August 2020 **Global Market Outlook**

The Relay Recovery

STATE STREET GLOBAL ADVISORS

Richard Lacaille
Global Chief
Investment Officer

Since our Global Market Outlook update in April, shock waves from the COVID-19 crisis have continued to flow through global markets, economies, and societies.

As we look forward to the remainder of the year, uncertainty abounds. Equity prices seem thoroughly disconnected from fundamentals. Few companies are willing to provide guidance on earnings and other dimensions of performance. Additional near-term risks to shareholder returns are materializing, as companies cut back on buybacks and dividends in a bid to conserve cash. Volatility as measured by the VIX seems to have fallen back, but the SKEW remains elevated — and dispersion among views on key forecasts, including GDP, is exceptionally wide.

Amid all of this uncertainty, much ink has been spilled in an attempt to predict the "shape" of the recovery: Will we see a **V**-shaped recovery? A **U**? A **W**? If a letter must be chosen, then we believe that the recovery will take the shape of a **V** — with a great deal of variability across sectors. But we also believe that focusing on the *shape* of the recovery is less useful than thinking about the *nature* of the recovery. In this case, we believe that recovery from the COVID-19-induced crisis resembles a high-stakes relay race — a layered recovery that is unfolding in overlapping stages, with risk at every transition point.

The Relay Recovery

We're already in the middle of a relay recovery. The first stage of the relay, led by central banks and governments, has so far been carried out successfully, as emergency monetary stimulus prevented a liquidity crisis from devolving into a solvency crisis. Emergency fiscal stimulus followed close behind, helping to shore up personal incomes and savings rates despite the loss of millions of jobs. These stimulus efforts took shape very quickly — that which took years to accomplish during the Global Financial Crisis took mere weeks in the COVID-19 crisis.

We're now in the second stage of the relay — the economic reopening — led by a patchwork of government authorities and businesses. Crucial to the success of the second stage is not just reopening, but staying open. On the surface, recent virus outbreaks in the wake of resumed economic activity (for example, in the southern and western United States) may seem discouraging, especially as some localities return to restrictive policies and shutdowns. It is possible, however, that these early experiences may encourage practices that will help to limit the spread of the virus ahead of a potential second wave this fall, thereby boosting business and consumer confidence. Reopening experiences have also been far from universally negative, as many countries, regions, and localities have gradually restarted their economies while keeping COVID-19 cases under control.

Ultimately, it will be challenging to sustain investor confidence through the end of the year unless the third stage of the relay — the development of a vaccine (or an effective, scalable medical treatment) — is accomplished so that the most vulnerable populations can benefit by the end of 2020 or early 2021. There will be no complete recovery without a medical solution to COVID-19.

Although each relay stage carries substantial risk, there are reasons to feel good about where we are now. Second-quarter economic data was horrible, as expected — yet there were also some positive surprises, including a big bounce in retail sales and in PMIs. Building on that near-term momentum, industrial production may also surprise to the upside, as manufacturers adjust their operations to allow for social distancing.[1] Recent weeks have also seen renewed fiscal stimulus efforts, as the EU agreed to a EUR750 billion recovery fund (taking a major step toward greater EU unity in the process), and negotiations continue (as of this writing) on a new US stimulus package that could deliver $1 trillion or more in additional relief.[2]

Risks to the Recovery

While the relay recovery has gone well so far — economic data is improving, and consumer spending has been supported by stimulus measures — pressure on personal incomes may increase toward the end of the year as governments begin to weigh the provision of additional stimulus funding more carefully. The US election poses another risk — not just in terms of the election outcome, but also the prospect of a disputed election and potential Constitutional crisis.

Inflation is another risk, as MMT[3] — once nearly universally dismissed — has essentially become the norm. In the near term, the pandemic has been mostly a deflationary event (aside from a few pockets such as food prices). We don't expect inflation to spiral out of control anytime soon, particularly in light of the deflationary forces that the pandemic has also unleashed, including accelerated technology adoption. Nevertheless, inflation uncertainty has spiked recently, and inflation does bear watching in light of this global sea change in monetary policy interaction.

Finally, the successful fulfillment of the third relay stage — the attainment of a medical resolution to the crisis within a relatively short time frame — does represent a key risk to our outlook. Indeed, the medical situation, including the possibility of a severe second wave necessitating widespread shutdowns, will remain a major risk until a vaccine or cure is developed and widely distributed.

Economic Outlook

Historically swift and sizable monetary and fiscal stimulus will not be enough to prevent an outright contraction in global GDP this year (see Figure 1). In our last Global Market Outlook update, we projected recessions in Japan and across European economies. Unfortunately, recession has since become unavoidable almost across the globe.

