

# Tax-Sensitive Active Asset Allocation ETF Portfolios

## Tax-Aware Options for a Range of Investors

Six globally diversified portfolios that seek different levels of risk and return while capturing the potential tax advantages of municipal bonds

**Institutional Expertise** Established in 1982, the Investment Solutions Group also manages assets for central banks, pensions, endowments and other large institutions

**Seeks Outperformance** Using ETFs as building blocks, the portfolios seek to outperform their benchmark over a full market cycle

## Investment Objective

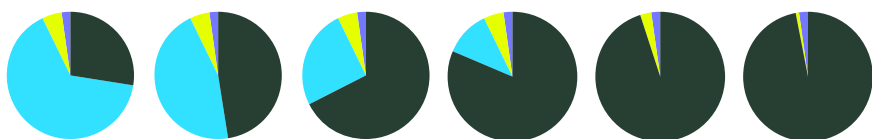
The State Street Tax-Sensitive Active Asset Allocation ETF Portfolios seek a distinct balance of risk and potential return. The more aggressive portfolios focus on long-term growth, while the more conservative portfolios emphasize current income and capital preservation. Each model portfolio seeks to pursue its goal and manage risk in a tax-sensitive manner by actively managing its allocations to exchange-traded funds (ETFs), offering exposure to a variety of asset classes.

## Investment Strategy

The model portfolios invest in both index-based and active ETFs. Each model portfolio is managed to a diversified custom benchmark that targets a particular balance of risk and return. The custom benchmark establishes each portfolio's neutral asset allocation. Investment Solutions Group (ISG), our 45+ member investment team, actively manages the portfolio allocations based on a quantitative analysis combined with qualitative insight. Weightings are adjusted 10–18 times per year to attempt to capitalize on mispricings in the global equity and fixed-income markets, emphasizing those that appear attractive and de-emphasizing those the team expects to underperform.

The strategy does not pursue any practices designed to cause the realization of losses in accounts invested pursuant to the strategy for the purpose of offsetting capital gains tax liabilities realized elsewhere in such accounts, a practice commonly referred to as "tax loss harvesting."

## Portfolio Allocations



Ticker	Asset Class	Conservative (%) 20/80	Moderate Conservative (%) 40/60	Moderate (%) 60/40	Moderate Growth (%) 75/25	Growth (%) 90/10	Maximum Growth (%) 98/2
	<b>Equity</b>	<b>27.5</b>	<b>47.5</b>	<b>67.5</b>	<b>81.5</b>	<b>95.0</b>	<b>97.0</b>
SPY	SPDR® S&P 500® ETF Trust	9.5	15.3	20.0	23.0	25.8	24.0
XLSR	SPDR SSGA US Sector Rotation ETF	5.0	9.8	14.5	17.5	20.8	22.0
SPMD	SPDR Portfolio S&P 400® Mid Cap ETF	1.0	2.0	3.0	4.0	5.0	6.0
SPSM	SPDR Portfolio S&P 600® Small Cap ETF	2.0	3.0	4.0	5.0	6.0	7.0
SPDW	SPDR Portfolio Developed World ex-US ETF	2.0	5.0	11.0	14.0	17.5	16.0
SPEU	SPDR Portfolio Europe ETF	4.0	4.0	4.0	4.0	4.0	4.0
SPEM	SPDR Portfolio Emerging Markets ETF	4.0	6.5	9.0	11.0	13.0	14.0
GWX	SPDR S&P® International Small Cap ETF	0.0	2.0	2.0	3.0	3.0	4.0
	<b>Fixed Income</b>	<b>65.5</b>	<b>45.5</b>	<b>25.5</b>	<b>11.5</b>	<b>0.0</b>	<b>0.0</b>
TFI	SPDR Nuveen Bloomberg Barclays Municipal Bond ETF	39.0	22.5	7.0	1.5	0.0	0.0
SPIP	SPDR Portfolio TIPS ETF	9.0	7.0	4.0	0.0	0.0	0.0
SPLB	SPDR Portfolio Long Term Corporate Bond ETF	5.0	5.0	5.0	4.0	0.0	0.0
EBND	SPDR Bloomberg Barclays Emerging Markets Local Bond ETF	3.5	3.0	2.5	1.5	0.0	0.0
SRLN	SPDR Blackstone Senior Loan ETF	3.5	3.0	2.5	1.5	0.0	0.0
SPTL	SPDR Portfolio Long Term Treasury ETF	3.0	3.0	3.0	3.0	0.0	0.0
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	1.5	1.0	0.5	0.0	0.0	0.0
SPIB	SPDR Portfolio Intermediate Term Corporate Bond ETF	1.0	1.0	1.0	0.0	0.0	0.0
	<b>Real Assets</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>3.0</b>	<b>1.0</b>
PDBC	Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF	3.0	3.0	3.0	3.0	2.0	1.0
GLD	SPDR Gold Shares	2.0	2.0	2.0	2.0	1.0	0.0
	<b>Cash</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
N/A	Cash	2.0	2.0	2.0	2.0	2.0	2.0
	<b>Weighted Average Expense Ratio</b>	<b>0.21</b>	<b>0.21</b>	<b>0.21</b>	<b>0.21</b>	<b>0.22</b>	<b>0.22</b>

Source: State Street Global Advisors as of June 30, 2021. The allocations in the charts above reflect portfolio weights for equity and fixed income asset classes across the spectrum of risk-based model portfolios. Allocations are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Equity asset classes include, but are not limited to, domestic equity, international equity and REITs. Fixed income asset classes include, but are not limited to, investment grade bonds, high yield bonds, convertible bonds, emerging market debt, inflation protected bonds and cash.

