banche Italiane	852,644	2,482	0.06

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Italy – 4.68% (31.12.2017 – 4.79%) (continued)			
UnipolSai Assicurazioni	819,235	1,371	0.03
		194,006	4.68
Luxembourg – 0.63% (31.12.2017 – 0.61%)			
ArcelorMittal	508,280	11,287	0.27
Eurofins Scientific	8,346	3,516	0.09
RTL	32,674	1,679	0.04
SES	285,401	3,960	0.10
Tenaris	394,344	5,480	0.13
		25,922	0.63
Netherlands – 9.27% (31.12.2017 – 8.53%)			
Aalberts Industries	89,446	3,245	0.08
ABN AMRO	341,440	6,709	0.16
Aegon	1,450,512	6,588	0.16
Airbus	447,024	39,635	0.96
Akzo Nobel	212,511	13,779	0.33
ASML	331,817	49,797	1.20
ASR Nederland	119,679	3,702	0.09
Boskalis Westminster	86,104	1,900	0.05
CNH Industrial	794,086	6,388	0.15
EXOR	90,400	4,613	0.11
Ferrari	102,168	10,526	0.25
Fiat Chrysler Automobiles	889,596	12,850	0.31
Gemalto	65,713	2,895	0.07
GrandVision	38,222	651	0.02
Heineken	191,483	14,566	0.35
Heineken Holding	86,001	6,244	0.15
ING	3,181,268	34,683	0.84
Koninklijke Ahold Delhaize	1,018,890	18,476	0.45
Koninklijke DSM	144,427	10,999	0.27
Koninklijke KPN	2,681,121	5,524	0.13
Koninklijke Philips	770,236	24,811	0.60
Koninklijke Vopak	55,967	1,958	0.05
NN	288,282	8,882	0.21

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Netherlands – 9.27% (31.12.2017 – 8.53%) (continued)			
OCI	72,195	1,477	0.03
QIAGEN	177,150	4,888	0.12
Randstad	93,869	4,185	0.10
RELX	722,239	11,666	0.28
Signify	99,851	1,965	0.05
STMicroelectronics	512,423	8,660	0.21
Unilever	1,235,827	52,224	1.26
Wolters Kluwer	222,444	9,494	0.23
		383,980	9.27
Norway – 1.55% (31.12.2017 – 1.42%)			
Aker BP	92,506	2,586	0.06
DNB	874,479	12,946	0.31
Equinor	827,303	16,637	0.40
Gjensidige Forsikring	125,224	1,555	0.04
Marine Harvest	328,257	4,948	0.12
Norsk Hydro	1,111,167	5,038	0.12
Orkla	638,098	4,234	0.10
Schibsted 'A' Shares	62,576	1,440	0.04
Schibsted 'B' Shares	82,716	1,768	0.04
Telenor	557,761	8,664	0.21
Yara International	141,797	4,454	0.11
		64,270	1.55
Portugal – 0.33% (31.12.2017 – 0.31%)			
Banco Espirito Santo*	1,484,734	–	0.00
EDP – Energias de Portugal	1,860,310	5,593	0.13
Galp Energia	418,171	6,041	0.15
Jeronimo Martins	201,384	2,203	0.05
		13,837	0.33
Spain – 6.79% (31.12.2017 – 7.18%)			
Acciona	18,091	1,135	0.03
Acerinox	106,003	1,063	0.03
ACS Actividades de Construccion y Servicios	201,892	6,195	0.15

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Spain – 6.79% (31.12.2017 – 7.18%) (continued)			
ACS Rights 11/07/2018	201,892	157	0.00
Aena	52,432	7,210	0.17
Alba	12,070	532	0.01
Amadeus IT	335,574	20,061	0.48
Banco Bilbao Vizcaya Argentaria	5,461,496	29,336	0.71
Banco de Sabadell	4,554,795	5,782	0.14
Banco Santander	13,171,280	53,487	1.29
Bankia	1,013,102	2,873	0.07
Bankinter	560,072	4,132	0.10
CaixaBank	2,922,944	9,580	0.23
Catalana Occidente	39,449	1,331	0.03
Cellnex Telecom	136,937	2,616	0.06
Distribuidora Internacional de Alimentacion	449,901	993	0.02
EDP Renovaveis	136,128	1,075	0.03
Enagas	184,254	4,080	0.10
Endesa	262,979	4,394	0.11
Ferrovial	389,878	6,059	0.15
Gas Natural	256,013	5,135	0.12
Grifols	268,855	6,129	0.15
Grifols Preference Shares	234,530	3,829	0.09
Iberdrola	4,909,252	28,758	0.69
Industria de Diseno Textil	862,395	22,315	0.54
Mapfre	853,766	1,952	0.05
Mediaset Espana Comunicacion	133,361	852	0.02
Merlin Properties Socimi**	264,287	2,911	0.07
Red Electrica	351,820	5,426	0.13
Repsol	975,100	14,457	0.35
Repsol Rights 06/07/2018	975,100	419	0.01
Siemens Gamesa Renewable Energy	198,619	2,021	0.05
Telefonica	3,723,244	23,967	0.58
Zardoya Otis	147,440	1,067	0.03
		281,329	6.79

