



# SPDR S&P 500 ESG Leaders UCITS ETF

Highlights  
ESG

Q1 2024

- Best in class ESG + exclusion screens
- Partnered with S&P Dow Jones Indices and their significant ESG resource
- Parent index: S&P 500 index, a leading index for equity investors
- Designed to maintain risk-return profile similar to S&P 500 index
- TER cut in November 2023 to 0.03%

Figure 1: Exclusions by Category

Business Activity*	Controversial Weapons
	Military Contracting
	Civilian Firearms
	Tobacco
	Alcohol
	Gambling
	Nuclear Power
	Thermal Coal
	Unconventional Oil & Gas (Oil Sands, Artic & Shale)
Behavioural	Non-compliance with UNGC principles
ESG Scores	S&P DJI ESG scores in bottom 25% of each GICS Industry Group

\*subject to minimum revenue thresholds.  
Source: S&P Dow Jones Indices 29 December 2023.

**Fund in Focus**

**SPPY GY**  
**500X IM**  
**500X NA**  
**500X SE**  
**500X LN (USD)**  
**SPPY LN (GBP)**

SPDR S&P 500 ESG Leaders UCITS ETF

**US Equity with Best-in-Class ESG Selection**

The S&P 500 index is one of the most popular indices amongst equity investors, with \$1 billion of assets tracking it in UCITS ETFs alone.

The S&P 500 ESG Leaders Index adopts a range behavioural and activity exclusions criteria based on data from Sustainalytics and RepRisk. Another significant exclusion category captures companies with the lowest ESG scores.

Methodology

The index tracks the performance of the leading S&P 500 Index after a set of exclusion and ESG performance screens are applied.

The exclusions based on behavioural activities are determined by Sustainalytics.

In a separate part of the process, controversies are identified through Media & Stakeholder Analysis which involves daily filtering, screening, and analysis provided by RepRisk.

The best-in-class scoring involves ranking all the eligible securities in descending order of their S&P DJI ESG score. S&P Global calculates these scores and derives them from their Corporate Sustainability Assessment, using either company-provided data, publicly available information, or a combination thereof.

The index selects the top 50% by float-adjusted market cap within each Industry Group.

Constituents are weighted by market capitalisation.

Index Details

The resulting index has approximatively 210 constituents. The largest stock exclusions can be seen in Figure 2. Tracking error to the parent index is 1.9 over last three years. Risk-return figures are similar between S&P 500 ESG Leaders and S&P 500, as shown in Figure 3.

Figure 2: Top Ten Stock Exclusions

Company	Weight in S&P 500 Index (%)	Reason for Exclusion
Meta Platforms	1.9	Eligible but not in top 50%
Berkshire Hathaway	1.7	Disqualifying ESG Score
Eli Lilly	1.2	Eligible but not in top 50%
Broadcom	1.2	Eligible but not in top 50%
Exxon Mobil	1.0	Eligible but not in top 50%
Johnson & Johnson	1.0	Controversies violation
Costco Wholesale	0.7	Eligible but not in top 50%
Netflix	0.5	Eligible but not in top 50%
Accenture	0.5	Eligible but not in top 50%
Pfizer	0.4	Eligible but not in top 50%

Source: S&P Dow Jones Indices, as 29 December 2023. Index is rebalanced annually in May. Weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Fund Details

SPDR S&P 500 ESG Leaders UCITS ETF

ISIN	IE00BH4GPZ28
Base Currency	USD
Ticker	Xetra: S PPY GY Borsa Italiana: 500X IM Euronext Amsterdam: 500X NA SIX: 500X SE LSE: 500X LN (USD); SPPY LN (GBP)
TER (%)	0.03
Index Name	S&P 500 ESG Leaders Index
Index Inception Date	26 August 2019
Index Ticker	SPXESLUN Index
Weighting Scheme	Free-float market capitalisation
Index Rebalancing	Quarterly (Mar/Jun/Sep/Dec)
No. of Index Constituents	208
Portfolio Construction	Fully Replicated
Income Treatment	Accumulating
Benchmark Change	11 May 2022
AUM	\$1688.3m
Security Lending	No
SFDR	Article 8

Source: State Street Global Advisors, S&P Dow Jones, as of 29 December 2023.

Figure 4, shows the active weight by sector which results from the methodology. The largest differences against the parent index are the overweights in Consumer Discretionary and Information Technology versus the underweight in the Health Care sector.

Figure 3: Risk-Return Profile

	S&P 500 ESG Leaders	S&P 500
Returns (Q4)	7.8%	6.9%
Returns (1 Year)	18.9%	15.8%
Returns (3 Year)	9.9%	9.0%
Returns (5 Year)	10.6%	10.1%
Risk (1 Year)	11.3%	11.6%
Risk (3 Year)	14.1%	14.8%
Risk (5 Year)	16.5%	17.8%
Information Ratio (3 Year)	0.71	0.61
Information Ratio (5 Year)	0.64	0.57
Max Drawdown	32.3%	35.4%

Source: S&P Dow Jones, as of 29 December 2023. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a net of fees basis and reflect the deduction of advisory or other fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD.

Figure 4: Difference in Sector Weights for S&P 500 ESG Leaders vs S&P 500 Index (%)



Source: S&P Dow Jones Indices, as 29 December 2023. Returns are Net Total Return. Past performance is not a reliable indicator of future performance. Results prior to this date were calculated by using available data at the time in accordance with the Index's current methodology. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

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

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