

State Street Global Advisors ESG Investment Statement

Our Mission

It is State Street Global Advisors’ mission to invest responsibly to enable economic prosperity and social progress.

Whether clients are focused on risk management, responding to new regulations, making investments that align with their values, or seeking to enhance long-term performance, our ESG capabilities can support clients in achieving their ESG objectives and investment goals.

How We Define ESG Investing

ESG investing involves the assessment of material environmental, social and governance opportunities or risks¹ (together “**ESG Factors**”) during the investment process.

ESG Factors could cause either a negative or positive impact on the value of an investment. We believe that companies should address ESG Factors in the operation of their businesses and that doing so is both good business practice and relevant to long term financial performance, because we believe that considering ESG Factors improves companies’ ability to withstand emerging risks and capitalize on new opportunities.

With respect to our management of our clients’ portfolios, we believe that the consideration of ESG Factors can aid investment decision making, help to manage investment risk, and facilitate the generation of long term value in our clients’ portfolios. As such, where appropriate, we may integrate ESG Factors into our investment decision-making alongside traditional investment analysis.

Our ESG Capabilities

We offer ESG capabilities in four key areas:

Data Analytics	We leverage a multisource data architecture for our ESG analysis, where applicable, and to generate R-Factor scores (as described further below). We can also provide ESG analysis at the portfolio level to help investors understand their ESG exposures.
ESG Investment Solutions	We design ESG-focused investment solutions and integrate ESG Factors into certain investment processes where appropriate.
Asset Stewardship	We use our stewardship tools to engage with investee companies on ESG issues to seek long-term value.
Reporting	We include ESG metrics in certain client reporting to assist in measuring progress against clients’ ESG goals.

¹ These include risks defined as “sustainability risks” under Regulation (EU) 2019/2088 (the “Sustainable Finance Disclosure Regulation” or “SFDR”).

Data Analytics

The State Street Global Advisors data analytics team receives ESG data from a wide variety of data providers covering themes such as climate, controversies, governance, and gender.

In addition we have developed a proprietary ESG scoring methodology called R-Factor™, which draws on data from multiple ESG data providers and leverages the Sustainable Accounting Standards Board's ("SASB") widely accepted, transparent materiality framework, as well as a corporate governance score, to generate a unique score ("**R-Factor score**") that measures the performance of a company's business operations and governance as it relates to industry-specific ESG Factors. We currently score approximately 10,000 issuers with R-Factor scores, and we are continuing to expand our coverage universe. R-Factor is used by State Street Global Advisors for stewardship purposes, in the management of our clients' portfolios, and in client reporting.

ESG Investment Solutions

Utilising industry-leading data providers and our own investment expertise, we offer a variety of ESG investment solutions to meet clients' various ESG goals. These solutions may employ the following techniques:

Screening	Our screened portfolios enable clients to express their ESG goals and preferences in their portfolio holdings. We have access to a variety of screening data sets to implement clients' preferences.
Thematics	Our suite of thematic products seeks to help investors benefit from broad macro-level ESG trends. Climate investing is the primary thematic investment solution we offer.
Integration	Our active portfolio managers may integrate ESG signals and factors, where consistent with a strategy's investment objective, in efforts to mitigate risks and identify opportunities for long-term performance potential.
Best in Class	This approach focuses on investment in sectors and companies that we believe are leaders in terms of meeting certain ESG criteria relative to investment universes and/or industry peers.

Asset Stewardship

As long-term holders of capital on behalf of our clients, we utilize our Asset Stewardship program to engage with investee companies to seek long-term value and mitigate risk to our clients' portfolios.

In 2019 we began incorporating R-Factor into our stewardship program. Our unique R-Factor scores allow us to systematically evaluate a company's ESG performance against both regional and global industry peers.

For further information on our Asset Stewardship program, please visit the link below:
<https://ssga.com/us/en/institutional/ic/capabilities/esg/asset-stewardship>.