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Sweden – 5.71% (31.12.2017 – 5.96%)			
Alfa Laval	260,197	4,684	0.11
Assa Abloy	772,446	12,485	0.30
Atlas Copco 'A' Shares	527,716	11,653	0.28
Atlas Copco 'B' Shares	314,263	6,244	0.15
Boliden	224,485	5,523	0.13
Electrolux	186,459	3,221	0.08
Epiroc 'A' Shares	527,716	4,199	0.10
Epiroc 'B' Shares	314,263	2,182	0.05
Ericsson 'A' Shares	12,654	73	0.00
Ericsson 'B' Shares	2,445,850	14,343	0.35
Essity	481,409	9,016	0.22
Fastighets AB Balder	68,612	1,358	0.03
Hennes & Mauritz	767,222	8,672	0.21
Hexagon	202,708	8,573	0.21
Husqvarna	328,509	2,365	0.06
ICA	72,428	1,685	0.04
Industrivarden 'A' Shares	170,764	2,621	0.06
Industrivarden 'C' Shares	132,894	1,954	0.05
Investor	371,595	11,480	0.28
Kinnevik	190,915	4,961	0.12
L E Lundbergforetagen	54,566	1,271	0.03
Latour	97,600	801	0.02
Lundin Petroleum	145,028	3,508	0.09
Nordea Bank	2,577,770	18,831	0.45
Saab	31,357	988	0.02
Sandvik	872,439	11,745	0.28
Securitas	274,634	3,428	0.08
Skandinaviska Enskilda Banken 'A' Shares	1,189,516	8,577	0.21
Skandinaviska Enskilda Banken 'C' Shares	38,273	271	0.01
Skanska	297,601	4,102	0.10
SKF	304,526	4,298	0.10
Svenska Cellulosa	481,604	3,968	0.10
Svenska Handelsbanken 'A' Shares	1,196,200	10,083	0.24
Svenska Handelsbanken 'B' Shares	44,000	383	0.01

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Sweden – 5.71% (31.12.2017 – 5.96%) (continued)			
Swedbank	857,298	13,922	0.34
Swedish Match	149,058	5,600	0.14
Tele2	297,944	2,656	0.06
Telia	2,208,874	7,660	0.18
Trelleborg	186,711	3,024	0.07
Volvo 'B' Shares	1,204,641	14,605	0.35
		237,013	5.71
Switzerland – 16.87% (31.12.2017 – 17.66%)			
ABB	1,484,668	24,587	0.59
Adecco	136,989	6,140	0.15
Aryzta	60,622	689	0.02
Baloise	39,296	4,325	0.10
Banque Cantonale Vaudoise	2,149	1,249	0.03
Barry Callebaut	1,575	2,139	0.05
Chocoladefabriken Lindt & Sprungli	83	4,774	0.12
Chocoladefabriken Lindt & Sprungli Participation			
Certificate (Non-Voting)	842	4,130	0.10
Clariant	173,146	3,146	0.08
Credit Suisse	2,096,302	23,906	0.58
DKSH	20,602	1,098	0.03
Dufry	26,059	2,513	0.06
EMS-Chemie	5,761	2,797	0.07
Flughafen Zuerich	14,208	2,194	0.05
Geberit	30,162	9,799	0.24
Georg Fischer	3,348	3,246	0.08
Givaudan	7,517	12,913	0.31
Helvetia	5,905	2,552	0.06
Julius Baer	176,570	7,850	0.19
Kuehne + Nagel International	41,110	4,679	0.11
LafargeHolcim	392,012	14,467	0.35
Logitech International	123,304	4,107	0.10
Lonza	60,265	12,113	0.29
Nestle	2,515,564	147,563	3.56
Novartis	1,780,174	102,225	2.47

