
SPDR[®] ETFs

Chart Pack

Key Charts to Help Navigate the Market

Mid Year Outlook Edition: The Great Reset

Please see Appendix D for more information on investment terms used in this Chart Pack.

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Three Strategies for *The Great Reset*

As the first half of 2020 concludes and the second half begins, the great reset is firmly underway. For investors, this rebirth presents both big risks and considerable opportunities and they should consider the following three tactics when building portfolios in the post-pandemic environment.

Focus on Innovation

Target market segments poised to shape a post-pandemic future

- Software solutions to support daily life
- Advanced Health Care to respond to pandemics
- Cyber/Future Security to defend against global risks
- Intelligent Infrastructure for a digitally connected but physically distanced world

Pursue Total Return

As rates and monetary policy complicate the search for income:

- Don't fight the Fed by targeting mortgage-backed securities and short duration corporates
- As well as consider high yield, as they have implicit support from the Fed
- While looking to convertible securities to straddle the line between income and capital appreciation

Look for Relative Value Opportunities

Chaotic markets can create deviations from the norm, and potential opportunities

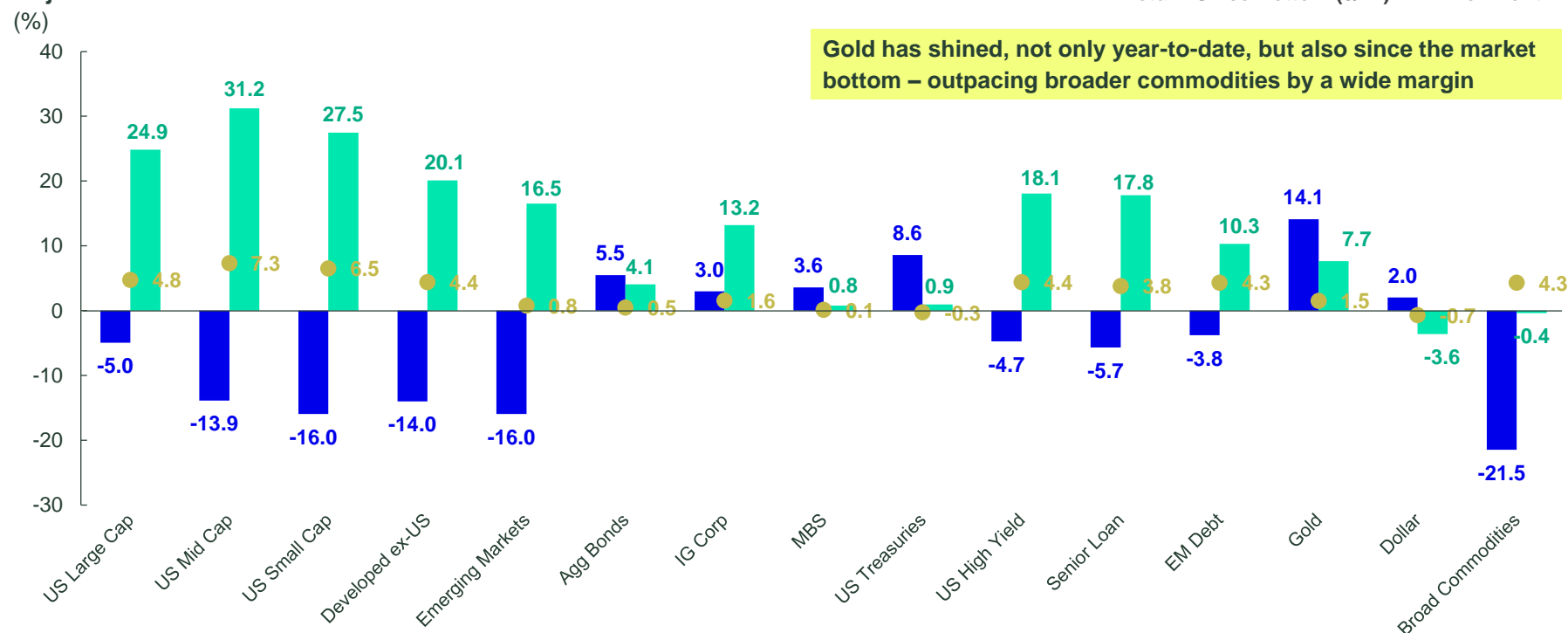
- Seek to the trim home bias that has emerged
- Watch for China's rebound
- Seek value in the middle
- Swap nominals for TIPS
- Consider gold over broad commodities

1. Market Environment

Asset Class Performance

As economies around the world are slowly reopening, almost all major asset were up in May – led by US mid caps

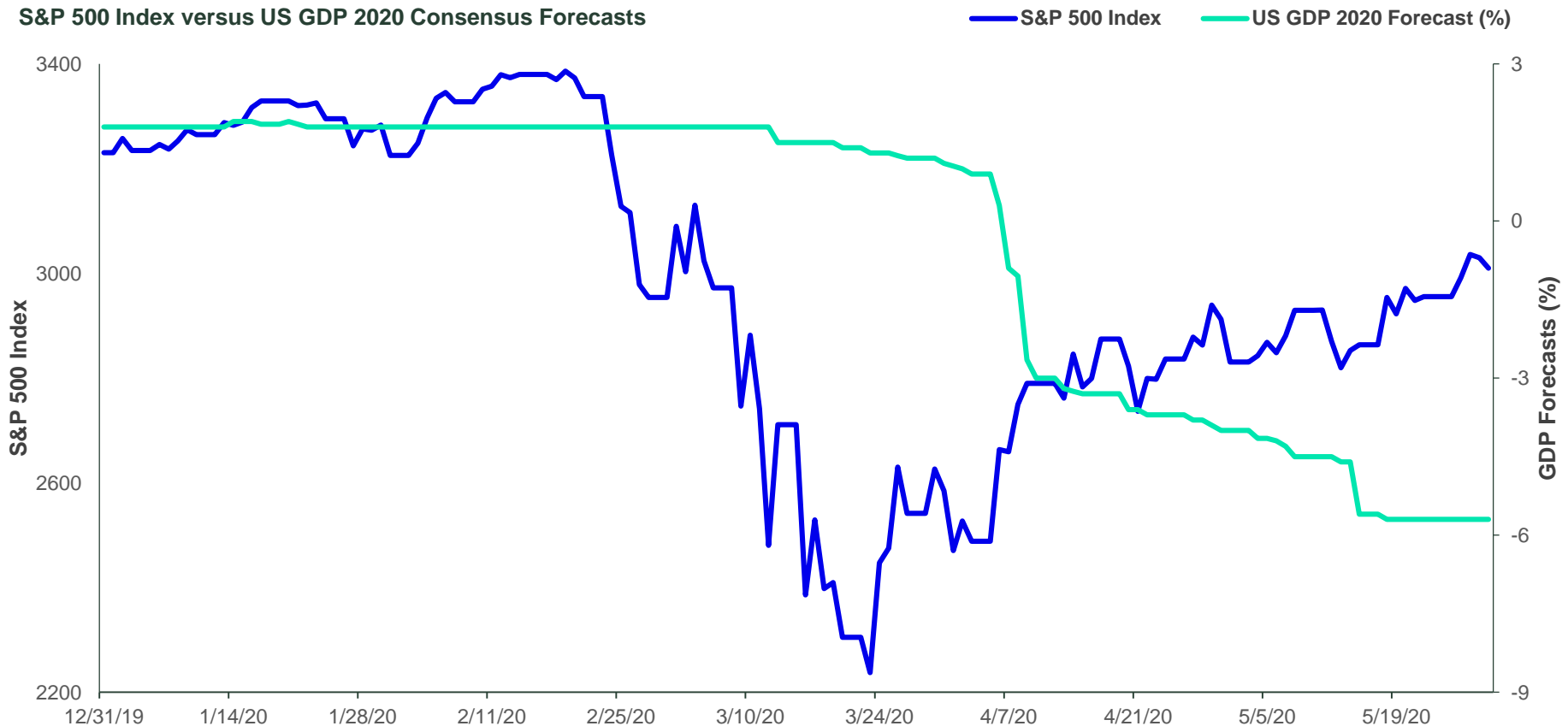
Major Asset Class Performance



Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** 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. Performance returns for periods of less than one year are not annualized. US Large Cap: S&P 500 Index; US Small Cap: Russell 2000 Index; Developed Ex-US: MSCI EAFE Index; Agg Bonds: Bloomberg Barclays US Aggregate Index; IG Corp: Bloomberg Barclays US Corporate Index; Treasuries: Bloomberg Barclays US Treasury Index; MBS: Bloomberg Barclays Mortgage US MBS Index; High Yield: Bloomberg Barclays US Corporate High Yield Index; Senior Loans: S&P LSTA Leveraged Loan Index; EM Debt: Bloomberg Barclays EM Hard Currency Debt Index; Gold: LBMA Gold Price; Broad Commodities: Bloomberg Commodity Index; US Dollar: DXY Dollar Index.

The Market is Not The Economy

Financial market trends, however, have decoupled with economic growth projections where millions of jobs have been lost and productivity stunted