Figure 1
State Street Global Advisors Forecast, Real GDP Growth

	2020 (%)	2021 (%)
Global	-2.8	4.7
US	-3.4	3.9
Australia	-2.2	3.9
Canada	-5.6	5.7
Eurozone	-6.6	5.0
France	-6.9	5.0
Germany	-5.0	5.2
Italy	-8.5	5.0
UK	-6.7	4.4
Japan	-4.2	2.5
Brazil	-7.0	5.0
China	1.8	7.0
India	-4.0	7.0
Mexico	-7.0	4.0
South Africa	-7.0	6.0
South Korea	-0.7	3.2
Taiwan	-1.0	3.2

Source: State Street Global Advisors, as of 7 August 2020.

As the virus spread globally, even emerging markets that at one point were viewed as unlikely to resort to lockdowns have since been forced to adopt them; India is a case in point. In fact, one reason that global economic performance is decidedly worse than it was during the Global Financial Crisis (GFC) is the current lack of resilience in emerging markets. China served as a growth anchor for the world economy in the last global recession, but it cannot play that role today. (China is, however, one of the very few economies likely to record modest positive GDP growth this year.)

United States

The United States is officially in recession as of June, according to the National Bureau of Economic Research (NBER).[4] The NBER noted that "the usual definition of a recession involves a decline in economic activity that lasts more than a few months." However, other considerations such as intensity and breadth matter; these warranted "the designation of this episode as a recession, even if it turns out to be briefer than earlier contractions."

The US recession may turn out to be not just briefer, but *much* briefer. Throughout this episode, we've been highlighting many data incongruities that illustrate the unusual nature of this economic contraction and which suggest that the recovery could be unprecedentedly swift as well. Extraordinary monetary and fiscal stimulus will play a key role here. With Fed monetary policy seemingly here to stay, fiscal stimulus so far has delivered support to consumer spending. Personal income in the US spiked 10% in April, despite a 15% unemployment rate. The personal savings rate shot up to a never-before-seen 33%, implying a decent financial cushion for consumers. It's not all that surprising that US retail sales jumped by a record 17.7% in May, and that mortgage applications for home purchases are at an 11-year high. This is clearly not a typical recession. And although the recovery will vary across sectors — e.g., travel, hospitality, and events will likely be under pressure for some time — evidence of improvement can be found.

For these reasons, we continue to lean more positive than consensus on US GDP growth: We expect a 3.4% decline in 2020. We also expect stronger-than-consensus 3.9% GDP growth in 2021, based on our expectation that the policy response to a second-wave outbreak will not include broad lockdowns, and that there will be measurable progress on medical solutions to the virus that will allow the most vulnerable populations to benefit by late 2020 or early 2021.

Europe

The eurozone presents an especially interesting case in the current COVID-19 drama. Cyclically, it has been one of the worst-affected regions, with vulnerabilities stemming from high levels of economic openness, dependence on global tourism and demand for luxury goods, elderly populations, and macro policy constraints. But this is also the region that may emerge from this crisis in much better shape from a structural standpoint — the intensity of this shock is energizing transformative integration efforts to a much greater extent than was seen during the GFC or the Euro crisis.

After years when monetary policy in the form of ECB rate cuts and quantitative easing seemed to mark the limits of macro policy support available to the region's economy, we are now finally witnessing a meaningful fiscal policy response. This is not just at the national level (including traditionally austere countries like Germany) but also — most importantly — at the supranational level. The EU has adopted a EUR750 billion recovery plan that represents a major step forward in unity. A sizable increase in the EU budget is currently under debate and, with the support of core allies, Germany and France, will likely be approved. At the same time, the European Central Bank is stepping on the stimulus gas pedal, having nearly doubled the size of its Pandemic Emergency Purchase Program to EUR1.350 billion.

We expect the eurozone economy to contract by 6.6% in 2020, before rebounding to grow by 5.0% in 2021. Unsurprisingly, Germany is expected to outperform that trajectory, given sizable counter-cyclical stimulus, stronger consumer finances, and less dependence on tourism. Also unsurprisingly, Italy is likely to underperform this year, although a normalization in tourism flows and favorable base comparisons should allow it to keep up with the rest of the region in 2021. France's experience will likely fall in-between these two.