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Switzerland – 16.87% (31.12.2017 – 17.66%) (continued)			
OC Oerlikon	168,940	1,958	0.05
Pargesa	21,087	1,353	0.03
Partners	13,261	7,359	0.18
PSP Swiss Property	29,367	2,061	0.05
Richemont	413,852	26,556	0.64
Roche	22,112	3,778	0.09
Roche Non-Voting Shares	567,204	95,425	2.30
Schindler	14,901	2,373	0.06
Schindler Participating Certificates	34,059	5,550	0.13
SGS	4,017	8,096	0.19
Sika	102,120	10,703	0.26
Sonova	41,946	5,691	0.14
Straumann	8,526	4,910	0.12
Sulzer	10,380	955	0.02
Swatch	37,839	2,478	0.06
Swatch (Bearer)	24,106	8,663	0.21
Swiss Life	29,499	7,763	0.19
Swiss Prime Site	59,668	4,149	0.10
Swiss Re	247,356	16,170	0.39
Swisscom	18,161	6,140	0.15
Temenos	48,822	5,586	0.13
UBS	2,844,847	33,256	0.80
Vifor Pharma	41,838	5,063	0.12
Zurich Insurance	123,166	27,631	0.67
		698,868	16.87
United Kingdom – 0.22% (31.12.2017 – 0.21%)			
TechnipFMC	371,964	8,997	0.22
		8,997	0.22

State Street Europe Ex UK Equity Tracker Fund

Portfolio Statement (continued)

As at 30th June 2018

	Holdings	Market Value £'000	% of Total Net Assets
Derivatives – (0.02)% (31.12.2017 – (0.03)%)			
Euro STOXX 50 Index Futures September 2018+	14,910	(1,035)	(0.02)
OMXS 30 Index Futures July 2018+	22,700	(17)	0.00
Swiss Market Index Futures September 2018+	1,830	(16)	0.00
		(1,068)	(0.02)
Portfolio of investments [^]		4,052,417	97.83
Net other assets		89,950	2.17
Total net assets		4,142,367	100.00

[^] Includes derivative liabilities.

* Delisted.

** Real Estate Investment Trust.

All holdings are ordinary shares or common stock unless otherwise stated.

[†] Goldman Sachs is the counterparty, total notional exposure is £59,682,424 and 1.44% as a percentage of the Fund's value.

State Street Europe Ex UK Equity Tracker Fund


Director's Report to the Unitholders

For the period ended 30th June 2018

In accordance with the requirements of the Collective Investment Schemes sourcebook of the Financial Conduct Authority's handbook of rules and guidance we hereby certify the report on behalf of the Directors of State Street Unit Trust Management Limited.



A. Castle – Director, State Street Unit Trust Management Limited



W. Street – Director, State Street Unit Trust Management Limited

23rd August 2018

State Street Europe Ex UK Equity Tracker Fund

Comparative Table

For the period ended 30th June 2018

	2018 (to 30.06)	2017	2016
Closing net asset value (£'000)	4,142,367	3,945,749	3,222,373
Closing number of units	2,169,058,169	2,040,006,996	1,941,276,607
Closing net asset value per unit (£)	1.9098	1.9342	1.6599
Change in net asset value per unit	(1.26%)		
Operating charges	0.25%	0.25%	0.25%

General Risk Factors

The value of funds and the revenue from them is not guaranteed and may fall as well as rise. You may get back less than you originally invested. What you get back may depend on:

- (i) Investment performance is not guaranteed. Past performance is no guarantee of future performance. There may also be variation in performance between funds with similar investment objectives.
- (ii) The effect of an initial charge. If you sell your investment after a short period you may not get back what you originally invested, even if the price of your investment has not fallen.
 - The entire market of a particular asset class or geographical region may fall, having a greater effect on funds heavily invested in that asset class or region.
 - If you make regular withdrawals from your investment be aware that if the level of withdrawal exceeds the rate of investment growth of the Fund, your capital will be eroded.
 - Governments may change the tax rules which affect you or the funds in which you have invested.
 - Inflation will reduce what you could buy in the future, i.e. it will reduce the real value of your investment.
 - There is no certainty that the investment objective of any fund will actually be achieved.

