

# State Street Global Climate Transition Strategy

Product Profile  
**Fundamental Equity**

**2024**

The global economy is entering a multi-year transition to a low-carbon environment driven by clean energy.

We believe this new era of climate transition, to 2030 and beyond, offers significant alpha potential for forward-looking, high conviction stock selection.

In a climate-focused world, transition planning and progress will become key areas of differentiation for companies — and consequently, key drivers of valuations.

In this shifting climate landscape, there will be corporate winners and losers, creating an environment ripe for active stock-picking.

The Global Climate Transition Strategy aims to capture those opportunities.

## Fund Objective

The State Street Global Climate Transition Strategy seeks to provide capital growth over the long term by investing in a concentrated portfolio of companies that State Street's Fundamental Growth and Core (FGC) team believes are well-positioned to transition to a low-carbon economy.

## Investment Philosophy

The FGC team is united by a common belief — that quality companies with sustainable growth at attractive valuations can drive above-average, long-term investment returns.

Our team takes an active, high-conviction approach to equity investing which demands that we get to know our portfolio companies well through deep due diligence and engagement.

We have a unique research framework called Confidence Quotient (CQ) which scores analyst's conviction in company quality and sustainability of growth. CQ adds structure to how we evaluate quality. It provides visibility into our process and brings rigor, measurability and discipline which we believe are essential for repeatability of results.

To support our climate investing efforts, FGC analysts conduct proprietary climate research as part of the CQ framework.

## Portfolio Characteristics

Number of holdings **30–40**  
Benchmark **MSCI ACWI (or MSCI World)**  
Target Excess Return **+300 bps.**  
Target Info Ratio **0.5**  
Tracking Error **4–8%**

SFDR Classification: **Article 8**

Aligned with IFRS S2 climate-related disclosures.

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## Proprietary Climate Expertise

FGC analysts assess each company's climate positioning and generate three climate scores based on specifically formulated questions about:

- **Transition Readiness**
- **Climate Risks**, both physical and financial
- **Opportunities** for climate-enabling, green products, services and solutions.

Our proprietary climate scorecard captures analysts' insights and allows our team to compare and contrast climate exposures across companies within industries and sectors to help identify the best stocks for the Climate Transition portfolio.

### Our Alpha Thesis

The Global Climate Transition strategy seeks to add value versus the broad market by leveraging:

**Fundamental Business Knowledge** FGC research analysts are subject-matter experts in their respective industries, well-positioned to assess company risks and opportunities as transition plans evolve.

**Long-Term Perspective** Corporate transition plans will play out to 2030 and beyond. Climate investing requires forward-looking analysis and patience as frameworks develop and market valuations adjust (e.g. reporting standards, carbon pricing).

**Data Challenge** Most climate data reflects past or current positioning (e.g. carbon footprint, brown revenue). Forward assessment of transition requires deep industry knowledge.

**Engagement** Company dialogue adds insights into each company's intended transition pathway and progress.

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## About the Fundamental Equity and Core Team

### Long-Tenured, Highly Experienced

With \$14 billion of assets under management, nine regional strategies and two thematic strategies, including Global Climate Transition, we have been following our investment approach for decades.

The team is experienced but, equally important, we have worked together a long time — 14 years on average. This has fostered a culture of collaboration and open debate. We believe this results in higher conviction in our holdings and better investment outcomes.

### Quality, Growth-at-a-Reasonable-Price Style

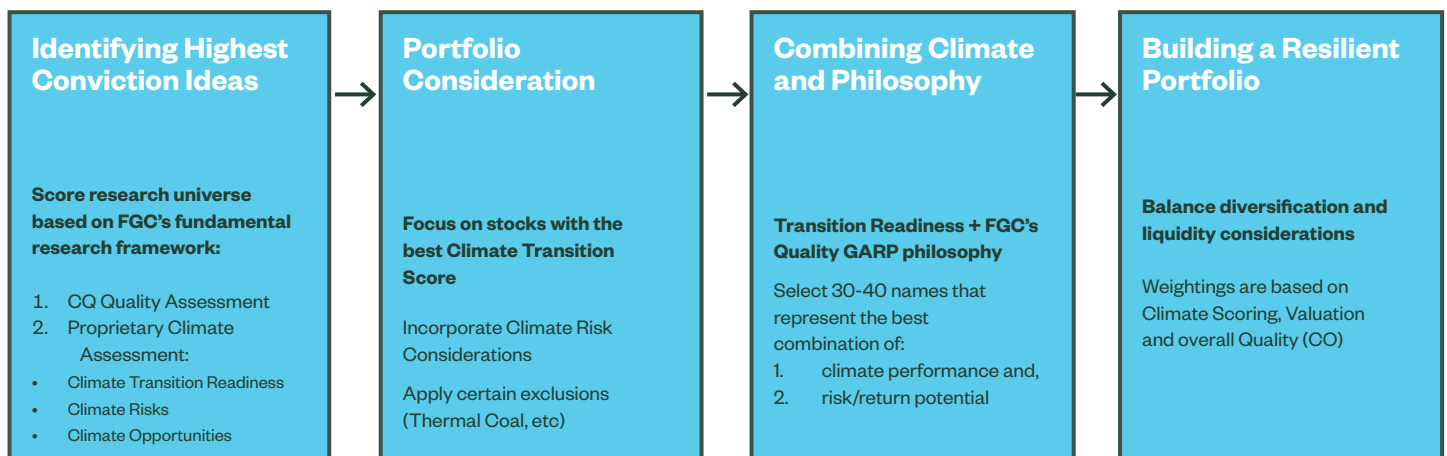
We are laser-focused on finding quality companies that can deliver growth that is stronger and more enduring than the market's expectations.

These companies are rare, so when we find them, we concentrate our portfolio around our best ideas — yet we never abandon our valuation discipline.

### Our Unique Offer

- Investing like owners, not traders
- Seasoned team with a singular focus
- Robust, proprietary investment process
- Concentrated, high-conviction portfolios
- A boutique backed by a market leader

### Portfolio Construction A Stringent Climate Assessment and Proprietary Climate Scores are the Starting Point



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## About State Street Global Advisors

Our clients are the world's governments, institutions and financial advisors. To help them achieve their financial goals we live our guiding principles each and every day:

Start with rigor  
Build from breadth  
Invest as stewards  
Invent the future

For four decades, these principles have helped us be the quiet power in a tumultuous investing world. Helping millions of people secure their financial futures. This takes each of our employees in 29 offices around the world, and a firm-wide conviction that we can always do it better. As a result, we are the world's fourth-largest asset manager\* with US \$4.13 trillion<sup>†</sup> under our care.

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\* Pensions & Investments Research Center, as of December 31, 2022.

<sup>†</sup> This figure is presented as of December 31, 2023 and includes approximately \$64.44 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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#### Important Risk Information

State Street Global Advisors Global Entities  
<https://ssga.com/global/en/our-insights/state-street-global-advisors-worldwide-entities.html>

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