Emerging Markets

The COVID-19 crisis negates many of the structural long-term advantages of emerging market (EM) economies while accentuating their shortcomings. Prime among EM's perceived advantages had been broadly favorable demographics. Abundant and relatively cheap labor resources had been a structural advantage that supported an export-led growth approach in many emerging market economies in Asia and beyond. But abundant labor is not an advantage when that labor is idled by the necessities of social isolation policies. In fact, last quarter we noted high population density as a key risk factor that could greatly exacerbate disease containment difficulties and escalate healthcare costs.

Unfortunately, over the last two months, Brazil and India have become poster children for a demographic advantage turning into a drag, as infection rates spiked. If there is a silver lining here, it is that EM populations are generally younger, and youth seems to greatly reduce COVID-19 mortality rates. Nonetheless, the containment measures and the loss of economic activity associated with these outbreaks mean that GDP in emerging markets as a whole will contract by close to 2.0% this year, an extraordinary development given typical annual expansion rates over 4.0%. In effect, COVID-19 has wiped out emerging markets' structural growth advantage. This will not be a permanent change, but it is noteworthy nonetheless.

Another feature of the COVID-19 crisis is that it heightens heterogeneity in EM economic performance. At the moment, it appears to be more of a duality story — China on one hand, and most other EM countries on the other. As China contained its virus spread early on, its economic recovery began as early as Q2 — one quarter ahead of the rest of the world. China's superior policy implementation capacity — both social and economic — place it favorably within the EM universe. In fact, one could even describe its performance as unique: It is the only large economy, advanced or developing, that is likely to eke out modest positive GDP growth this year.

Our Current Asset Allocation

Notwithstanding our broad expectations for the global economy and continued monetary and fiscal support, in this highly uncertain environment we're currently neutral to risk in our asset allocation, with select exposure to risk assets. Our proprietary Market Regime Indicator (MRI), which measures risk sentiment, has continued to ease from extreme levels and has moved into more neutral territory. This change in sentiment was driven by a decline in implied volatility on currencies, which continued to moderate, and points to some improvement in risk appetite. But risky debt spreads and implied volatility on equities, while improved somewhat over last month's levels, continue to signal that global equity markets remain vulnerable to shocks. We continue to build tactical hedges, especially in gold.

With respect to risk assets, the relatively high equity risk premium continues to warrant exposure to equities. But given a lack of company guidance, low visibility on earnings growth, and near-term threats to buybacks and dividend payouts, we believe investors should be selective in terms of investment style and region. As slow-moving and uncertain company earnings estimates make valuation analysis unreliable, our focus in equities has shifted to sustainable growth and high-quality business models.

Against that backdrop, we favor US equities, where we believe the worst has been priced in and where company guidance is gradually returning. US equity markets have a higher concentration of quality firms (i.e., companies with relatively strong cash flow, robust balance sheets, etc.), and US equities are benefiting from more positive investor sentiment compared with other regions.

Our views on European equities are somewhat less favorable. Recent steps toward greater fiscal unity in Europe and relative outperformance in European equities appear promising, but we believe that this outperformance may have more to do with the recent outperformance of US large caps and tech firms more generally. The top stocks in Europe in terms of market capitalization are global companies, with large businesses — and risk exposure — outside of Europe. More broadly, there is a paucity of choice in European stock markets compared with the US, especially in the tech hardware and software segments, and many of Europe's domestic companies look weak. In Europe, we prefer an allocation toward debt and unhedged currency, at least for now.

For the moment, we're also slightly overweight EM equities to hedge against further recovery in cyclical assets; however, earnings estimates in EM continue to appear over-optimistic and will bear close scrutiny in the months ahead. Meanwhile, the COVID-19 crisis has pressured both residential and commercial real estate, leading us to reduce our exposure to REITs.

We're taking on risk through overweights in both investment grade (IG) and high yield (HY) credit, driven by central-bank support and growing cash on corporate balance sheets. Corporate credit valuations remain attractive as we anticipate meaningful tightening in spreads for both IG and HY. This is partially driven by historically low interest rates, as well as the potential for a steepening yield curve as the economic backdrop improves. Momentum for equities weakened slightly, but it remains supportive and, combined with relatively lower volatility, suggests a beneficial environment for HY credit going forward. Despite the potential for an increase in defaults, the US Federal Reserve's commitment to limiting downside risks in credit markets, along with increasing cash on corporate balance sheets, support further spread tightening. We are underweight government bonds and neutral duration, as quantitative easing purchases keep rates low and in a range for the balance of 2020.