The Three Pillars of Our Asset Stewardship Program

Thought Leadership	To inform and provide guidance to our investee companies on the development of ESG practices
Engagement	To encourage investee companies to develop transparent, accountable, high-performing boards and businesses
Proxy Voting	To incorporate our investment objectives and to align with our long-term investment horizon

Reporting

In addition to building out our investment capabilities, we have enhanced our monthly performance reports and fund factsheets for certain clients' equity investment portfolios to include ESG data, where relevant. The ESG report sections for these clients may include, as relevant, a summary of R-Factor scores at the portfolio level, a Climate Profile section illustrating climate related exposures with key metrics, and a Stewardship Profile with information on management proposals and gender diversity. We may also provide, as relevant, a range of additional reports to support regional regulatory requirements, including climate metrics and Asset Stewardship data.

Our Approach to ESG Across Asset Classes

We do not take a one-size-fits-all approach to ESG investing. As set out below, our approach varies between asset classes to reflect the investment strategy. Our approach to investing by investment area is summarized below. In addition, State Street Global Advisor's Counterparty Risk Management (CRM) team may consider ESG Factors in the onboarding and oversight process to the extent that such factors materially affect a trading counterparty's creditworthiness.

Equity Index and Smart Beta

Within our equity index strategies, ESG Factors can be incorporated in multiple ways. An equity index itself may either incorporate ESG characteristics or seek to increase target exposure to sustainable investment opportunities. Alternatively, we may integrate ESG as a custom solution in response to client request via our beta solutions capabilities. Indexing strategies with the sole objective of replicating the return of a non-ESG benchmark do not consider ESG Factors in investment selection, as the primary driver of investment decisions is the objective of replicating the performance of the relevant index.

Active Quantitative Equity

The Active Quantitative Equity team has incorporated signals derived from ESG metrics into its forecasts of stock returns, where available, and uses these for all strategies managed by the team. The ESG signals are included in their model of expected return forecasts alongside measures representing other themes such as value, company quality, and investor sentiment. The team also has the capability to manage exposure to other measures of ESG on behalf of clients when requested.

Active Fundamental Equity — Growth & Core

In their investment decision-making processes, the Active Fundamental Equity Growth & Core Team uses R-Factor scores and other ESG data metrics to help isolate specific issues and assess the quality of companies and the sustainability of their growth. The Active Fundamental Equity Growth & Core Team may invest in companies where the team has a positive view of company fundamentals despite a lack of ESG data and/or low ESG scores.

Additionally, the team collaborates with the Asset Stewardship team to encourage investee companies to evaluate ESG Factors and improve disclosure.

Active Fundamental Equity — Value

The Active Fundamental Equity Value Team seeks to identify and incorporate ESG Factors into its investment decision-making processes. Analysts with the Active Fundamental Equity Value Team typically do not exclude companies on the basis of a low or challenged ESG assessment. Instead, the team seeks to understand the underlying ESG Factors and their potential impact on earnings power, balance sheet strength and the value of the business. The team's priority is long-term returns, focusing on the price paid versus the risk taken.

Where, after analysis, the team has a positive view of both the fundamentals and valuation of a company, the team may still invest in the company despite a challenged ESG assessment. The team may also coordinate with the Asset Stewardship team to encourage investee companies to evaluate ESG Factors and improve disclosure.

Fixed Income

State Street Global Advisors manages both fixed-income index strategies, including those seeking to minimize tracking error generally through a stratified sampling approach, as well as active strategies, some of which utilize credit research assessments as a part of an investment process.

In credit research processes, ESG Factors may play a role in helping to better assess an issuer's creditworthiness. In particular, corporate governance can play a role in fixed-income credit assessments. Governance structures drive risk policies and can safeguard proper checks and balances. Depending on a given security's sector and/or the underlying investment strategy, creditworthiness assessments may also consider environmental and social factors.

Integrating ESG Factors into fixed-income investing can be complex given the wide spectrum of available security types. Entity-level ESG data now exists for a range of fixed income securities issued by public corporations, but it can become more challenging to assess the ESG Factors in relation to other fixed-income security types, such as sovereign bonds and securitized products.

