

**SPDR**<sup>®</sup>

**Portfolio ETFs**<sup>™</sup>

Benefits & Uses

of Low-Cost

Core ETFs

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## **The Importance of a Low-Cost Core**

A strong portfolio core should provide the vital support you need to pivot confidently in any direction to pursue specific investment goals — from managing risk and generating income to growing capital through diversification.

But core investing shouldn't be costly. Instead, investors should have confidence that they aren't overpaying for returns in the largest part of their portfolios. Because in the pursuit of better investment outcomes, every little basis point counts.

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## **Greater Choice from an Industry Leader**

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### **A Comprehensive Suite of 22 Low-Cost ETFs**

SPDR is the only ETF provider to offer low-cost exposure to the S&P 500<sup>®</sup>, S&P MidCap 400<sup>®</sup>, S&P SmallCap 600<sup>®</sup>, and S&P Composite 1500<sup>®</sup> — as well as S&P 500<sup>®</sup> Growth, Value and Dividend styles.<sup>1</sup> These funds are among the lowest cost in the industry — including an S&P 500 offering at only 3 bps.

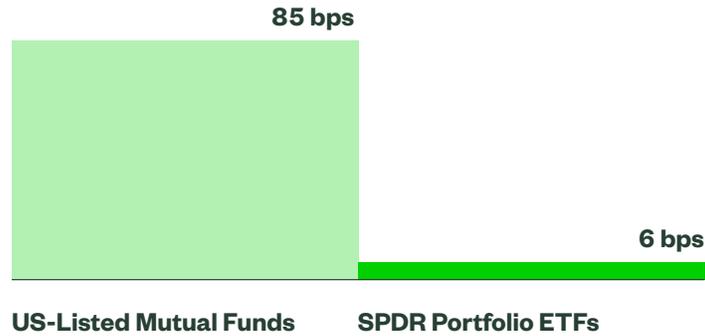
<sup>1</sup> State Street Global Advisors per Morningstar, as of 01/24/2020.

## Take Home More of Your Returns

### Median Expense Ratio Comparison

## Reduce Costs by 93%

Build core portfolios with 22 individual exchange traded funds (ETFs) that have a median expense ratio of 6 basis points, 93% lower than the median US-listed mutual fund.



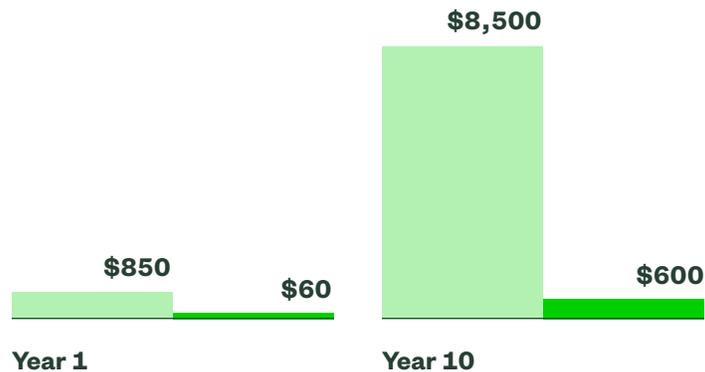
Source: Morningstar, State Street Global Advisors, as of 12/31/2019. The bar chart above shows the median expense ratio of the 22 SPDR Portfolio ETFs compared to the median expense ratio of all US-listed mutual funds which include both active and passive products. The average expense ratio of all passive US-listed mutual funds is 0.25%. SPDR Portfolio ETFs are 76% lower than the average passive US-listed mutual fund.

## That Could Save \$7,900 Over 10 Years

Savings add up quickly. Even without factoring in the impact of compounding returns, a \$100,000 investment would cost just \$600 in fees over 10 years.