As we review the COVID-19-influenced landscape, one area of the markets that draw our particular attention is cyclical assets, including EM assets. In the aftermath of the Global Financial Crisis, US hegemony drove cyclical-asset prices, with high cross-asset correlations and high correlation with the US dollar and US monetary policy. Looking forward, the outlook for the USD is likely to be choppy in the near term, due to global uncertainty. We expect near-term declines in the USD to be rangebound as investors continue to treat it as a hedge of choice. Beyond a six-month horizon, however, the outlook for the USD is decidedly negative; the dollar is currently expensive relative to fair value and has lost its yield support.

Given our expectations for a secular bear market in USD and the elevated risk premium for cyclical assets, we believe selective risk-taking in cyclicals with a close eye to value makes sense for investors with a medium-term horizon. We favor local currencies in EM. Given the level of yield support (around 200 basis points at the time of this writing), we believe investors should consider EM debt as a path to gaining exposure to EM currencies.

Closing Thoughts

As we look forward to the remainder of 2020, we offer the following key takeaways for investors:

- Central-bank support and rising cash on corporate balance sheets have created strong opportunities in investment grade and high yield corporate credit.

- Given the deep disconnect between fundamentals and earnings and the abundance of uncertainty confronting markets, risk awareness will be crucial in the months ahead. Investors should build tactical hedges — we currently favor gold — and consider additional approaches to help manage their overall risk exposure, including low-volatility and defensive equities.

- As companies continue to hesitate to issue guidance and valuation analysis becomes less reliable, we strongly favor quality as an investment theme. Stocks issued by companies with strong quality characteristics (e.g., strong cash flow, sturdy balance sheet) tend to outperform in challenging circumstances. Quality outperformed in the aftermath of the Global Financial Crisis, and it has outperformed again in the wake of the recent drawdown.

- At the same time, it's important to consider the potential that the macro recovery could be relatively strong; this may warrant some exposure to assets that tend to be sensitive to the business cycle (i.e., cyclical assets, including EM assets). Post-GFC, cyclicals' performance has been highly correlated to US monetary policy and the US dollar. A weakening US dollar in the short term, and the prospect of a secular bear market for the dollar over the longer term, create both the opportunity (in the form of a degree of market recovery and an elevated risk premium) and the motivation for investors to re-consider their exposure to cyclicals. We favor EM currencies in this space, accessed through EM debt.

We will continue to update our outlook and its implications for investors in the weeks to come.

Coauthors

Lori Heinel
Deputy Global Chief Investment Officer

Simona Mocuta
Senior Economist

Gaurav Mallik
Chief Portfolio Strategist

Endnotes

1 Wide differences in sector performance are likely to take shape as the recovery continues to gain momentum. In general, we expect construction and industrial sectors to revive more quickly than service sectors, which in turn will benefit large economies and those less dependent on services.

2 Just as "lower for longer" became the key descriptor of monetary policy during the Global Financial Crisis and its aftermath, we believe that "larger for longer" may well become the catch phrase that describes fiscal policy in the COVID-19 crisis.

3 Modern Monetary Theory or "MMT" is an alternative macroeconomic theory that states that governments can create new money through fiscal policy. In MMT, the primary constraint on governments' ability to print and spend money is inflation.

4 The NBER based its conclusion on its assessment that economic activity peaked in February 2020.

About the Global Market Outlook

As investment challenges grow more complex, State Street's Global Market Outlook was created to alert investors to portfolio risks and opportunities in the coming year, based on the research of our investment teams. Research around near-term and longer-term market issues is at the heart of who we are as investors. It drives the kinds of outcome-oriented portfolios we create for clients, drawing on the full range of our beta and alpha solutions as well as our asset allocation expertise.

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 $3.05 trillion* under our care.

* This figure is presented as of June 30, 2020 and includes approximately $69.52 billion 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.

