

DATE: 31 OCTOBER 2014
MARKET: EURONEXT CASH MARKETS
PROJECT: SPDR INTERNATIONAL ETFs

MERGER OF 13 SPDR ETFs AND MOVE TO THE "INTERNATIONAL ETFs" STRUCTURE

Executive Summary

Effective 8 December and subject to EGM approval, SPDR ETFs will merge 13 of its Euronext-listed ETFs and simultaneously convert the receiving ETFs into international security structures (also called "International ETFs").

Effective 8 December 2014 and subject to EGM approval, SPDR ETFs will merge 13 of its Euronext-listed ETFs, and simultaneously convert the receiving ETFs into an International Central Securities Depository structure through Euroclear (also called "International ETFs"). Euronext would like to remind its members that the settlement of transactions in these International ETFs takes place exclusively in Euroclear Bank, the Brussels-based International Central Securities Depository (ICSD). To trade these ETFs, members should ensure that they have the appropriate set-up in place for post-trade processing of these products latest by 3 December.

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The impacted SPDR instruments are as follows:

Merging Fund French Domiciled Fund	ISIN	Current Trading Group	Receiving Fund New Irish Domiciled Fund	New ISIN	New Trading Group
SPDR AEX ETF	FR0000001893	K2	SPDR AEX ETF	IE00BKWQ0B60	KJ
SPDR MSCI CO.DI	FR0000001752	08	SPDR MSCI CO.DI	IE00BKWQ0C77	2I
SPDR MSCI CO.ST	FR0000001745	08	SPDR MSCI CO.ST	IE00BKWQ0D84	2I
SPDR MSCI ENERGY	FR0000001810	08	SPDR MSCI ENERGY	IE00BKWQ0F09	2I
SPDR MSCI FINANC	FR0000001703	08	SPDR MSCI FINANC	IE00BKWQ0G16	2I
SPDR MSCI HLT	FR0000001737	08	SPDR MSCI HLT	IE00BKWQ0H23	2I
SPDR MSCI INDUST	FR0000001778	08	SPDR MSCI INDUST	IE00BKWQ0J47	2I
SPDR MSCI MAT	FR0000001794	08	SPDR MSCI MAT	IE00BKWQ0L68	2I
SPDR EU SM.CAP	FR0010149880	08	SPDR EU SM.CAP	IE00BKWQ0M75	2I
SPDR MSCI TECHNO	FR0000001695	08	SPDR MSCI TECHNO	IE00BKWQ0K51	2I
SPDR MSCI TELCOM	FR0000001687	08	SPDR MSCI TELCOM	IE00BKWQ0N82	2I
SPDR MSCI UTIL	FR0000001646	08	SPDR MSCI UTIL	IE00BKWQ0P07	2I
SPDR MSCI EUROPE	FR0000001885	08	SPDR MSCI EUROPE	IE00BKWQ0Q14	2I

ACTION FOR MEMBERS – TRADING RIGHTS

- No action is required from those Members who are already trading the instruments in “foreign currency” where the settlement is in Euroclear Bank. By default, Euronext has extended the trading rights to the trading groups where the International ETFs are proposed.
- Extension form to be filled out by those Members who are only trading the instruments in euro-currency, where the settlement is not in Euroclear Bank, but are interested in trading the International ETFs proposed on the Euronext Cash markets.

In parallel, please contact your clearing partner to extend your current post-trading set up with a settlement in Euroclear Bank on the market(s) where you are currently authorised to trade. As soon as the Euronext Membership team gets the confirmation from LCH.Clearnet SA that the post-trading set up is extended, members will have access to the test environment first to carry out tests with their clearing partner and to the live environment when the tests have been passed.

- Those members who have decided not to extend their membership to a settlement in Euroclear Bank must cease their trading activities on these instruments at the close of business on Wednesday 3 December 2014, that is two business days before the effective date of the merger.
 - As a result, trades due to be executed between the start of trading on Thursday 4 December 2014 and the close of trading on Friday 5 December 2014 by members falling into this category will be cancelled by Euronext. Please note that relevant orders may also be cancelled.

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ACTION FOR MEMBERS – POST-TRADE PROCESSING

As detailed in the Info Flash of [26 August 2014](#), the following tools will be out in place to facilitate the post-trade processing of International ETFs traded on Euronext's markets:

- On a trading level:
 - Through our referential data, Euronext will enable members to clearly distinguish the International ETFs, with default settlement through Euroclear Bank even for Euro-denominated products, from other products on a trading group level
 - There will be two dedicated trading groups (one for each spread requirement) for International ETFs per market segment.

Euronext Trading Groups – International ETFs		
Market	Groups	Group Name
Brussels	BF	ETF BE - ALL CCY - EB - SR2
Brussels	BE	ETF BE - ALL CCY - EB - SR3
Paris	2I	ETF FR - ALL CCY - EB - SR2
Paris	2H	ETF FR - ALL CCY - EB - SR3
Amsterdam	KJ	ETF NL - ALL CCY - EB -SR2
Amsterdam	KI	ETF NL - ALL CCY - EB -SR3

- On a clearing level:
 - Trade Leg Reconciliation File (TLRF) solution:
 - Through an enhancement to its TLR File, LCH.Clearnet SA will enable Members to easily identify the issuer CSD of a particular International ETF, which can be used as the default settlement location for Euronext markets. Hence, for International ETFs, the Issuer CSD will be set to Euroclear Bank. LCH.Clearnet SA has added new fields to the TLR File. For more information please [click here](#).
 - Automated solution via a dedicated Position Account:
 - Upon the request of a Clearing Member, LCH.Clearnet SA can create a dedicated Position Account (PA) and a Delivery Account (DA) associated with an Automatic Posting rule for this structure.
 - The automatic posting solution would be set up at the trading level so the trade can be routed to this dedicated PA. Therefore, settlement would be processed via the dedicated DA linked to Euroclear Bank.
 - **Note:** to choose this solution, the Clearing Member must hold an account with Euroclear Bank.

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Copies of the International ETFs' prospectus and KIIDs can be obtained from State Street Global Advisors France S.A. at 23-25, rue Delarivière-Lefoullon, 92064 Paris La Défense Cedex. These documents are also available at www.ssga.com and www.spdrseurope.com.

Queries about the proposed mergers may be directed to spdreurope@ssga.com.

For further information on International ETFs, and how to integrate these products in your downstream system, please contact the ETF team on ETF@euronext.com, the EMS Corporate Actions team on etpeurope.listing@euronext.com.

For questions about clearing please contact LCH.Clearnet SA.

For questions about settlement please contact Euroclear Bank.

Alternatively, contact one of the Euronext teams:

Euronext Membership team +31 20 550 4425 / + 33 (0)1 49 27 11 97

EuronextMembership@euronext.com

EMS Customer Technical Support Group +33 (0)1 49 27 5092 CTSG@euronext.com

EMS Structured Product desk +33 (0)1 49 27 5030 EMSETP@euronext.com