## Performance

	1 Month (%)	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception (%)*
<b>Conservative</b> 20% MSCI ACWI IMI Index/78% Bloomberg Barclays Municipal Managed Money 1-25 Years/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.66</b> 0.37	<b>3.63</b> 2.45	<b>3.85</b> 2.70	<b>12.36</b> 9.78	<b>7.19</b> 7.29	<b>N/A</b> N/A	<b>6.03</b> 6.02
<b>Moderate Conservative</b> 40% MSCI ACWI IMI Index/58% Bloomberg Barclays Municipal Managed Money 1-25 Years/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.78</b> 0.58	<b>4.66</b> 3.61	<b>6.33</b> 5.13	<b>19.58</b> 17.00	<b>9.01</b> 9.31	<b>N/A</b> N/A	<b>7.79</b> 7.89
<b>Moderate</b> 60% MSCI ACWI IMI Index/38% Bloomberg Barclays Municipal Managed Money 1-25 Years/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.85</b> 0.79	<b>5.63</b> 4.78	<b>8.92</b> 7.60	<b>27.27</b> 24.58	<b>10.83</b> 10.96	<b>N/A</b> N/A	<b>9.88</b> 9.75
<b>Moderate Growth</b> 75% MSCI ACWI IMI Index/23% Bloomberg Barclays Municipal Managed Money 1-25 Years/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.85</b> 0.94	<b>6.23</b> 5.67	<b>10.91</b> 9.49	<b>33.33</b> 30.51	<b>12.09</b> 12.21	<b>N/A</b> N/A	<b>11.27</b> 11.06
<b>Growth</b> 90% MSCI ACWI IMI Index/8% Bloomberg Barclays Municipal Managed Money 1-25 Years/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.67</b> 1.10	<b>6.52</b> 6.55	<b>12.32</b> 11.39	<b>38.40</b> 36.65	<b>13.23</b> 13.57	<b>N/A</b> N/A	<b>12.35</b> 12.31
<b>Maximum Growth</b> 98% MSCI ACWI IMI Index/2% Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index	<b>0.69</b> 1.18	<b>6.53</b> 7.03	<b>12.69</b> 12.41	<b>40.09</b> 40.01	<b>13.61</b> 14.00	<b>N/A</b> N/A	<b>12.75</b> 12.97

Source: State Street Global Advisors, as of June 30, 2021.

\* Inception date: June 9, 2017.

**Important Performance Reporting Information** The model portfolio strategy returns presented are those of model paper portfolios attributable to each strategy and reflect the contemporaneous investment strategy decisions made by State Street's investment professionals for each performance period presented. The returns do not reflect the results of the actual trading of any account or group of accounts and are thereby hypothetical in nature. All returns greater than one year are annualized. The returns reflect the reinvestment of dividends and interest. **Strategy returns are shown net of hypothetical trading fees based on a trade commission rate of 0.0025 cents per share. The impact of ETF fees is reflected in the returns for all periods presented.** State Street does not charge any separate model portfolio strategist fees in association with the strategies and therefore no such fee is reflected in the returns presented. State Street does not manage the accounts of retail investors pursuant to the strategies and the strategies are only available to retail investors through third party firms that offer account management and other services to retail investors. The actual performance results of an investor utilizing a third party advisor for account management would be lower as a result of the imposition of account management fees and custodial fees by third party firms. Additionally, actual trading fees may be greater than those based on the hypothetical commission rate described above. You should consult with your advisor to learn more about the fees that will be applied to a particular account or type of account. The performance of accounts managed by a third party advisor that receives access to the strategies may differ from the performance shown for a variety of reasons, including but not limited to: the fees assessed by the advisor and other third parties; the advisor's decision to exercise its discretion to implement a given strategy in a way that differs from the information provided by State Street; the timing of the advisor's implementation of strategy updates; investor imposed investment restrictions; and the timing and nature of investor initiated cash flow activity in the account. For all of the reasons described above, actual performance may differ substantially from the hypothetical results. Hypothetical results have inherent limitations because they do not reflect actual trading by State Street during the period described and may not reflect the impact that material economic and market factors might have had on State Street's decision-making if it was actually managing clients' money pursuant to the strategies. There is no guarantee that any of the investment strategies will be successful and investors should be aware that they can lose money investing assets in accordance with the strategies. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect the reinvestment of dividends and other income.

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Investing involves risk including the risk of loss of principal. Although steps can be taken to help reduce risk it cannot be completely removed.

**ETFs** trade like stocks, are subject to investment risk, 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. While asset allocation may help reduce the investment risk, it does not ensure a profit or guarantee against a loss.

**Diversification** does not ensure a profit or guarantee against loss.

**Actively managed model portfolios** do not seek to replicate the performance of a specified index. An actively managed model portfolio may underperform its benchmark. An investment in the model portfolio is not appropriate for all investors and is not intended to be a complete investment program. Investing in the model portfolio 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.

Carefully consider the funds within the model portfolios' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the funds' prospectuses, and if available, the summary prospectuses which may be obtained by visiting respective fund family websites.

Read the prospectus carefully before investing. Investing in **high yield fixed income securities**, otherwise known as "junk bonds," is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Issuers of **convertible securities** may not be as financially strong as those issuing securities with higher credit ratings and may be more vulnerable to changes in the economy. Other risks associated with convertible bond investments include: Call risk which is the risk that bond issuers may repay securities with higher coupon or interest rates before the

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**Bonds** generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise, 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.

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