

STATE STREET
GLOBAL ADVISORS®

Performing for the Future



Over a quarter of the world's professionally managed assets

\$22.9 TRILLION
11.9% ANNUAL COMPOUND GROWTH RATE

Source: GSIA, *Global Sustainable Investment Review 2016*.

ESG is Big. And Growing.

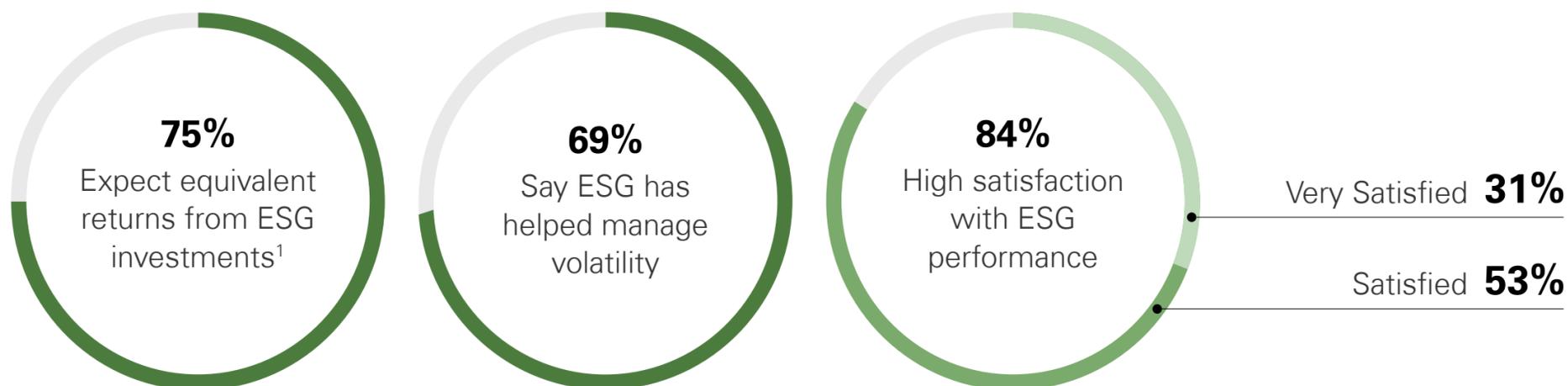
Today's investors are looking for ways to put their capital to work in a more sustainable way, one focused on long-term value creation that enables them to address their financial goals and responsible investing needs. So, for a growing number of institutional investors, the environmental, social and governance (ESG) characteristics of their portfolio are key to their investment strategy.

ESG investments now account for over 25% of the world's professionally managed assets.

Your Partner for Progress

ESG investing is central to SSGA's mission of investing responsibly to enable economic prosperity and social progress.

Our clients access a powerful asset stewardship platform and a spectrum of portfolio solutions that include screening and integration strategies to help align investment portfolios with their values and beliefs.



Good Practice, Good Business

For many investors, there's a critical need to address sustainable investing goals in tandem with their financial and risk objectives.

We believe the two go hand in hand. When a company performs well in ESG criteria, we believe it's often a key indicator that the company is well-managed overall, and well-managed companies tend to perform better over time.

A growing body of empirical studies show a positive relationship between ESG factors and financial performance.²

Performance is Paramount

There's a no-compromise approach when it comes to investors' performance expectations for ESG.

Our recent survey of global institutional investors revealed that the majority (75%) with ESG strategies expect the same returns from those investments as they do from others.

And they haven't been disappointed: in fact, 84% were satisfied with its performance, and of that number, over 30% were very satisfied.

And, with 69% reporting that ESG strategies had also helped to manage volatility, it's no wonder that more than two-thirds of all the global investors that we spoke to said that ESG integration had significantly improved returns.



Making the Journey

While the impetus to move towards ESG is clear, the best path for investors to take sometimes isn't.

A successful ESG strategy goes beyond pure investment management. Institutions need to align internally on their ESG objectives, as well as manage implementation across strategy selection, construction and execution.