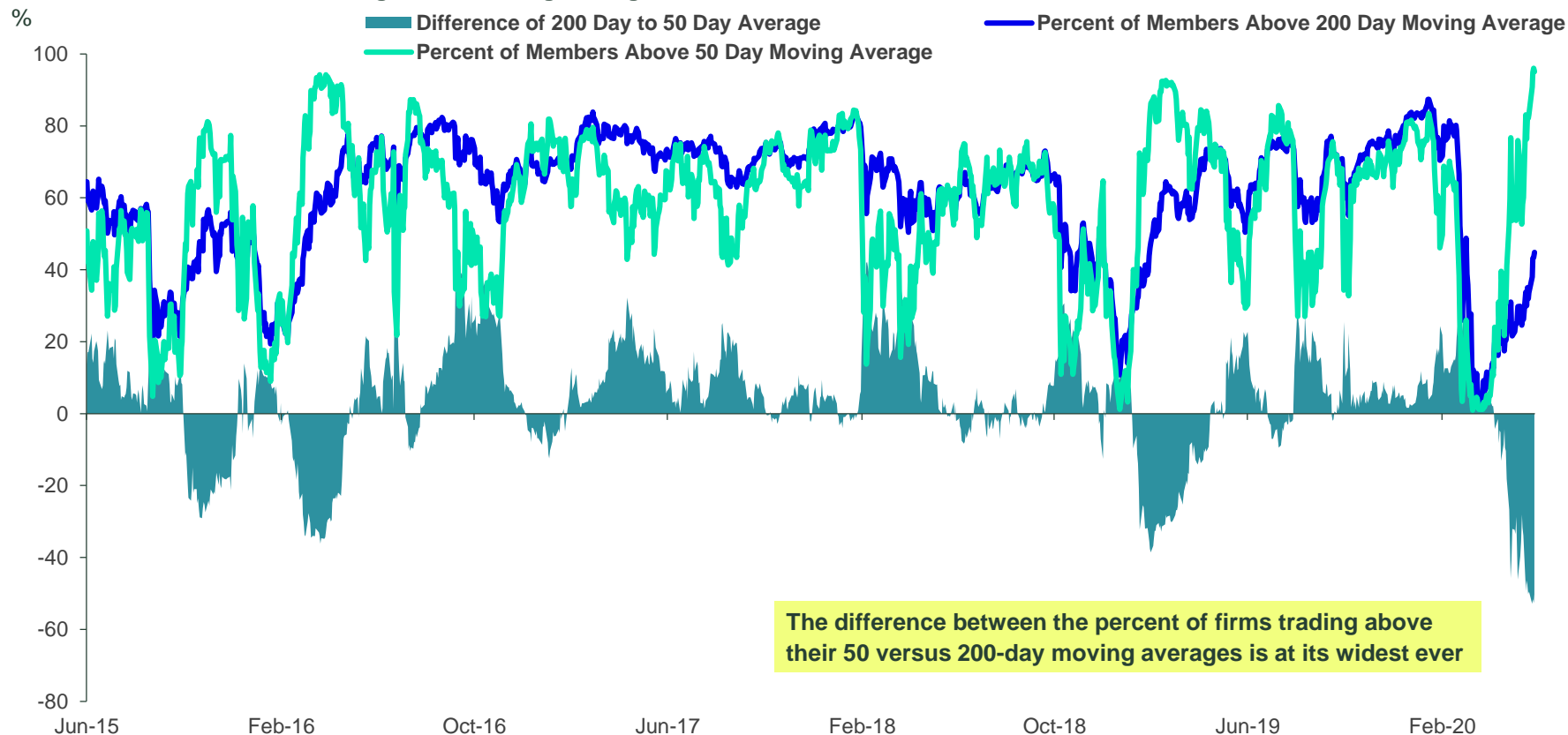


Source: Bloomberg Finance L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.**

Market Breadth

Over 95% of S&P 500 firms are trading above their 50-day moving average, signaling a broad rally. But relative to a longer-term 200-day, it's been more narrow

Percent of S&P 500 Firms Trading Above Moving Averages

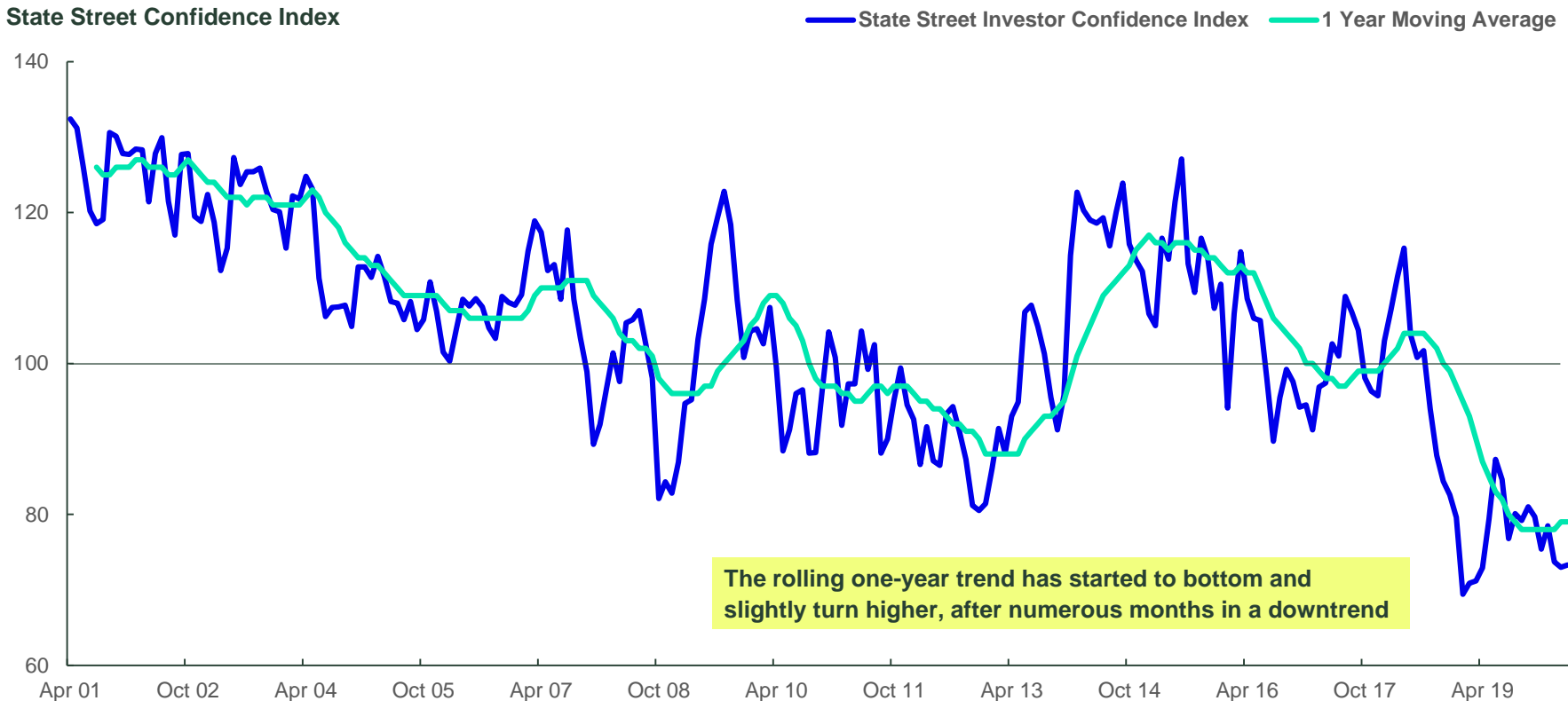


Source: Bloomberg Finance L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.**

Investor Confidence

The shifting focus from country lockdowns to restarting economic activity allowed the Investor Confidence Index to remain mostly unchanged in May

State Street Confidence Index



Source: Bloomberg Finance, L.P. as of May 31, 2020. State Street Confidence Indexes Measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The results shown represent current results generated by State Street Investor Confidence Index. The results shown were achieved by means of a mathematical formula in addition to transactional market data, and are not indicative of actual future results which could differ substantially.

Cross-Asset Volatility

Every single asset class volatility continues to retreat from March highs, but they still in the top quartile – except for rate volatility

Cross-Asset Implied Volatility

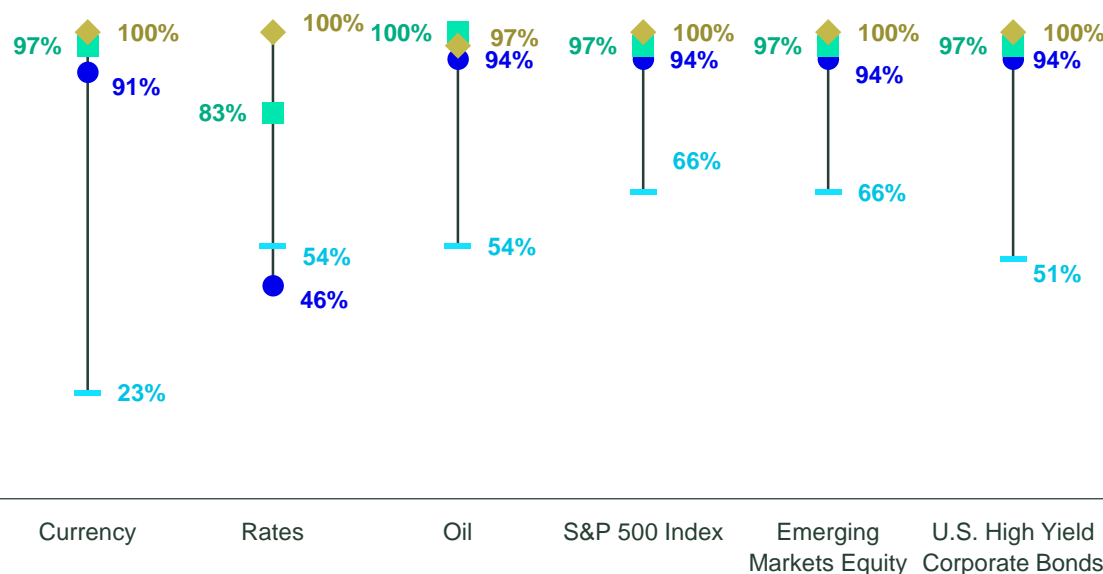
Percentile Rank of Daily Average, 3-Year

● May-20

■ Apr-20

◆ Mar-20

— One Year Ago



Cross-Asset Dispersion

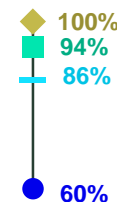
Percentile Rank, 3-Year

● May-20

■ Apr-20

◆ Mar-20

— One Year Ago



The uniformity of the May rally led to a decline in cross-asset dispersion

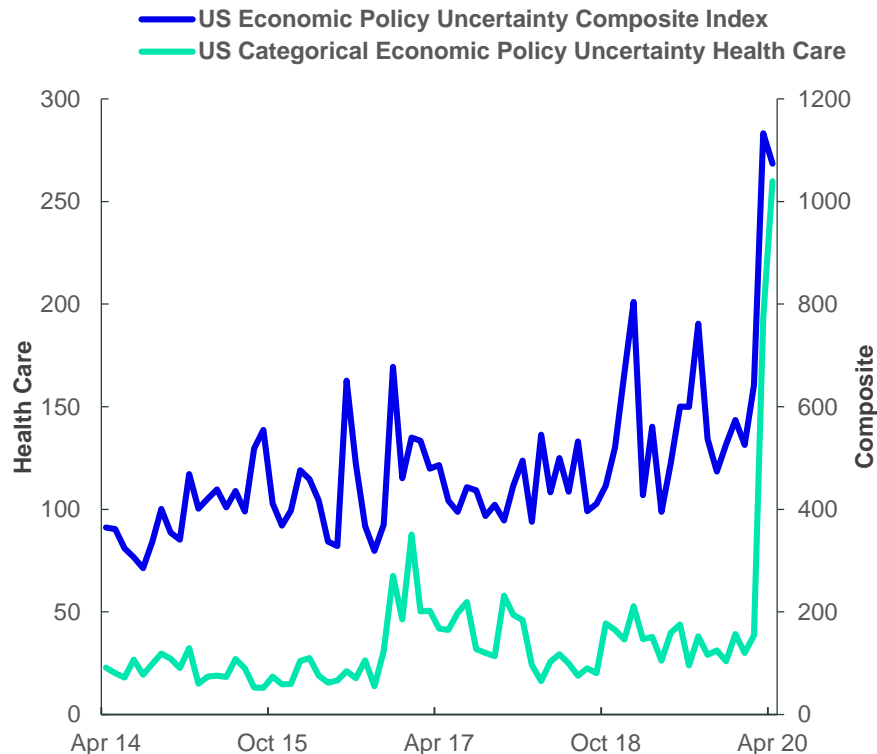
Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** Currency implied volatility is measured by the J.P. Morgan Global FX Volatility Index. Rates implied volatility is measured by the MOVE Index. Oil implied volatility is derived from oil future contracts. Emerging markets implied volatility is measured by the CBOE Emerging Markets ETF Volatility Index. High Yield bond implied volatility is measured by the CBOE High Yield Corporate Bond ETF Volatility Index. Cross asset dispersion is measured by standard deviation of monthly returns of S&P 500, Russell 2000, Russell 3000 Growth, Russell 3000 Value, MSCI Emerging Markets, MSCI World ex-USA, Bloomberg Barclays US Aggregate, US Corporate High Yield, EM USD Aggregate, EM Local Currency Government, S&P/LSTA US Leveraged Loan 100, Bloomberg Commodity Indices, LBMA Gold Price PM.