ssga.com

State Street Global Advisors Worldwide Entities

Abu Dhabi: State Street Global Advisors Limited, ADGM Branch, Al Khatem Tower, Suite 42801, Level 28, ADGM Square, Al Maryah Island, P.O Box 76404, Abu Dhabi, United Arab Emirates. Regulated by the ADGM Financial Services Regulatory Authority. T: +971 2 245 9000. **Australia:** State Street Global Advisors, Australia, Limited (ABN 42 003 914 225) is the holder of an Australian Financial Services License (AFSL Number 238276). Registered office: Level 14, 420 George Street, Sydney, NSW 2000, Australia. T: +612 9240-7600. F: +612 9240-7611. **Belgium:** State Street Global Advisors Belgium, Chaussée de La Hulpe 120, 1000 Brussels, Belgium. T: 32 2 663 2036. F: 32 2 672 2077. SSGA Belgium is a branch office of State Street Global Advisors Ireland Limited. State Street Global Advisors Ireland Limited, registered in Ireland with company number 145221, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. **Canada:** State Street Global Advisors, Ltd., 1981 McGill College Avenue, Suite 500 , Montreal, Qc, H3A 3A8, T: +514 282 2400 and 30 Adelaide Street East Suite 800, Toronto, Ontario M5C 3G6. T: +647 775 5900. **France:** State Street Global Advisors Ireland Limited, Paris branch is a branch of State Street Global Advisors Ireland Limited, registered in Ireland with company number 145221, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. State Street Global Advisors Ireland Limited, Paris Branch, is registered in France with company number RCS Nanterre 832 734 602 and whose office is at Immeuble Défense Plaza, 23-25 rue Delarivière-Lefoullon, 92064 Paris La Défense Cedex, France. T: (+33) 1 44 45 40 00. F: (+33) 1 44 45 41 92. **Germany:** State Street Global Advisors GmbH, Brienner Strasse 59, D-80333 Munich. Authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"). Registered with the Register of Commerce Munich HRB 121381. T: +49 (0)89-55878-400. F: +49 (0)89-55878-440. **Hong Kong:** State Street Global Advisors Asia Limited, 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. T: +852 2103-0288. F: +852 2103-0200. **Ireland:** State Street Global Advisors Ireland Limited is regulated by the Central Bank of Ireland. Registered office address 78 Sir John Rogerson's Quay, Dublin 2. Registered Number: 145221. T: +353 (0)1 776 3000. F: +353 (0)1 776 3300. **Italy:** State Street Global Advisors Ireland Limited, Milan Branch (Sede Secondaria di Milano) is a branch of State Street Global Advisors Ireland Limited, registered in Ireland with company number 145221, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. State Street Global Advisors Ireland Limited, Milan Branch (Sede Secondaria di Milano), is registered in Italy with company number 10495250960 - R.E.A. 2535585 and VAT number 10495250960 and whose office is at Via Ferrante Aporti, 10 - 20125 Milano, Italy. T: +39 02 32066 100. F: +39 02 32066 155. **Japan:** State Street Global Advisors (Japan) Co., Ltd., Toranomon Hills Mori Tower 25F 1-23-1 Toranomon, Minato-ku, Tokyo 105-6325 Japan. T: +81-3-4530-7380. Financial Instruments Business Operator, Kanto Local Financial Bureau (Kinsho #345), Membership: Japan Investment Advisers Association, The Investment Trust Association, Japan, Japan Securities Dealers' Association. **Netherlands:** State Street Global Advisors Netherlands, Apollo Building, 7th floor Herikerbergweg 29 1101 CN Amsterdam, Netherlands. T: 31 20 7181701. SSGA Netherlands is a branch office of State Street Global Advisors Ireland Limited, registered in Ireland with company number 145221, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. **Singapore:** State Street Global Advisors Singapore Limited, 168, Robinson Road, #33-01 Capital Tower, Singapore 068912 (Company Reg. No: 200002719D, regulated by the Monetary Authority of Singapore). T: +65 6826-7555. F: +65 6826-7501. **Switzerland:** State Street Global Advisors AG, Beethovenstr. 19, CH-8027 Zurich. Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered with the Register of Commerce Zurich CHE-105.078.458. T: +41 (0)44 245 70 00. F: +41 (0)44 245 70 16. **United Kingdom:** State Street Global Advisors Limited. Authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 2509928. VAT No. 5776591 81. Registered office: 20 Churchill Place, Canary Wharf, London, E14 5HJ. T: 020 3395 6000. F: 020 3395 6350. **United States:** State Street Global Advisors, One Iron Street, Boston, MA 02210-1641. T: +1 617 786 3000.

Important Information

The information provided does not constitute investment advice as such term is defined under the Markets in Financial Instruments Directive (2014/65/EU) or applicable Swiss regulation and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell any investment. It does not take into account any investor's or potential investor's particular investment objectives, strategies, tax status, risk appetite or investment horizon. If you require investment advice you should consult your tax and financial or other professional advisor. All material has been obtained from sources believed to be reliable. There is no representation or warranty as to the accuracy of the information and State Street shall have no liability for decisions based on such information.

The views expressed in this material are the views of State Street Global Advisors through 7 August 2020 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

Investing involves risk including the risk of loss of principal.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

All the index performance results referred to are provided exclusively for comparison purposes only. It should not be assumed that they represent the performance of any particular investment.

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

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.

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.

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.

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

© 2020 State Street Corporation.
All Rights Reserved.

ID273173-3190874.1.1.GBL.RTL
Exp. Date: 08/31/2021