



Information Circular: SPDR Index Shares Funds

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: William Slattery, Associate Vice President, NASDAQ Listing Qualifications Department

DATE: July 22, 2008

Exchange-Traded Fund	Symbol	CUSIP #
SPDR S&P International Energy Sector ETF	IPW	78463X715
SPDR S&P International Industrial Sector ETF	IPN	78463X673
SPDR S&P International Financial Sector ETF	IPF	78463X699
SPDR S&P International Materials Sector ETF	IRV	78463X665
SPDR S&P International Technology Sector ETF	IPK	78463X657
SPDR S&P International Utilities Sector ETF	IPU	78463X632
SPDR S&P International Telecommunications Sector ETF	IST	78463X640
SPDR S&P International Consumer Staples Sector ETF	IPS	78463X723
SPDR S&P International Consumer Discretionary Sector ETF	IPD	78463X731
SPDR S&P International Health Care Sector ETF	IRY	78463X681

Background Information on the Funds

The SPDR Index Shares Funds (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of several exchange-traded funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the Funds listed above. The shares of each of the Funds listed above are referred to herein as "Shares." SSgA Funds Management, Inc. (the "Adviser") serves as the investment adviser for the Funds.

IPW's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the energy sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IPW uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Energy Sector Index (the "Energy Index"). The Energy Index represents the non-U.S. energy sub-industry of developed countries included in the S&P/Citigroup Broad Market Index (the "BMI Global Index"). The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Energy Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy,

Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Energy Index was comprised of 303 stocks.

IPN's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the industrial sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IPN uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Industrial Sector Index (the "Industrial Index"). The Industrial Index represents the non-U.S. industrial sub- industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Industrial Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Industrial Index was comprised of 1,251 stocks.

IPF's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the financial sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IPF uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Financials Sector Index (the "Financial Index"). The Financial Index represents the non-U.S. financial sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Financial Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Financial Index was comprised of 1,055 stocks.

IRV's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the materials sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IRV uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Materials Sector Index (the "Materials Index"). The Materials Index represents the non-U.S. materials sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Materials Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands,

New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Materials Index was comprised of 646 stocks.

IPK's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the technology sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IPK uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Information Technology Sector Index (the "Technology Index"). The Technology Index represents the non-U.S. technology sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Technology Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Technology Index was comprised of 638 stocks.

IPU's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the utilities sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IPU uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Utilities Sector Index (the "Utilities Index"). The Utilities Index represents the non-U.S. utilities sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Utilities Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Utilities Index was comprised of 137 stocks.

IST's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the telecommunications sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IST uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Telecommunication Services Sector Index (the "Telecommunications Index"). The Telecommunications Index represents the non-U.S. telecommunications sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Telecommunications Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece,

Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Telecommunications Index was comprised of 75 stocks.

IPS's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the consumer staples sector of developed global markets outside the United States. There is no assurance that IPS will achieve its investment objective.

IPS uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Consumer Staples Sector Index (the "Consumer Staples Index"). The Consumer Staples Index represents the non- U.S. consumer staples sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Consumer Staples Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Consumer Staples Index was comprised of 330 stocks.

IPD's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the consumer discretionary sector of developed global markets outside the United States. There is no assurance that IPD will achieve its investment objective.

IPD uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Consumer Discretionary Sector Index (the "Consumer Discretionary Index"). The Consumer Discretionary Index represents the non-U.S. consumer discretionary sub-industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Consumer Discretionary Index consisted of companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Consumer Discretionary Index was comprised of 994 stocks.

IRY's investment objective is to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index that tracks the health care sector of developed global markets outside the United States. There is no assurance that the Fund will achieve its investment objective.

IRY uses a passive management strategy and "sampling" methodology designed to track the total return performance of the S&P/Citigroup BMI World ex-US Health Care Sector Index (the "Health Care Index"). The Health Care Index represents the non-U.S. health care sub- industry of developed countries included in the BMI Global Index. The BMI Global Index captures the full universe of institutionally investable stocks in developed and emerging markets with float-adjusted market capitalizations of at least \$100 million. As of May 31, 2008, the Health Care Index consisted of

companies from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, South Korea, Sweden, Switzerland and the United Kingdom. As of May 31, 2008, the Health Care Index was comprised of 333 stocks.

The Funds do not intend to purchase all of the stocks in their respective index, but rather will utilize a “sampling” methodology in seeking the Fund's objective. The quantity of holdings in each Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects each Fund to hold less than the total number of stocks in its index, but reserves the right to hold as many stocks as it believes necessary to achieve each Fund's investment objective. For more information regarding each Fund's investment strategy, please read the prospectus for the Funds.

As described more fully in the Trust's prospectus and Statement of Additional Information (“SAI”), the Funds issue and redeem Shares at net asset value (“NAV”) only in large blocks of 200,000 Shares (each block of Shares called a “Creation Unit”) or multiples thereof. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Income dividend distributions, if any, are generally distributed to shareholders quarterly, but may vary significantly from quarter to quarter. Net capital gains are distributed at least annually.

Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or “ET”) of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The registration statement for the Funds describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the underlying indexes, visit the Funds' website at www.spdretfs.com.

Purchases and Redemptions in Creation Unit Size

NASDAQ members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and SAI, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, derivatives risk, equity risk, currency risk, emerging market risk and foreign securities risk.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on NASDAQ is on a UTP basis and is subject to [NASDAQ equity trading rules](#).

Trading Hours

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. ET. For trading during Nasdaq's Pre-Market and Post-Market Sessions, market participants should note that additional risks may exist with respect to trading the Funds during these sessions, when the underlying index's values may not be disseminated.

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with [NASDAQ Rule 4120](#). The grounds for a halt under NASDAQ Rule 4120 include a halt by the primary market because the intraday indicative value of the Fund and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ will also stop trading the Shares of a Fund if the primary market de-lists the Fund.

Delivery of a Prospectus

NASDAQ members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds.

Prospectuses may be obtained through the [Funds' website](#). The prospectus for the Funds does not contain all of the information set forth in the Funds' registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). For further information about the Funds, please refer to the registration statement.

In the event that the Funds rely upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, [NASDAQ Rule 4420\(j\)\(2\)](#) requires that NASDAQ members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Funds, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, NASDAQ members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a NASDAQ member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of the Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

A NASDAQ member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to NASDAQ member under this rule.

Upon request of a customer, NASDAQ members also shall provide a copy of the prospectus.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Funds.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective

underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Funds for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to a Fund for purposes of purchasing Creation Unit Aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- 1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- 2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- 3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of a Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a

broker-dealer acting as a dealer-manager of a tender offer for a security of a Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- 1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- 2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- 3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of the Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. NASDAQ members should consult the Funds' prospectus and/or the [Funds' website](#) for relevant information.

Inquiries regarding this Information Circular should be directed to:

- [Will Slattery](#), NASDAQ Listing Qualifications, at 301.978.8088
- [NASDAQ Market Sales](#) at 800.846.0477