State Street Europe Ex UK Equity Tracker Fund

Statement of Total Return

For the period ended 30th June 2018

	Period ended 30.06.18 £'000		Period ended 30.06.17 £'000	
Income				
Net capital (losses)/gains		(140,964)		327,039
Revenue	107,997		89,490	
Expenses	(5,025)		(4,361)	
Interest payable and similar charges	(294)		(99)	
Net revenue before taxation	102,678		85,030	
Taxation	(8,404)		(7,188)	
Net revenue after taxation		94,274		77,842
Total return before distributions		(46,690)		404,881
Distributions		(94,274)		(77,842)
Change in net assets attributable to unitholders from investment activities		(140,964)		327,039

Statement of Change in net assets attributable to unitholders

For the period ended 30th June 2018

	Period ended 30.06.18 £'000		Period ended 30.06.17 £'000	
Opening net assets		3,945,749		3,222,373
Amounts receivable on issue of units	256,454		72,861	
Amounts payable on cancellation of units	(15,049)		(5,462)	
		241,405		67,399
Dilution levy		272		58
Change in unitholders' funds from investment activities		(140,964)		327,039
Retained distributions on accumulation units		95,905		78,114
Closing net assets		4,142,367		3,694,983

State Street Europe Ex UK Equity Tracker Fund

Balance Sheet

As at 30th June 2018

	30.06.18 £'000	31.12.17 £'000
Assets		
Fixed assets:		
Investments	4,053,485	3,865,133
Current assets:		
Debtors	26,865	18,966
Cash and bank balances	68,713	63,544
Total assets	4,149,063	3,947,643
Liabilities		
Investment liabilities	1,068	1,059
Creditors		
Bank overdrafts	–	60
Other creditors	5,628	775
Total liabilities	6,696	1,894
Net assets attributable to unitholders	4,142,367	3,945,749

State Street Europe Ex UK Equity Tracker Fund

Notes to the Financial Statements

For the period ended 30th June 2018

Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (“SORP”) for Authorised Funds issued by the Investment Management Association in May 2014 and United Kingdom Generally Accepted Accounting Practice (“UK GAAP”). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2017 and are described in those financial statements.

State Street Europe Ex UK Equity Tracker Fund

Distribution Table

For the period ended 30th June 2018

Dividend in pence per unit payable on 31st August 2018

Group 1: Units purchased prior to 1st January 2018

Group 2: Units purchased on or after 1st January 2018 to 30th June 2018

	Net revenue pence per unit	Equalisation pence per unit	Amount payable 31.08.2018 pence per unit	Amount paid 31.08.2017 pence per unit
Accumulation Units				
Group 1	4.4215	—	4.4215	3.9444
Group 2	3.3234	1.0981	4.4215	3.9444

Corporate Unitholder Information

Franked Investment Income	100.00%
Unfranked Non Foreign Investment Income	0.00%
Unfranked Foreign Investment Income	0.00%

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

State Street Europe Ex UK Equity Tracker Fund

Directory

THE MANAGER

State Street Unit Trust Management Limited
20 Churchill Place
London E14 5HJ

Regulated by The Financial Conduct Authority

DIRECTORS

V. Parry*
A. Castle
W. Street

* Independent Director

INVESTMENT MANAGER & REGISTRAR & TRANSFER AGENT

State Street Global Advisors Limited
20 Churchill Place
London E14 5HJ

Regulated by The Financial Conduct Authority

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

TRUSTEE

HSBC Bank plc
8 Canada Square
Canary Wharf
London E14 5HQ

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority

CONSTITUTION

State Street Europe Ex UK Equity Tracker Fund is an authorised unit trust scheme within the meaning of, and governed by section 243 of the Financial Services and Markets Act 2000. The Trust is a 'wider range' investment scheme under the Trustee Investments Act 1961.

PROSPECTUS

Copies of the Prospectus are available from the Manager upon request.

Please remember that the price of units and the income from them can go down as well as up. Past performance is not necessarily a guide to the future. Changes in exchange rates may also affect the value.

Appendix I – Remuneration Policy (Unaudited)

State Street Corporation (“SSC”) and their direct and indirect subsidiaries (together with the State Street Corporation hereafter referred to as “State Street”) operate a group-wide compensation strategy including a remuneration policy that applies to all State Street entities globally. As the Management Company for the period under review, State Street Unit Trust Management does not employ any staff and has delegated certain activities in respect of the investment management and risk management to the Investment Manager (State Street Global Advisors Limited or “SSGA Ltd.”). As a State Street subsidiary, SSGA Ltd. is fully integrated into State Street’s group-wide compensation strategy and subject to the global and regional governing body structure of State Street to provide appropriate and effective control of the remuneration arrangements (incl. compliance with the relevant remuneration regulations) across the State Street group of affiliated entities. Under its publicly available charter, the Executive Compensation Committee (“ECC”) of State Street oversees all of State Street’s compensation plans, policies, and programs in which senior executives participate and incentive, retirement, welfare and equity plans in which certain other employees of State Street participate. It also oversees the alignment of the incentive compensation arrangements with the State Street’s financial safety and soundness consistent with applicable related regulatory rules and guidance. The ECC approves the overall allocation of the Incentive Compensation (“IC”) Plan pool. State Street’s CEO allocates IC pools to business units and corporate functions based upon a variety of factors, which may include budget performance, achievement of key goals and other considerations. The final expenditure and overall allocation of IC is then reviewed by the ECC prior to payment.