Policy and Market Uncertainty

As a result of the pandemic, health care policy uncertainty is at all-time highs – driving broader policy uncertainty to highs as well

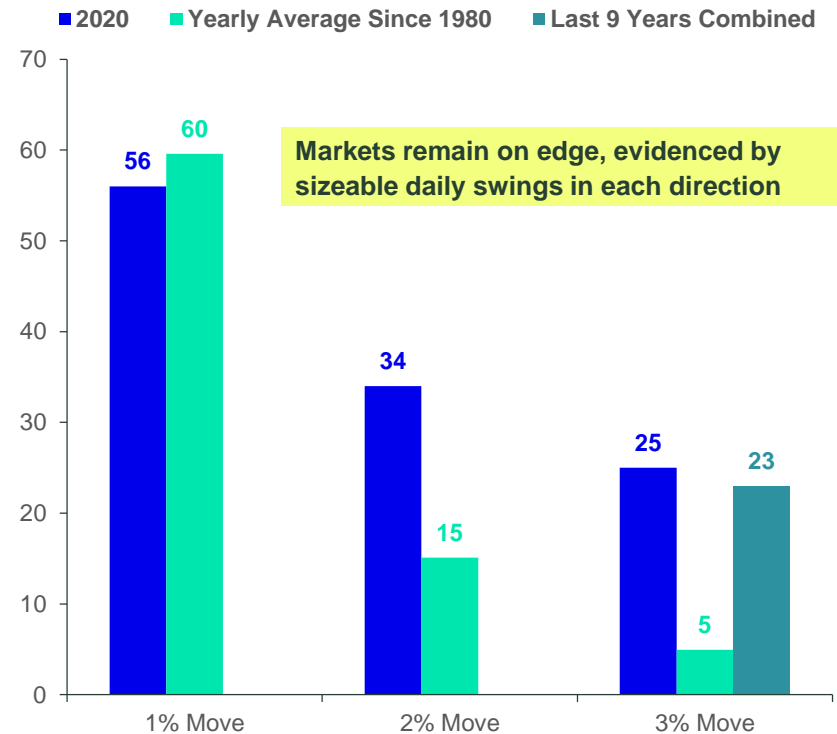
Economic Uncertainty

Policy and Health Care Levels



Market Uncertainty

of Days with a Daily Return +/- More than 1, 2, and 3% for S&P 500



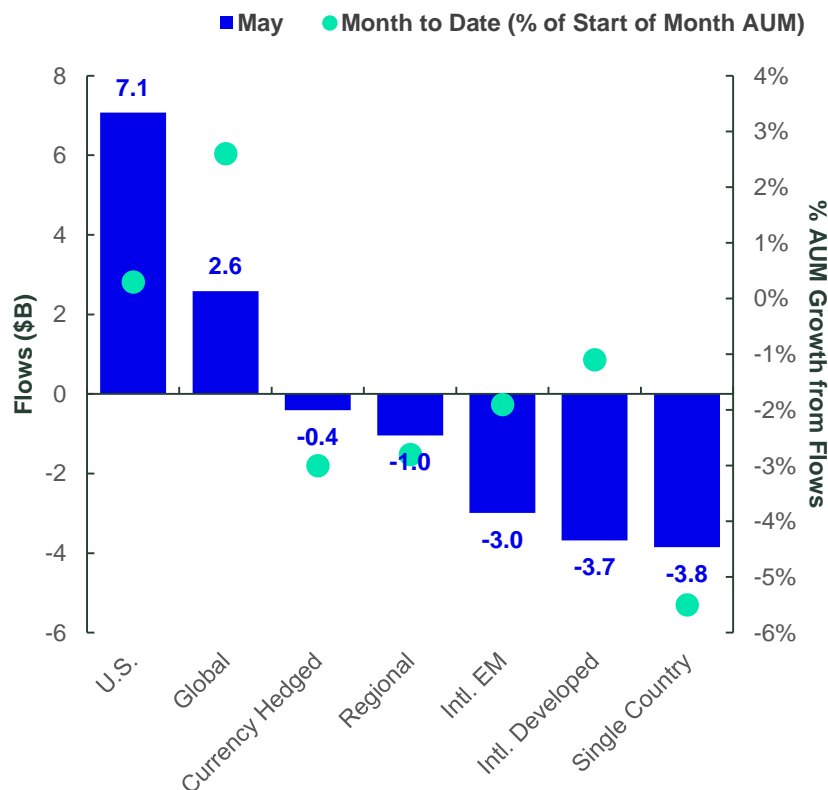
Source: Bloomberg Finance, L.P. Uncertainty based on data from Boom, Baker, Davis, as of May 26, 2020. **Past performance is not a reliable indicator of future results.**

2. Flows, Fundamentals & Factors

Flow Trends

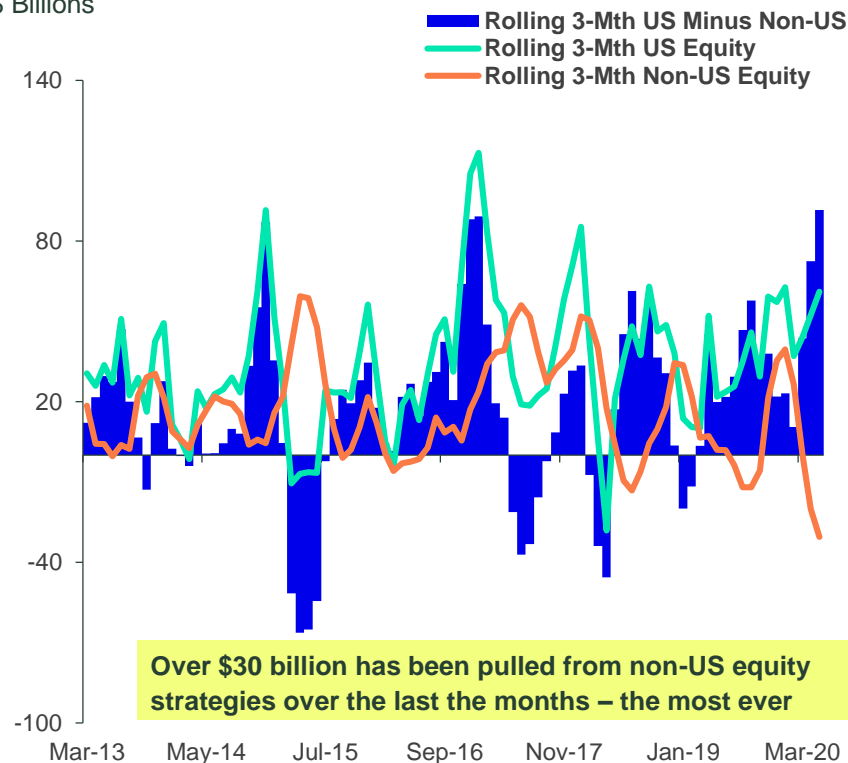
Equity ETFs were in net outflows for the month of May, led by the ongoing rotation of out non-US equity exposures

Flows by Equity Regions



US versus Non-US ETF Fund Flows

\$ Billions

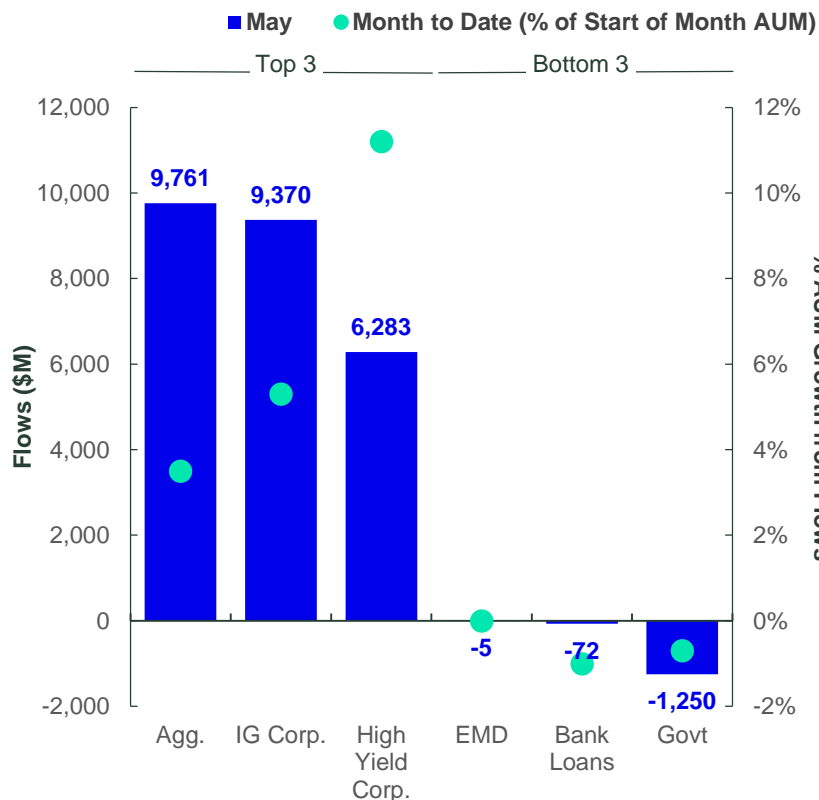


Source: State Street Global Advisors, Bloomberg Finance, L.P. as of May 31, 2020. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. All figures are in USD.