Within our fixed income indexing capabilities, ESG Factors can be taken into account in a number of ways. Similar to equity, this could be through the index itself (such as a third-party index) or by deploying screens, tilts or stratified sampling techniques using R-Factor scores and/or other ESG data. Fixed income mandates with the sole objective of replicating the return of a non-ESG fixed income benchmark do not consider ESG Factors in investment selection, as the primary driver of investment decisions is the risk profile of the relevant index.

Our active fixed income teams may consider ESG Factors in their credit research process by utilizing R-Factor scores and/or other ESG data to consider the impact of those ESG Factors on an issuer's creditworthiness. In addition, as referred to above, State Street Global Advisor's Counterparty Risk Management (CRM) team may consider ESG Factors in the onboarding and oversight process to the extent that such factors materially affect the trading counterparty creditworthiness.

Cash

The Cash Management investment process utilizes short duration, high quality securities to achieve the dual objectives of principal preservation and access to liquidity. The R-Factor score has been incorporated into our Global Cash systems and as a result, our investment professionals have access to issuers approved for use in the Cash Management strategies along with, when available, their corresponding R-Factor score. Similar to issuer ratings, the R-Factor score is an input to the cash credit research process but is not the primary driver of the overall investment decision. In addition, State Street Global Advisor's Counterparty Risk Management (CRM) team may consider ESG Factors in the onboarding and oversight process to the extent that such factors materially affect the trading counterparty creditworthiness.

Currency

Currency hedging mandates are typically focused on removing the currency exposure in an underlying portfolio and thus do not take a view on the sustainability of the economies underlying the currencies. However, within certain active and enhanced strategies where the mandates allow State Street Global Advisors to take into account the longer term growth potential of economies, we include a measure of the quality of different countries' governance. In addition, an important part of currency management is the management of counterparty risk; our Counterparty Risk Management (CRM) team may consider ESG Factors in the onboarding and oversight process to the extent that such factors materially affect the trading counterparty creditworthiness.

Multi-Asset, Customized Solutions and Alternatives

Our Investment Solutions Group (ISG) is responsible for building multi-asset and custom solutions to meet our clients' specific investment objectives. ISG is composed of different teams that perform the following complementary functions:

- Quantitative Research, model developments and monitoring and strategy development
- Portfolio construction and management with a specific focus on the design of investment strategy and the management of Multi-Asset Products, tactical asset allocation, flexible asset allocation, exposure management and execution of the Outsourced Chief Investment Officer (OCIO) mandates
- Management of alternative investment asset classes with a focus on illiquid assets such as Property investments, Private Equity, Alternatives only mandates
- Investment Manager Selection and Oversight, which evaluates internal strategies and investment teams of State Street Global Advisors as well as external managers whose investment solutions are chosen to fulfil specific investment objectives and requirements. The team has developed an ESG rating process aiming to identify best practice ESG integration to effectively capture ESG materiality within portfolios. The team is currently working towards establishing ratings for all existing managers being used across State Street Global Advisors.
- Client Engagement with specific and dedicated teams on business strategy and development, operational support and reporting.

ISG is responsible for the design and construction of capital market assumptions on a large number of asset classes — equity, fixed income, liquid and private alternatives — that are used to build strategic asset allocation recommendations for clients. These rely on long-term assumptions that ISG makes about future risks and returns on these asset classes. In Q3 2020, ISG decided to incorporate R-Factor within the equity asset class forecasts, ascertaining the R-Factor score of the different equity markets, and modifying the risk forecasts accordingly. Given our observation that R-Factor scores for companies in some equity markets in aggregate are persistently higher than for others (due to structural differences in culture, law, persistent sector composition or environment), we focus on how R-Factor scores for each equity market rise or fall over time, rather than the absolute levels. Improvements in the R-Factor score may be rewarded by the market in the form of (1) higher returns and (2) reduced risks. While ESG ratings may have a nuanced effect on returns, their impact on risk is expected to be more straightforward: improved R-Factor scores may reduce tail risks associated with ESG Factors, thereby delivering an overall lower level of risk (standard deviation). The inverse is true for equity markets of countries in which companies may have seen a deterioration in their R-Factor scores. To account for these relationships, we have developed a framework that associates countries where companies demonstrate increasing R-Factor scores with lower risk expectations, and vice versa.