### Cumulative Costs for a \$100,000 Investment

- Expense of 85 bps
- Expense of 6 bps



Source: Morningstar, State Street Global Advisors, as of 12/31/2019. **The above uses a median expense ratio and is for illustrative purposes only. Actual fees paid by an investor will differ. Please see the funds' prospectus for more information on fund expenses. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.**

## 22 Portfolio Building Blocks

Exposure	Fund	Ticker	Net Expense Ratio (%)
<b>US Equity</b>			
Broad Market	SPDR Portfolio S&P 1500® Composite Stock Market ETF	SPTM	0.03
Large Cap	SPDR Portfolio S&P 500® ETF	SPLG	0.03
Mid Cap	SPDR Portfolio S&P® 400 Mid Cap ETF	SPMD	0.05
Small Cap	SPDR Portfolio S&P 600 Small Cap ETF	SPSM	0.05
Growth	SPDR Portfolio S&P 500 Growth ETF	SPYG	0.04
Value	SPDR Portfolio S&P 500 Value ETF	SPYV	0.04
Dividend Income	SPDR Portfolio S&P 500 High Dividend ETF	SPYD	0.07
<b>International Equity</b>			
Global Stock	SPDR Portfolio MSCI Global Stock Market ETF	SPGM	0.09
Developed ex-US	SPDR Portfolio Developed World ex-US ETF	SPDW	0.04
Europe	SPDR Portfolio Europe ETF	SPEU	0.09
Emerging Markets	SPDR Portfolio Emerging Markets ETF	SPEM	0.11
<b>Fixed Income</b>			
US Aggregate	SPDR Portfolio Aggregate Bond ETF	SPAB	0.04
Short Corporate	SPDR Portfolio Short Term Corporate Bond ETF	SPSB	0.07
Intermediate Corporate	SPDR Portfolio Intermediate Term Corporate Bond ETF	SPIB	0.07
Long Corporate	SPDR Portfolio Long Term Corporate Bond ETF	SPLB	0.07
Broad Corporate	SPDR Portfolio Corporate Bond ETF	SPBO	0.06
Short Government	SPDR Portfolio Short Term Treasury ETF	SPTS	0.06
Intermediate Government	SPDR Portfolio Intermediate Term Treasury ETF	SPTI	0.06
Long Government	SPDR Portfolio Long Term Treasury ETF	SPTL	0.06
Mortgages	SPDR Portfolio Mortgage Backed Bond ETF	SPMB	0.06
High Yield	SPDR Portfolio High Yield Bond ETF	SPHY	0.15
TIPS	SPDR Portfolio TIPS ETF	SPIP	0.12

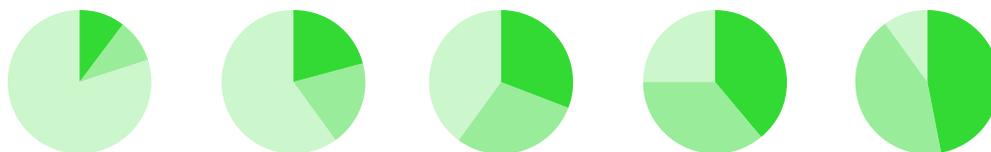
Prior to 01/24/2020, the SPDR Portfolio S&P 1500 Composite Stock Market ETF (SPTM) was known as the SPDR Portfolio Total Stock Market ETF (SPTM), the SPDR Portfolio S&P 500 ETF (SPLG) was known as the SPDR Portfolio Large Cap ETF (SPLG), the SPDR Portfolio S&P 400 Mid Cap ETF (SPMD) was known as the SPDR Portfolio Mid Cap ETF (SPMD), and the SPDR Portfolio S&P 600 Small Cap ETF (SPSM) was known as the SPDR Portfolio Small Cap ETF (SPSM).

A fund's net expense ratio includes waivers and reimbursements. It is the actual expense ratio that investors paid during the fund's most recent fiscal year. Some of the funds listed may have current fee agreements in place that reduces fund expenses and if removed or modified will result in higher expense ratios and reduce fund performance. Complete details can be found in each fund's prospectus on our website [spdrs.com](http://spdrs.com).

## 5 Portfolio Construction Ideas

Based on the targeted long-term strategic asset allocation framework and models of State Street Global Advisors' Investment Solutions Group, these illustrative examples provide ideas on how to build low-cost core portfolios tailored to meet risk and return objectives.