Flow Trends (continued)

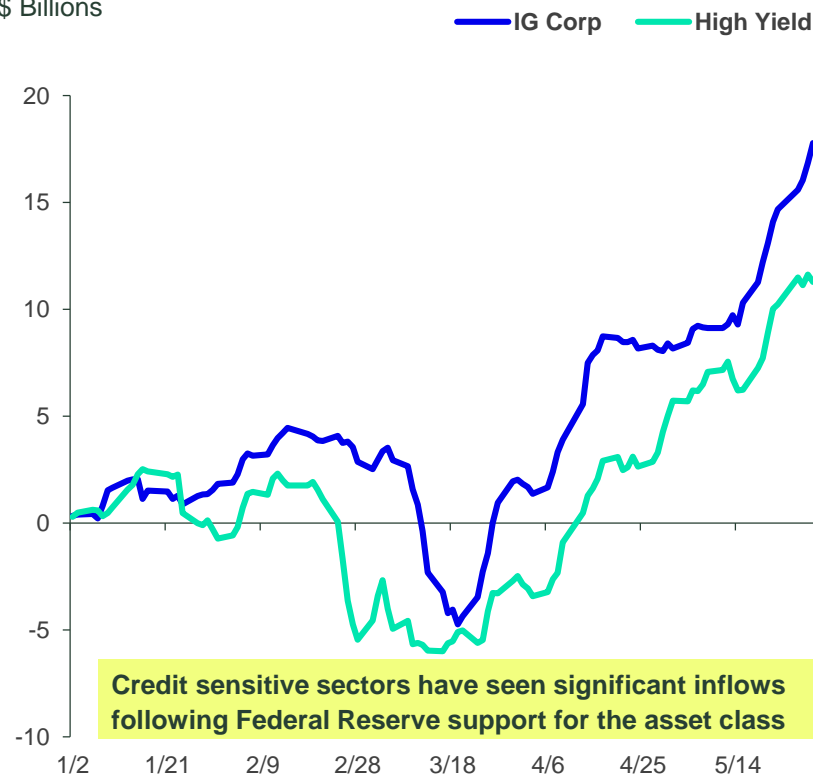
Fixed Income ETFs took in a record \$28 billion in May, fueled by sizeable demand for IG Corp and High Yield Exposures. IG Corp took in a record \$9 billion.

Fixed Income Top and Bottom 3 Sectors by Flow



Cumulative IG Corp and High Yield Corp 2020 Flows

\$ Billions

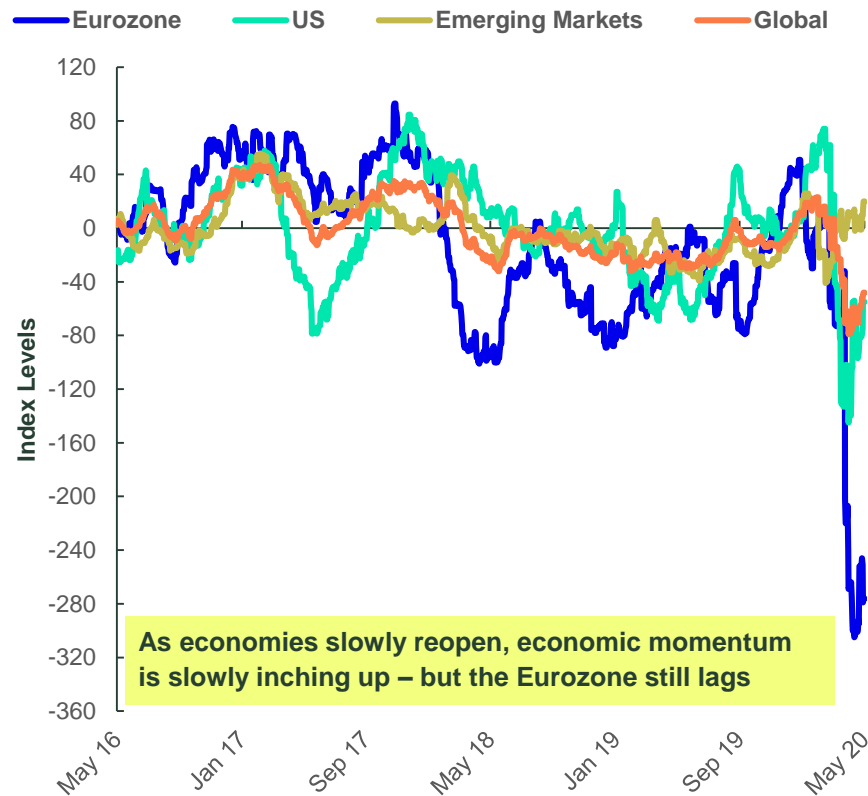


Source: State Street Global Advisors, Bloomberg Finance, L.P. as of May 31, 2020. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. All figures are in USD.

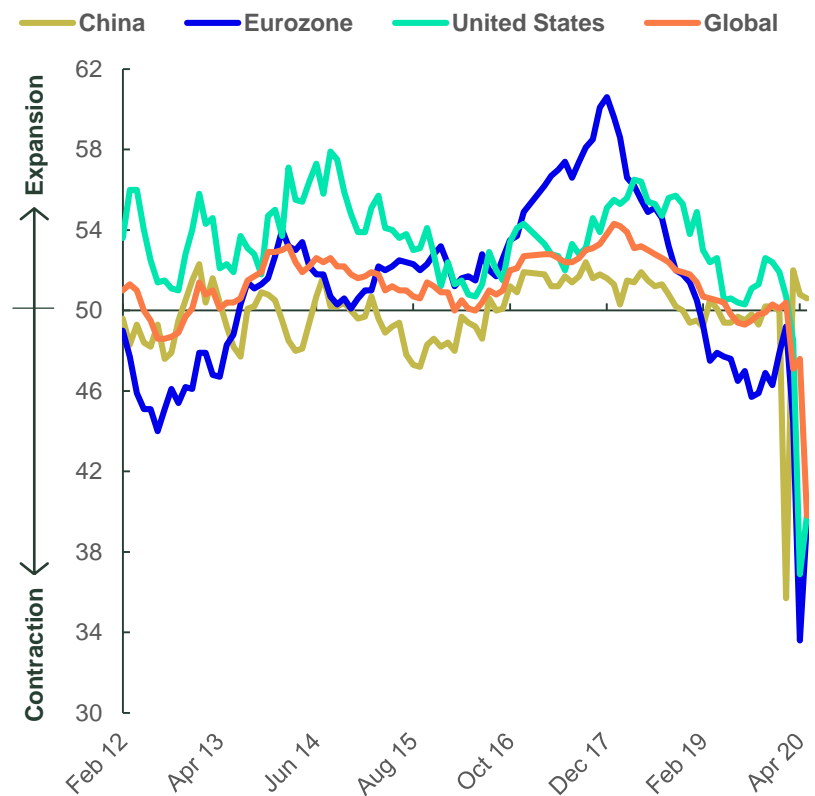
Global Economy

Manufacturing output rose in both the US and the Eurozone, but the sector is still contracting overall. Manufacturing in China is stabilizing at an expansionary level.

Citigroup Economic Surprise Indices



Markit Manufacturing PMI Indices

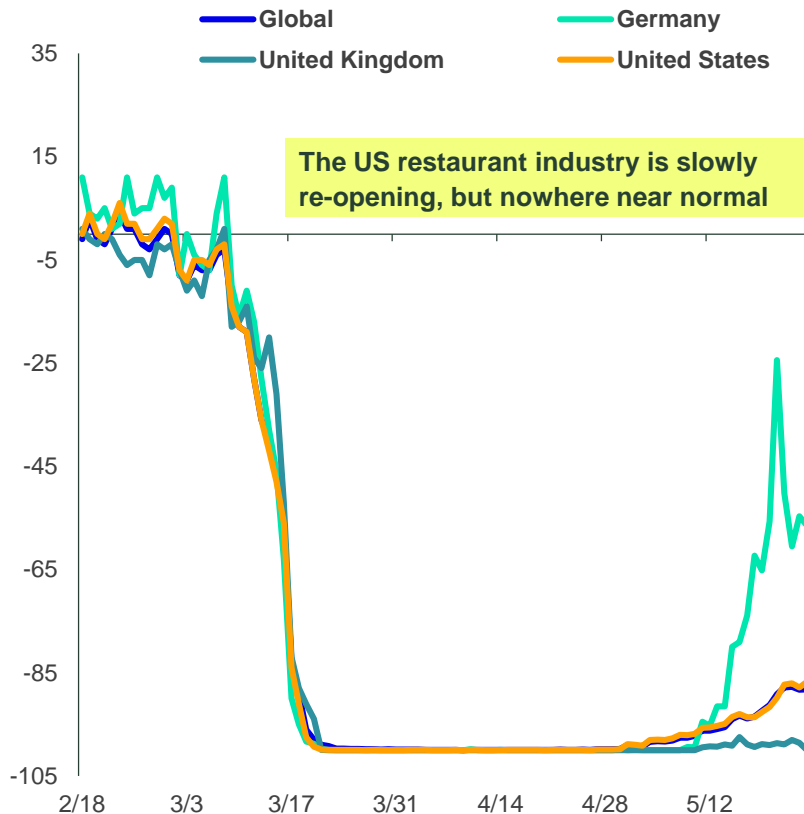


Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.**

Consumer Behaviors

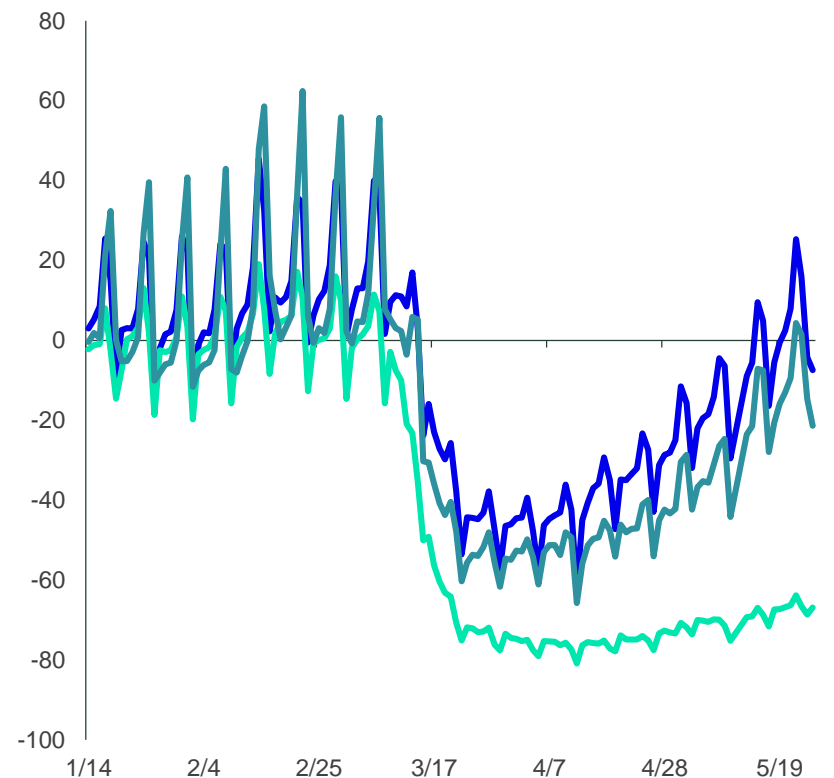
Citizens around the world are starting to return to their normal routines, but the rate of return vary by countries as well as mode of transportation