As part of its broad mission, ISG engages directly with clients to create portfolios that meet the relevant client's specific objectives including, where relevant, ESG objectives. For portfolios where the client is pursuing an ESG objective, the portfolio construction process will include a review and an assessment of the ESG characteristics of the different underlying investment strategies and corresponding building blocks that will be selected.

ISG will then incorporate these findings into the overall portfolio construction process, balancing the client's ESG goals with other considerations including risk constraints and return considerations to construct a portfolio solution with the goal of addressing the client's overall investment objectives.

Real Estate

Our Real Estate team manages various Real Estate assets including office buildings, rental apartments, retail stores and warehouse properties. Typically prior to acquisition, as part of wider due diligence, potential Real Estate assets are assessed to not only evaluate whether there is existing environmental contamination on site, but also to underwrite opportunities to improve energy efficiency in buildings which, once identified and costed, feed through to pricing models and cashflow projections.

For our existing European-based Real Estate assets under management we are working with sustainability and energy consultants on multiyear projects to help our clients' Real Estate portfolios to meet the EU's carbon reduction targets for 2030 and ultimately 2050. The objective of this initiative is to gather energy consumption and carbon emission data for Real Estate assets with a view to reducing the carbon intensity of the assets in line with the EU's 2030 and 2050 decarbonisation targets where possible.

Approach to Sustainability

State Street Global Advisors is a signatory to the UN Principles for Responsible Investment (PRI).

We strive for transparency and regularly report on these efforts via our website and through our annual Stewardship Report, TCFD Report, the PRI reporting framework, and State Street's annual ESG report.

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 30 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 \$4.02 trillion[†] under our care.

* Pensions & Investments Research Center, as of December 31, 2020.

[†] This figure is presented as of March 31, 2022 and includes approximately \$73.35 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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Marketing communication

State Street Global Advisors Worldwide Entities

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Investing involves risk including the risk of loss of principal.

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Responsible-Factor (R Factor) scoring is designed by State Street to reflect certain ESG characteristics and does not represent investment performance. Results generated out of the scoring model is based on sustainability and corporate governance dimensions of a scored entity.

Bonds generally present less short-term risk and volatility than stocks, but contain interest

rate risk (as interest rates raise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

A Smart Beta strategy does not seek to replicate the performance of a specified cap-weighted index and as such may underperform such an index. The factors to which a Smart Beta strategy seeks to deliver exposure may themselves undergo cyclical performance. As such, a Smart Beta strategy may underperform the market or other Smart Beta strategies exposed to similar or other targeted factors. In fact, we believe that factor premia accrue over the long term (5–10 years), and investors must keep that long time horizon in mind when investing.

Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions.

SSGA uses quantitative models in an effort to enhance returns and manage risk. While SSGA

expects these models to perform as expected, deviation between the forecasts and the actual events can result in either no advantage or in results opposite to those desired by SSGA. In particular, these models may draw from unique historical data that may not predict future trades or market performance adequately. There can be no assurance that the models will behave as expected in all market conditions. In addition, computer programming used to create quantitative models, or the data on which such models operate, might contain one or more errors. Such errors might never be detected, or might be detected only after the Portfolio has sustained a loss (or reduced performance) related to such errors. Availability of third-party models could be reduced or eliminated in the future.

Currency Risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Currency Hedging involves taking offsetting positions intended to substantially offset

currency losses on the hedged instrument. If the hedging position behaves differently than expected, the volatility of the strategy as a whole may increase and even exceed the volatility of the asset being hedged. There can be no assurance that the Fund's hedging strategies will be effective.

Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

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