For some investors the goals are purely financial – targeting stronger long-term performance by identifying ESG risks and opportunities; for others they're nonfinancial – targeting specific social or environmental outcomes.

Whatever your goal and whether you're beginning that journey or moving your ESG to the next level, SSGA is an experienced partner to help guide all the elements of your ESG implementation.

Act Today for a Better Tomorrow

An ESG focus is particularly important for investors with multi-decade time horizons. ESG can help with those longer-term objectives.

ESG risks can be low probability but they're often high impact. Emissions scandals, food safety issues and environmental concerns can hit investments hard.

Well-considered ESG investing can assist in avoiding those risk points, helping protect investments against the downside.

At SSGA, ESG is more than an investment strategy.

It's a philosophy that's deeply integrated into our wider investment and business model. It's at the core of who we are and what we believe.

Our ESG beliefs

Companies that are managed responsibly **deliver better financial results to our clients** over the long term.

Our role as long-term stewards of capital provides a **powerful opportunity to engage** with investee companies and encourage sustainable practices.

The impact of our investment activities can be managed for a **positive contribution to society and future generations.**

The Power of Active Stewardship

As one of the world's largest asset and index managers, our clients benefit from our highly engaged asset stewardship program.

We use our voice — and also our vote — to take action across a wide range of ESG risk factors including carbon emissions, water and waste management, supply chain oversight, safety issues, workplace diversity and board composition.

Dedicated ESG Solutions & Research

We offer a broad range of sophisticated screening and integration strategies that help investors align their portfolios with their values and beliefs, while targeting the performance they need.

Our solutions are directly informed by our extensive ESG research program — now in operation for more than a decade — helping ensure that the most effective strategy is implemented.

The Importance of Partnership

From choosing the right strategy through to implementation and performance monitoring, it's true partnership that makes the critical difference.

We strongly believe in the importance of partnering with our clients each step of the way to help ensure the best ESG outcomes.

What we bring



Active stewardship advantage



Powered by SSGA's precision indexing



Innovative products that directly address ESG needs



Multiple vehicle and investment styles



Research-led guidance and implementation

Exclusions



Subtract exposures

- Alcohol
- Gambling
- Human rights abuses
- Pollution
- Tobacco
- Weapons

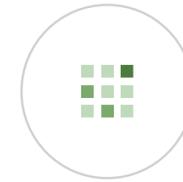
Inclusions



Add exposures

- Community investing
- Gender diversity investing
- Low carbon investing

Integration



Integrate ESG

- Active fundamental
- Active quantitative
- Factor investing
- Fixed income
- Indexing strategies
- Smart beta

Sample list. Other ESG strategies are available, including custom strategies.

Our Solutions

Our ESG solutions always start with a client's values, goals and time horizon in mind.