Year-over-Year Seated Dinner Reservation Change %



Relative Volume % Change in Apple Map Direction Requests

Compared to Base Line

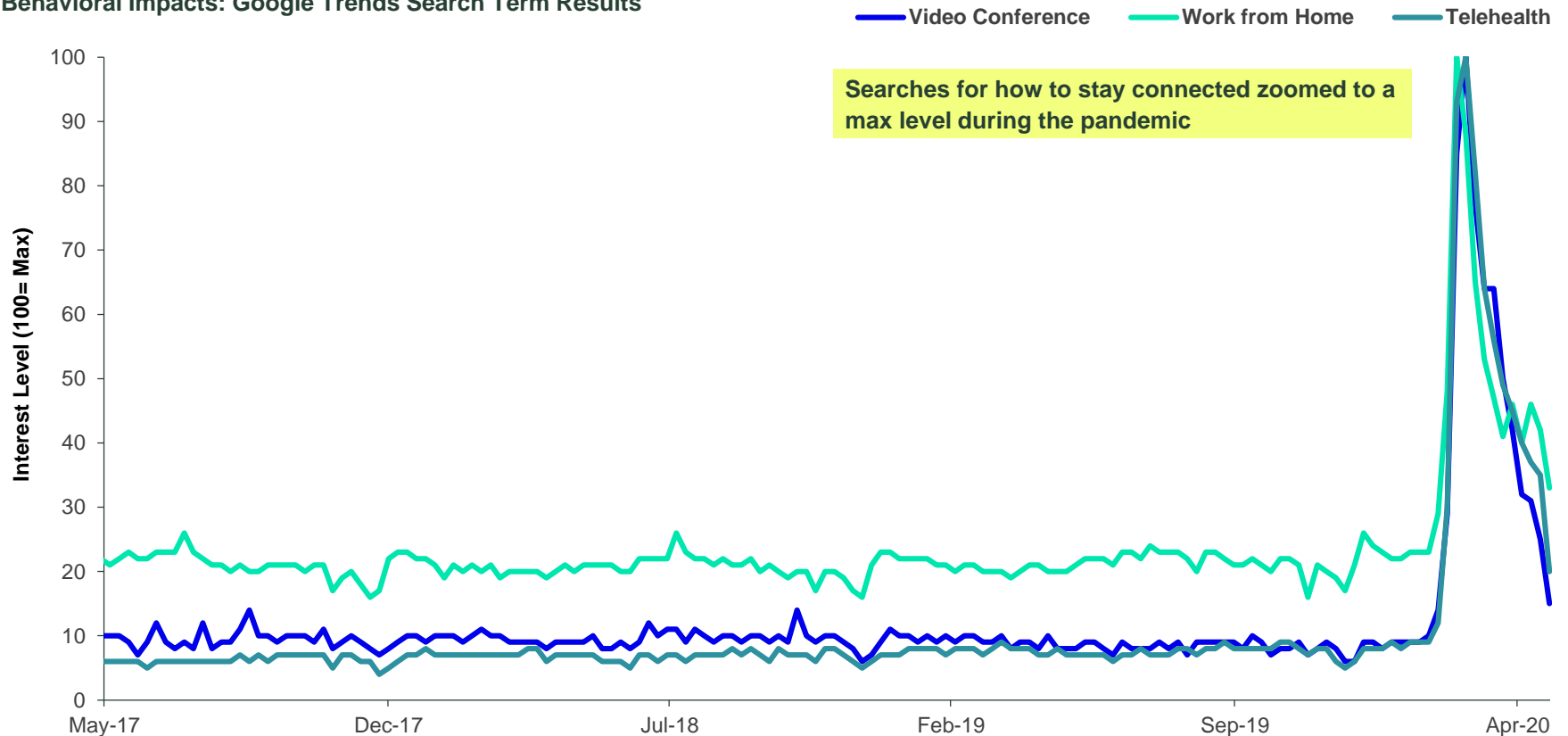


Source: OpenTable, Apple Mobility Trends Report as of May 31, 2020

Consumer Behaviors (continued)

Societal trends have been upended, with consumer and corporate behavior altered – leading to an increase in interest in how to stay connected

Behavioral Impacts: Google Trends Search Term Results

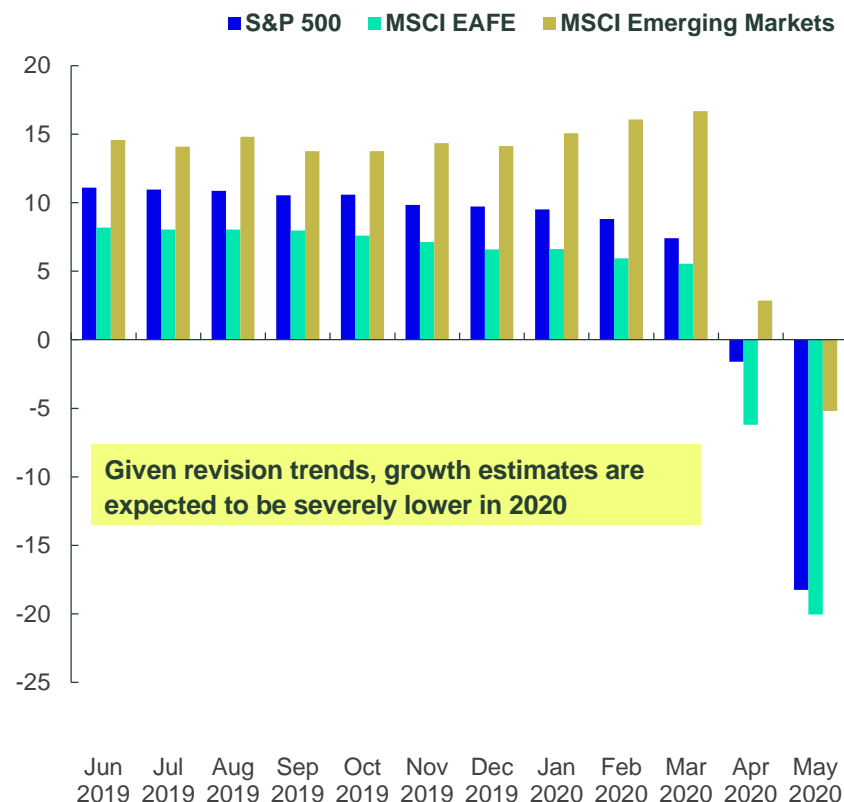


Source: Google Trends as of May 26, 2020

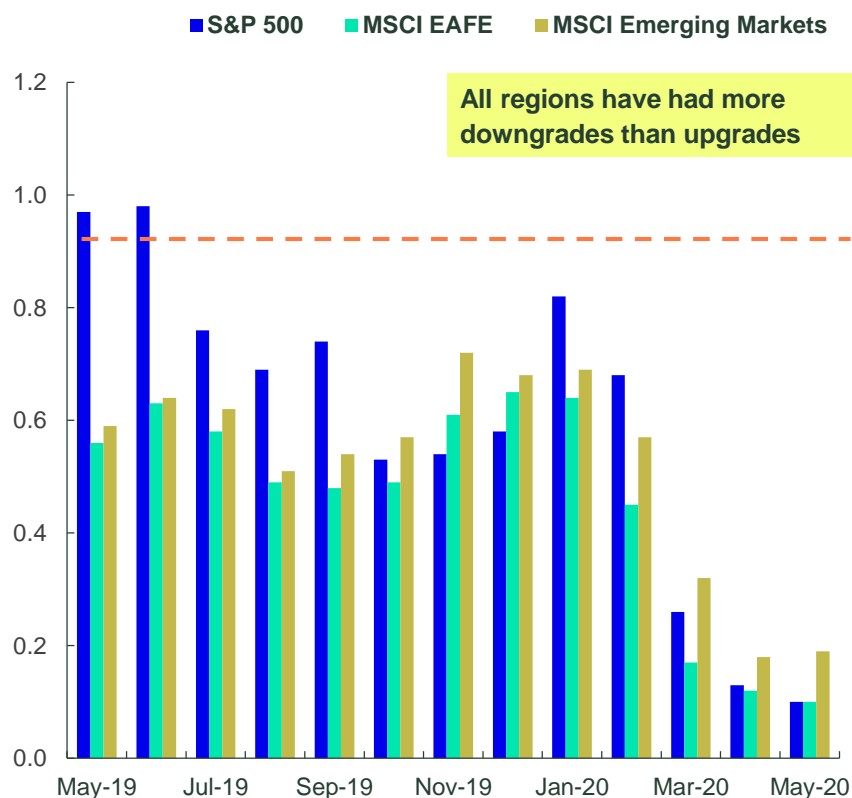
Global Earnings

As more information is becoming available for emerging markets, growth estimates are beginning to turn negative

2020 EPS Growth Estimates (%)



2020 EPS Revision: 3-Month Up-to-downgrade Ratio

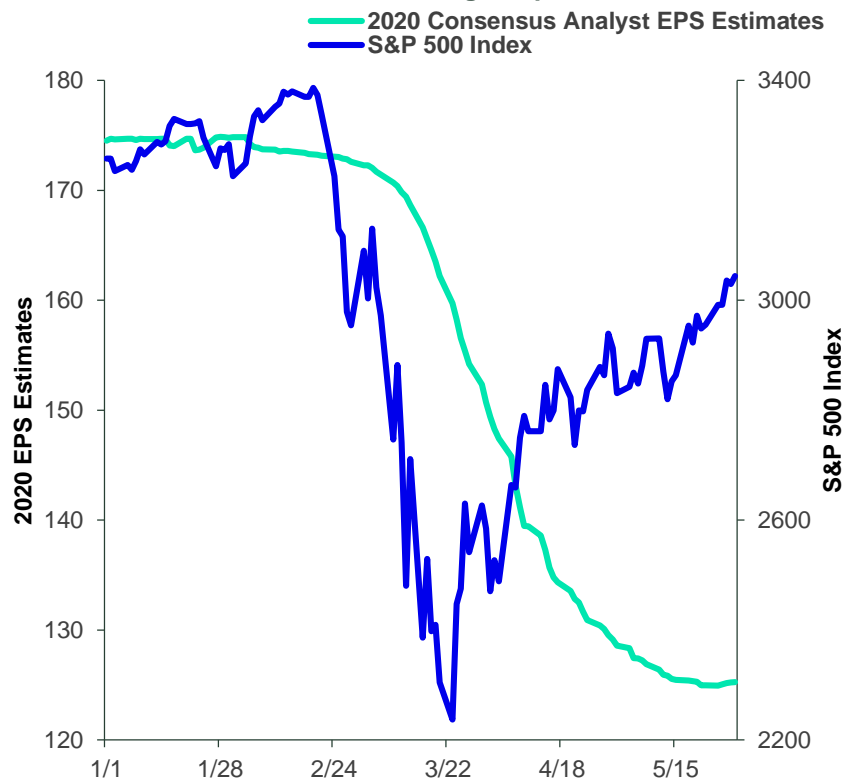


Source: FactSet, as of May 31, 2020. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. EPS growth estimates are based on Consensus Analyst Estimates compiled by FactSet.