### Hypothetical Portfolio Allocations



Ticker	Exposure	Conservative	Moderate-Conservative	Moderate	Moderate-Aggressive	Aggressive
<b>SPTM</b>	US Equities	10.4%	21%	31%	39%	47%
<b>SPDW</b>	Ex-US Equities	9.6%	19%	29%	36%	43%
<b>SPAB</b>	Bonds	80%	60%	40%	25%	10%
<b>Weighted Average Expense Ratio (bps)</b>		<b>3.9</b>	<b>3.8</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>
<b>Investment Strategy / Objective</b>		<ul style="list-style-type: none"> <li>• Generate current income</li> <li>• Preserve capital</li> <li>• Preserve purchasing power (with some consideration for capital growth)</li> </ul>	<ul style="list-style-type: none"> <li>• Generate current income</li> <li>• Preserve capital</li> <li>• Achieve some long-term capital growth</li> </ul>	<ul style="list-style-type: none"> <li>• Balance dual objectives of long-term capital growth and high current income</li> <li>• Emphasize capital appreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve capital growth with emphasis on capital appreciation</li> <li>• Generate some current income</li> </ul>	<ul style="list-style-type: none"> <li>• Grow capital with higher allocation to international equities</li> <li>• Achieve growth over a long-term investment horizon</li> </ul>

All asset allocation scenarios are for hypothetical purposes only and are not intended to represent a specific asset allocation strategy or recommend a particular allocation. Each investor's situation is unique and asset allocation decisions should be based on an investor's risk tolerance, time horizon and financial situation.

**Build your portfolio's core now — because every little bip counts**  
 Visit [ssga.com/low-cost-etfs](http://ssga.com/low-cost-etfs) or call 866-787-2257

## About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost-effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's third-largest asset manager with US \$2.95 trillion\* under our care.

State Street Global Advisors is the investment management arm of State Street Corporation.

\* AUM reflects approximately \$43.96 billion USD (as of September 30, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

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### Glossary

**S&P 500® Index** A popular benchmark for U.S. large-cap equities that includes 500 companies from leading industries and captures approximately 80% coverage of available market capitalization.

**S&P MidCap 400®** Index A benchmark that seeks to target the mid-cap portion of the US equities market. The index covers more than 7 percent of the U.S. equities market. Included in the index are companies with market cap in the range of \$1 billion to \$4.5 billion. This range is reviewed from time to time to ensure consistency with market conditions.

**S&P SmallCap 600®** Index The benchmark that seeks to target the small-cap portion of the US equities market. The index includes all stocks in the investible universe that meet the minimum price, size, free float ratio, and liquidity requirement.

**S&P Composite 1500®** Index The S&P Composite 1500 Index combines three leading equity indices, the S&P 500 index, the S&P MidCap 400 Index, and the S&P SmallCap 600 to cover about 90% of the U.S. market capitalization. It is designed to be a benchmark of the U.S. equity market.

**S&P 500® Growth Index** A market-capitalization-weighted index developed by Standard and Poor's consisting of those stocks within the S&P 500 Index that exhibit strong growth characteristics.

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### Important Risk Information

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

**ETFs** trade like stocks, fluctuate in market value and may trade at prices above or below the ETFs' net asset value. Brokerage commissions and ETF expenses will reduce returns.

**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.

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

**Foreign investments** involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets.

**Fixed income securities** may decrease as a result of many factors, including, by way of example, general market fluctuations; increases

in interest rates; actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments; illiquidity in debt securities markets; and prepayments of principal, which often must be reinvested in obligations paying interest at lower rates.

**Passively managed funds** invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

An **actively managed fund** may underperform its benchmark. An investment in the fund is not appropriate for all investors and is not intended to be a complete investment program. Investing in the fund involves risks, including the risk that investors may receive little or no return on the investment or that investors may lose part or even all of the investment.

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No Bank Guarantee  
May Lose Value**