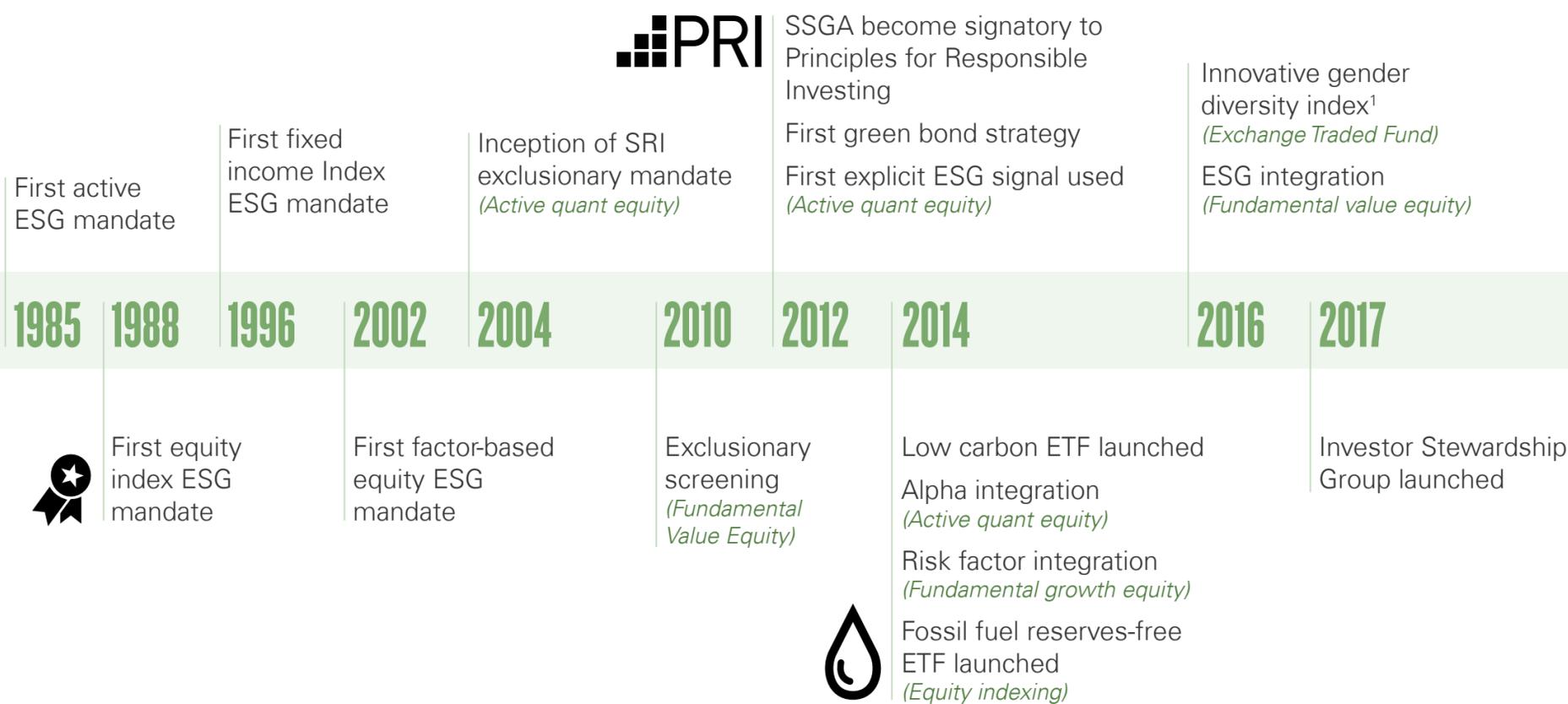
Exclusionary approaches allow investors to align their portfolios with their values or mission by excluding certain types of investments that may be incompatible with their beliefs.

Inclusionary approaches enable investors to put their capital to work to target positive outcomes, both financial and non-financial.

Integrated strategies seek to improve financial outcomes by incorporating ESG data into the research and security-selection process.

Whatever the aim, our global investment platform provides ESG investment opportunities across a range of asset classes and the risk spectrum.

For investors with specific factor views, such as quality, size or value, we can help optimize portfolios to align ESG goals with factor perspectives.



¹ This index targets investments in companies with the highest levels of senior leadership gender diversity in their sectors. ² Source: SSGA. As of 31 December 2016.

With \$176 billion in dedicated ESG assets under management,² we draw on a rich 30-year heritage of ESG innovation and helping clients achieve their ESG objectives.

When you partner with SSGA, you'll have the full resources of one of the world's largest ESG managers working for you — not only in ESG portfolio management, but in investment research and data analytics.

We are committed to helping our clients harness the potential of ESG investing and to transform their ESG ambitions into action.

For more on our ESG insights and research, please visit ssga.com or contact your relationship manager.

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About the study: In December 2016 and January 2017, LongitudeResearch, in association with State Street Global Advisors (SSGA), surveyed senior executives with asset allocation responsibilities at 475 institutions. They included private and public pension funds, endowments, foundations and official institutions. The survey was conducted by a combination of telephone interviews and online. The results were analyzed and collated by Longitude Research and supplemented by a series of in-depth interviews. The survey explored institutional investors' attitudes toward ESG adoption. It sought to gain insights into their strategic approach, asset allocations, performance measures and challenges.

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