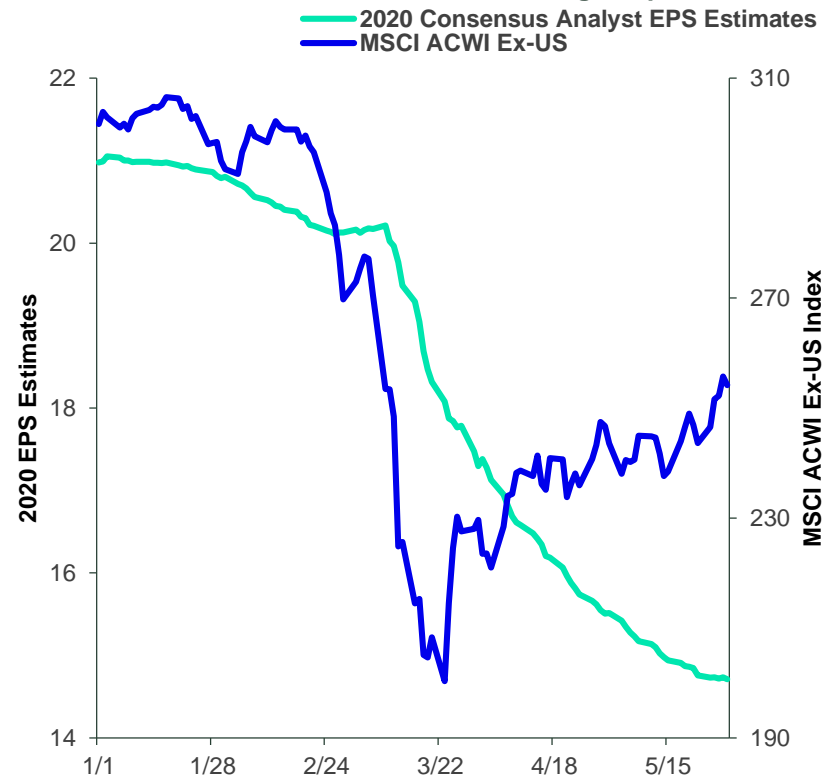
Global Earnings

Similar to the decoupling between the market and the economy, global equities have rallied while earnings growth projections have continued to plummet

S&P 500 Performance versus Earnings Expectations



MSCI ACWI Ex-US Performance versus Earnings Expectations



Source: Bloomberg Finance, as of May 31, 2020. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. EPS growth estimates are based on Consensus Analyst Estimates compiled by Bloomberg Finance L.P.

Global Valuation

The fall in earnings and the rally in stocks has distorted price-to-earnings ratios. Based on other metrics, however, value opportunities are clearer (foreign stocks)

Absolute & Relative Valuation Z-Score* and 15-Year Percentile Ranking

Bottom 3 Expensive Valuation

Top 3 Attractive Valuation

		Valuation to Region History (Percentile)				Absolute Valuation Composite Z-Score	Valuation Relative to S&P 500 (Percentile)				Relative Valuation Z-Score
		P/E	NTM P/E	P/B	P/S		P/E	NTM P/E	P/B	P/S	
US/Style/Region	S&P 500	9%	0%	3%	7%	-1.49	N/A	N/A	N/A	N/A	N/A
	S&P MidCap 400 Index	50%	0%	81%	69%	0.25	93%	81%	99%	99%	0.35
	S&P SmallCap 600 Index	6%	0%	91%	92%	-0.03	11%	23%	99%	100%	-0.88
	S&P 500 Value	31%	0%	40%	31%	-0.68	100%	99%	100%	100%	0.58
	S&P 500 Growth	1%	0%	0%	1%	-1.68	1%	8%	0%	0%	-3.13
	MSCI EAFE	34%	0%	82%	48%	-0.14	84%	100%	100%	100%	0.45
	MSCI Europe	55%	0%	78%	50%	0.13	94%	95%	100%	100%	0.49
	MSCI EM	39%	11%	83%	57%	0.29	94%	100%	100%	100%	0.54
Major Countries	MSCI Canada	63%	0%	97%	93%	0.77	91%	91%	100%	100%	0.43
	MSCI Japan	43%	25%	61%	39%	0.36	72%	100%	99%	93%	0.26
	MSCI Germany	42%	0%	88%	31%	-0.14	89%	86%	100%	100%	0.37
	MSCI France	48%	0%	68%	45%	-0.11	85%	83%	100%	100%	0.31
	MSCI UK	30%	5%	99%	95%	0.50	74%	97%	100%	100%	0.33
	MSCI China	38%	31%	57%	44%	0.46	73%	92%	92%	73%	-0.07
	MSCI Russia	63%	19%	46%	58%	0.52	91%	48%	74%	86%	-0.36
	MSCI Brazil	65%	0%	51%	59%	0.09	95%	47%	87%	81%	-0.24
	MSCI India	64%	4%	97%	95%	0.89	97%	100%	100%	100%	0.57

Source: State Street Global Advisors, FactSet, as of May 31, 2020. * The z-score is calculated as the average z-score of percentile ranking of P/B, P/E, NTM P/E and P/S valuations last 15 years and valuations relative to the S&P 500 last 15 years. Z-score indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where z is the z-score, X is the segment valuation percentile. μ is the mean of percentile, and σ is the standard deviation of sectors' valuation percentile.

Global Momentum

As investors seek out growth, given its scarcity, US large-cap growth continues to rank highly across momentum scores – fueling strong ranks for the broader US

Momentum Scorecard Rankings

Bottom 3 Rank on Momentum

Top 3 Rank on Momentum

		Price Momentum			Technicals			Continuous Momentum			Combined Average Rank
		3 Month	6 Month	12 Month	% above 50 Day Moving Average	% above 200 Day Moving Average	% Difference 50 to 200 Day Moving Average	# of Positive Return Days (90 Day Lookback)	# of Positive Return Days (180 Day Lookback)	# of Positive Return Days (12 Month lookback)	
US/Style/Regions	S&P 500	3	3	2	7	2	3	7	3	3	4
	S&P MidCap 400 Index	8	9	11	1	5	12	7	11	11	8
	S&P SmallCap 600	13	13	14	2	13	16	10	15	14	12
	S&P 500 Value	6	6	5	9	8	8	10	5	2	7
	S&P 500 Growth	2	2	1	3	1	2	3	1	3	2
	MSCI EAFE	7	7	6	10	9	7	13	7	5	8
	Euro Stoxx	10	10	9	14	11	9	1	5	1	8
Major Countries	MSCI EM	5	5	8	16	10	5	10	13	13	9
	MSCI Canada	11	8	10	12	7	6	2	2	7	7
	MSCI Japan	4	4	4	8	4	4	14	12	16	8
	MSCI Germany	9	11	12	5	6	10	3	7	8	8
	MSCI France	14	14	13	13	15	14	5	3	5	11
	MSCI UK	15	15	16	15	16	13	7	9	11	13
	MSCI China	1	1	3	17	3	1	5	9	8	5
	MSCI Russia	16	16	7	6	14	15	14	13	10	12
	MSCI Brazil	17	17	17	4	17	17	17	17	15	15
	MSCI India	12	12	15	11	12	11	16	15	17	13

China still shows strong momentum characteristics, even as trade tensions start to brew

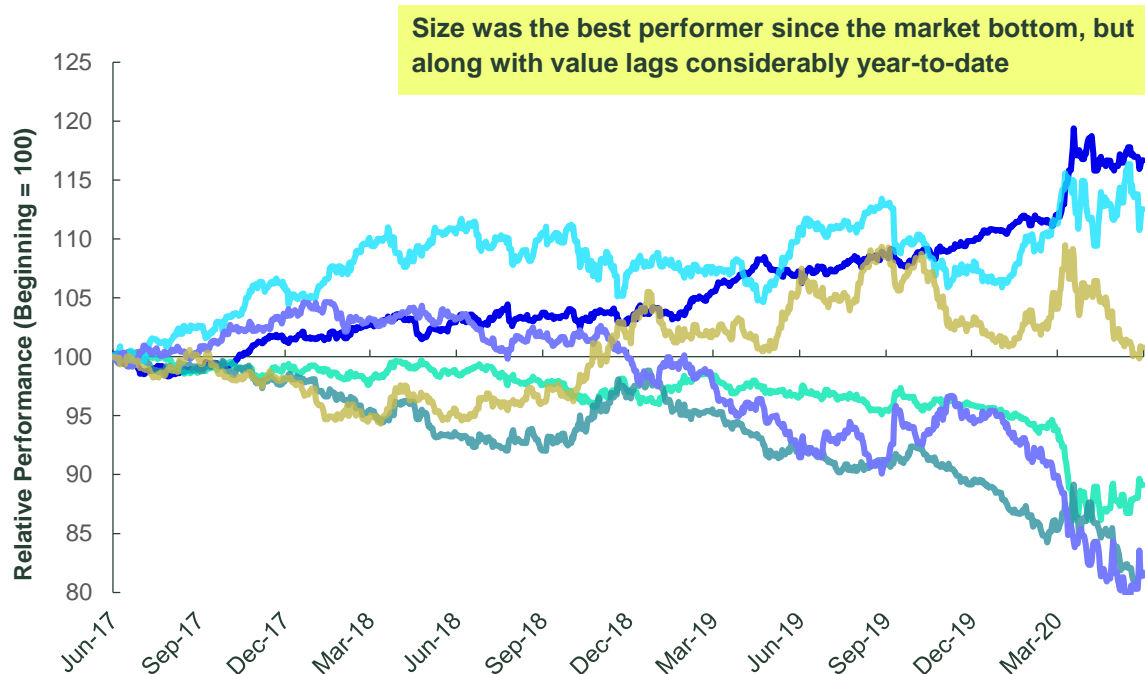
Source: State Street Global Advisors, FactSet, as of May 31, 2020. *Momentum is calculated by calculating the 3-month, 6-month and 12-month price performance, not including the most recent month.