In September 2015, State Street formed a separate UK Remuneration Committee (“UK RemCo”) with the primary duties:

- to review and approve the identification and remuneration of Material Risk Takers (internally known as EU Identified Staff, or “EUIS”) in the UK;
- the oversight of compliance with applicable UK remuneration regulatory requirements, incl. those that have implications for risk and risk management; and
- the oversight of non-UK EUIS remuneration matters and compliance with applicable EU and local country remuneration regulatory requirements within the EU.

In 2016, the ECC has approved a single global remuneration policy document (updated in September 2017), which documents State Street’s existing remuneration framework. This policy is intended to comply with applicable remuneration regulatory requirements including, but not limited to, those contained in the EU CRD IV, UCITS V Directive and AIFMD, and will be interpreted and administered accordingly. State Street’s remuneration policies and practices apply on a global basis to all employees of the State Street group (incl. the Investment Manager and Sub-Investment Managers). The key principles that align State Street’s remuneration system with the business strategy are as follows:

- We emphasise total rewards.
- We target the aggregate annual value of our Total Rewards Program to be competitive with our business peers.
- Funding for our Total Rewards Program is subject to affordability and is designed to be flexible based on corporate performance.
- We differentiate pay based on performance.
- We align employees’ interests with shareholders’ interests.
- Our compensation plans are designed to comply with applicable regulations and related guidance, including prohibiting incentives to take excessive risks.

Given our process of structured discretion in determining incentive pool funding and individual award decisions, the deferral of incentive compensation, and the availability of ex-ante and ex-post adjustments, such as forfeitures and clawbacks, our compensation system is appropriately risk-sensitive and links current decisions and actions to future risk outcomes.

State Street operates a fully flexible, discretionary bonus policy (i.e. the amount of individual variable pay may fluctuate significantly from one year to the next, depending on performance and the other factors described below, and even could be reduced to zero for any given year). The discretionary bonus policy is structured so as to achieve a balance between fixed and variable components. A number of employees in sales participate in Structured Incentive Plans (“SIP”), which aim to bring the variable compensation granted to plan participants into line with the revenues they generate as well as taking into account non-financial qualitative performance indicators. All such participants receive sufficiently high fixed compensation. Variable compensation is assigned on an individual basis by way of a review of both quantitative and qualitative factors.

State Street Europe Ex UK Equity Tracker Fund

Appendix I – Remuneration Policy (Unaudited) (continued)

Total amount of remuneration paid by the Investment Manager as at 30.06.18¹

Fixed remuneration (in £ k)	35,441
Variable remuneration (in £ k)	26,687
Total Remuneration (in £ k)	62,128
Number of beneficiaries	367
Performance fee paid directly by the UCITS	N/A

Aggregate amount of remuneration as at 30.06.18 (in £ k)

Senior Management of the Management Company ²	20
Identified Staff of the Investment Manager (SSGA Ltd.)	30,030

More details regarding State Street's remuneration approach including (but not limited to) information on the decision-making process to determine the remuneration policy, its basic characteristics and the linkage between pay and performance, are published separately in State Street's Proxy Statement at www.statestreet.com and the remuneration section of the UK Pillar 3 disclosure of State Street Global Advisors Limited at www.ssga.com/eu/gb/institutionalinvestor/en/products-strategies/ssga-pillar-3-disclosure-statement-SSGA.html. In light of State Street's group-wide compensation strategy, the qualitative remuneration information included in the UK Pillar 3 disclosure equally apply to State Street employees outside the UK and the Investment Manager's employees.

¹ Disclosure is based on the remuneration of the entire staff of the legal entity of the Investment Manager, indicating the number of beneficiaries.

² Represents remuneration paid to independent directors (Directors of the Management Company who are also employees of the SSC do not receive remuneration in their capacity as board members).