US Factor Trends

Value continues to underperform, even with a late week rally to end the month. Momentum has decoupled from Min. Vol., as the latter missed out on the rally

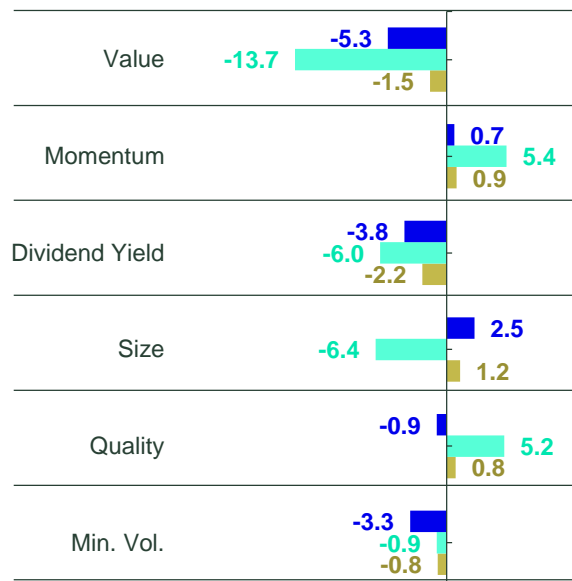
MSCI USA Factor Index Versus MSCI USA Index (3 Years)

Quality Size Dividend Momentum Value Min. Vol.



Period Excess Returns Versus MSCI USA Index (%)

■ Since Market Bottom (3/24) ■ YTD ■ Prior Month

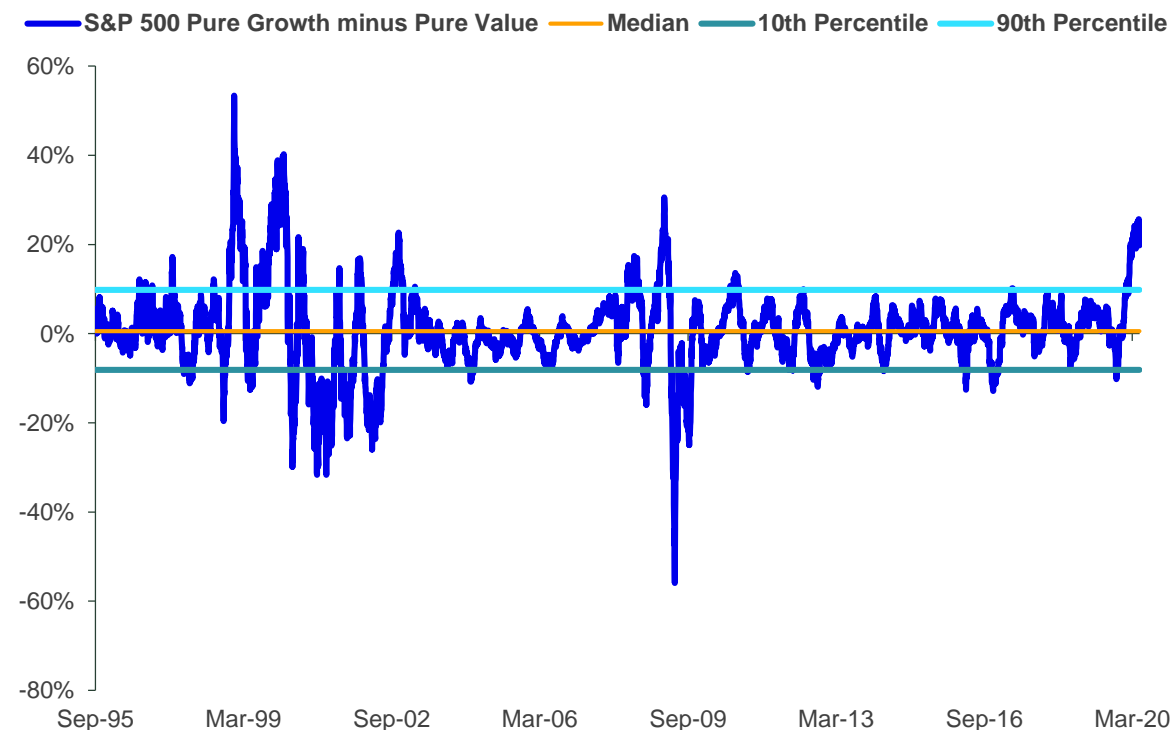


Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** MSCI USA Minimum Volatility Index, MSCI USA Enhanced Value Index, MSCI USA Quality Index, MSCI USA Equal Weighted Index, MSCI USA High Dividend Yield Index and MSCI USA Momentum Index were used to represent Min. Vol., Value, Quality, Size, Dividend, Momentum. Index were used above compared to the MSCI USA Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

US Factor Trends (continued)

Growth outperformance relative to value is significantly elevated, but not near the extremes during the Dot-Com era – and with differences based on exposure type

Growth versus Value Rolling Three Month Returns (%)



Rolling Three Month Returns for Different Measures of Growth versus Value

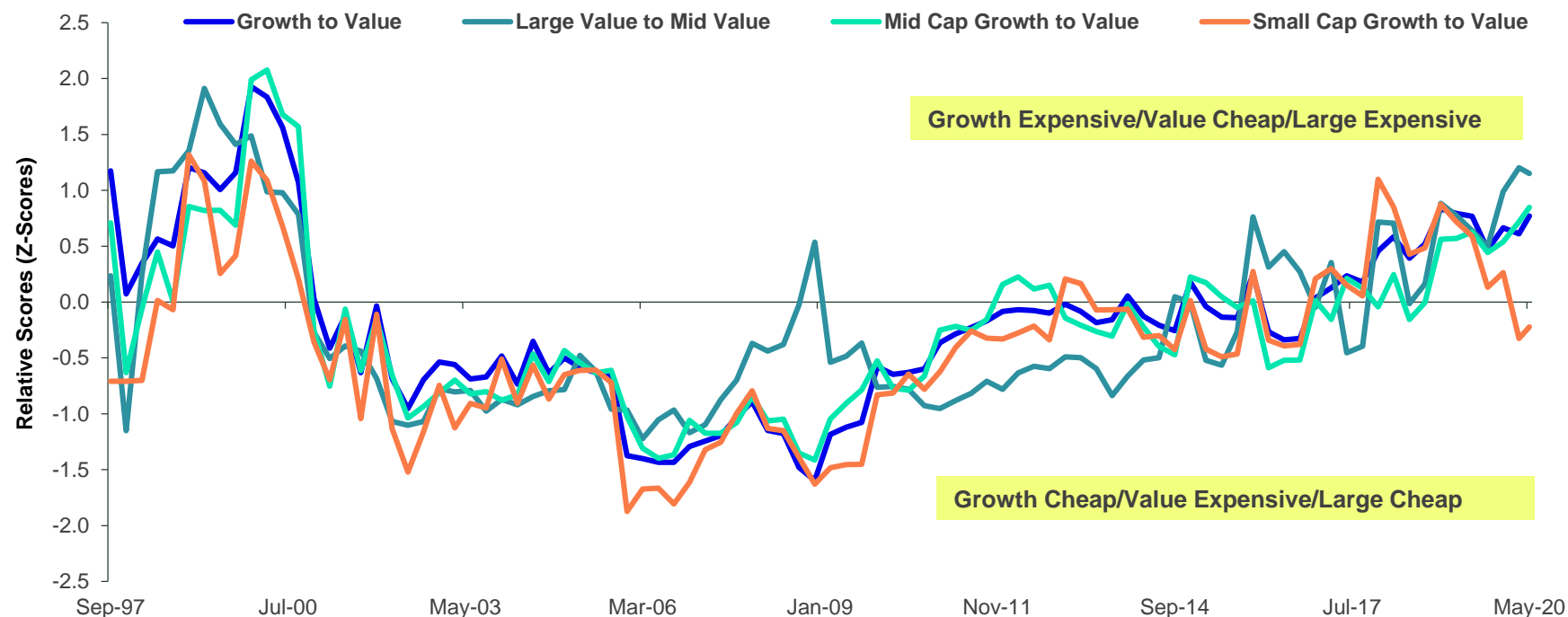
	Current Outperformance	%-Tile	Max Outperformance	Difference to Max
Large Cap Growth to Value (Cap Weighted)	12.9%	99.7%	15.7%	-18.2%
Large Cap Growth to Value (Pure-Factor Weighted)	19.8%	96.1%	53.4%	-62.9%
Mid Cap Growth to Value (Cap Weighted)	10.2%	95.7%	35.6%	-71.2%
Mid Cap Growth to Value (Pure-Factor Weighted)	12.9%	94.7%	43.5%	-70.3%
Small Cap Growth to Value (Cap Weighted)	7.6%	94.6%	27.6%	-72.5%
Small Cap Growth to Value (Pure-Factor Weighted)	1.8%	61.2%	37.1%	-95.2%

Source: Bloomberg Finance L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** Figures shown are based on index data and do not assume any fees. Market cap weighted growth and value are S&P 500 Growth and Value Index, S&P 400 Growth and Value Index, and S&P 600 Growth and Value Index. Pure-factor weighted growth and value are S&P 500 Pure Growth and Pure Value Index, S&P 400 Pure Growth and Pure Value Index, and S&P 600 Pure Growth and Pure Value Index. Data back to 1995 for all except Mid Cap Pure Growth and Value and Small Cap Growth Pure and Value as those data streams begin in 1997.

US Factor Trends

Value relative to growth appears cheap, with mid caps appearing to be the cheaper option among value styles. Small cap value is not cheaper than small growth

Composite Scores of Valuation Metrics



Source: Bloomberg Finance L.P. as of May 15, 2020. Fundamentals are as of date indicated and are subject to change. Large cap as defined by S&P 500 Index, Mid Cap as defined as S&P 400 Index, and Small Cap as defined as S&P 600 Index. To determine large versus mid and large versus small ratios of the fundamental metrics for Large Core, Large Value, Large Growth were compared to Mid Core, Mid Value, Mid Growth as well as Small Core, Small Value, Small Growth, respectively. To determine growth versus value, ratios of the fundamental metrics for Large Value, Mid Value, and Small Value were compared to Large Growth, Mid Growth, and Small Growth. Ratios were normalized by calculating a Z score for each. To calculate a composite score, every fundamental metrics Z score was averaged together. If plotting above zero the factor is expensive, if below it is cheap.

3. Sectors

Sector Flows & Returns

Investors continue to favor defensive, secular high-growth segments, with strong earnings sentiment poised to benefit from a shift in consumer and corporate behaviors

Global Equity Sector Heatmap	Positioning					Returns		
	Prior Month Flow (\$M)	Trailing Three Months Flow (\$M)	Trailing Twelve Months Flow (\$M)	Current Short Interest (%)	1M Prior Short Interest (%)	Prior Month Return (%)	YTD Return (%)	12-Month Return (%)
Consumer Discretionary	1,228	(586)	(776)	8.2	7.5	5.0	2.1	15.6
Consumer Staples	(458)	831	3,206	3.3	4.3	1.5	-5.3	9.4
Energy	398	3,056	6,011	6.8	7.7	1.9	-34.5	-29.2
Financial	150	(1,257)	(6,685)	14.6	12.5	2.7	-23.4	-7.9
Health Care	3,211	10,084	7,684	14.1	16.5	3.3	1.6	21.1
Industrials	384	(1,218)	(1,137)	8.2	7.5	5.5	-16.3	-3.8
Materials	1,208	1,126	841	7.2	5.4	7.0	-8.9	8.1
Real Estate	(2,153)	(4,377)	1,434	3.5	3.5	1.9	-9.9	-1.7
Technology	2,314	5,714	10,698	3.5	3.6	7.1	7.3	38.4
Communications	1,396	2,118	3,779	1.1	1.0	6.0	0.2	16.4
Utilities	(801)	103	2,146	11.9	9.7	4.4	-6.8	6.1

While defensive, growth areas like Tech, Comm. Svcs., and Health Care have been broadly favored, some cyclical segments (Cons. Disc, Materials) saw interest in May as economies started to re-open

Worst-Performing Sector
Least Flows in Period

Best-Performing Sector
Most Flows in Period

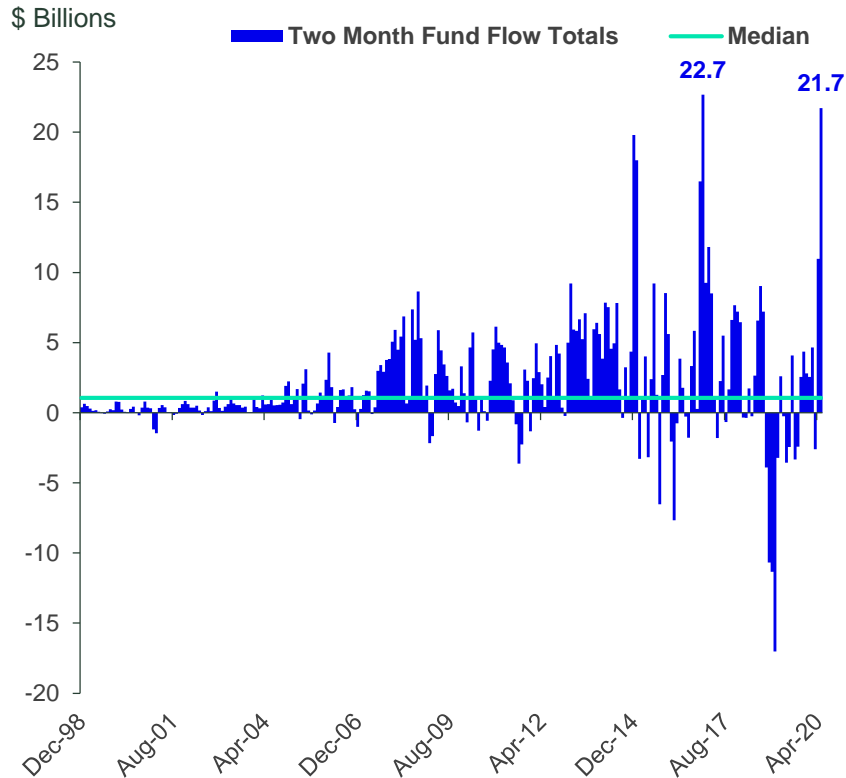


Source: State Street Global Advisors, Bloomberg Finance, L.P., as of May 31, 2020. Past performance is not a reliable indicator of future results. All figures are in USD.

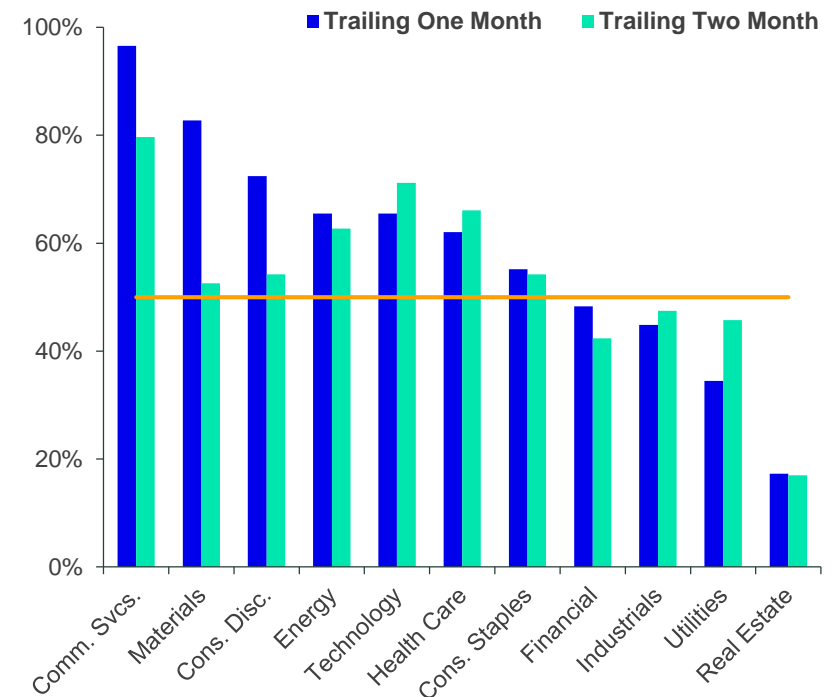
Sector Flow Trends

Sector funds have taken in \$21.7 billion over the past two months, an indication of investors looking to picking their spots to play the rally and not just buy broad beta

Back-to-back Sector Fund Flow Totals



Percent of Days with Inflows



There is strong sentiment for Comm. Svcs., as the sector has seen inflows on almost 100% of the days in May

Source: State Street Global Advisors, Bloomberg Finance, L.P. as of May 31, 2020. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. All figures are in USD.

Sector Scorecard

Valuations are elevated for Consumer Discretionary and Technology sectors, given their strong recent momentum. Health Care valuations are more constructive

	Sector Composite Z-Score*		
	Valuation Composite Score	Momentum Composite Score	Earnings Sentiment Composite Score
Consumer Discretionary	-1.21	0.72	-0.81
Consumer Staples	-0.06	0.41	1.05
Energy	1.11	-2.05	0.08
Financials	0.96	-1.06	-0.61
Health Care	-0.05	1.30	0.54
Industrials	0.09	-0.85	-0.31
Information Technology	-1.06	1.32	0.37
Materials	-0.07	-0.04	0.29
Communication Services	-0.30	0.60	0.01
Real Estate	0.68	-0.18	-0.48
Utilities	-0.10	-0.17	-0.13

Health Care and Tech have strong earnings sentiment and price momentum

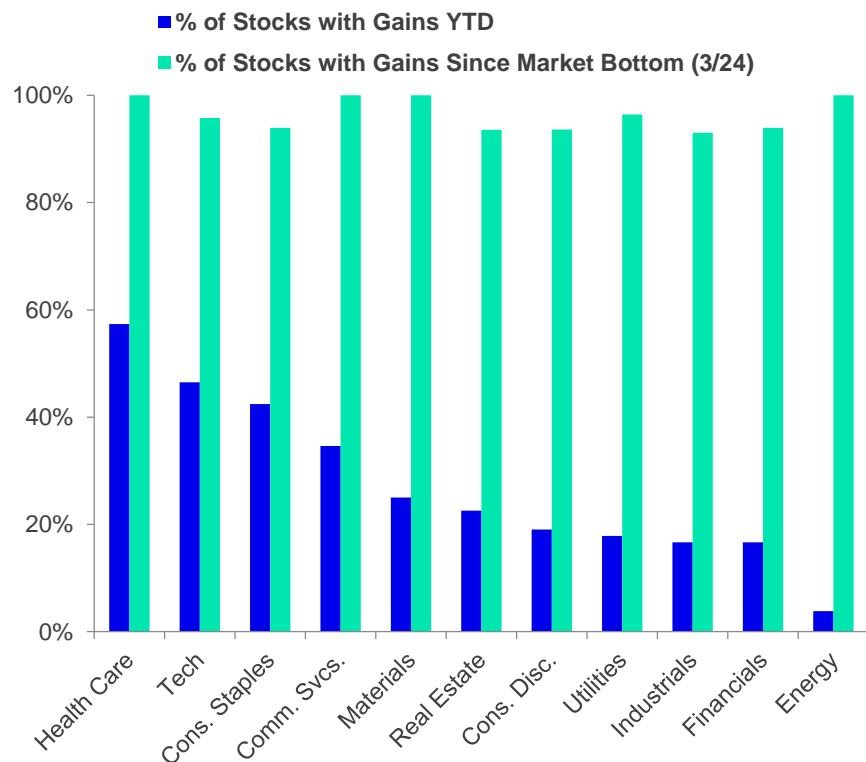
Source: State Street Global Advisors, FactSet, Bloomberg Finance, L.P. as of May 31, 2020. Green shading is top 3, red shading is bottom 3. * The scorecard uses z-score for each metric to standardize numbers across sectors and show relativeness among sectors. Composite score is calculated by equally weighting each metric in the same category. Z-score indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where X is the value of the sector. μ is the mean of the eleven sectors. σ is the standard deviation of eleven sectors. S&P 500 sector indices are used to calculate sector scores. Please refer to Appendix C for the metrics used to measure valuation, momentum and earnings sentiment. Volatility score is not available for the communication services sector due to data availability.

Sector Rally Trends

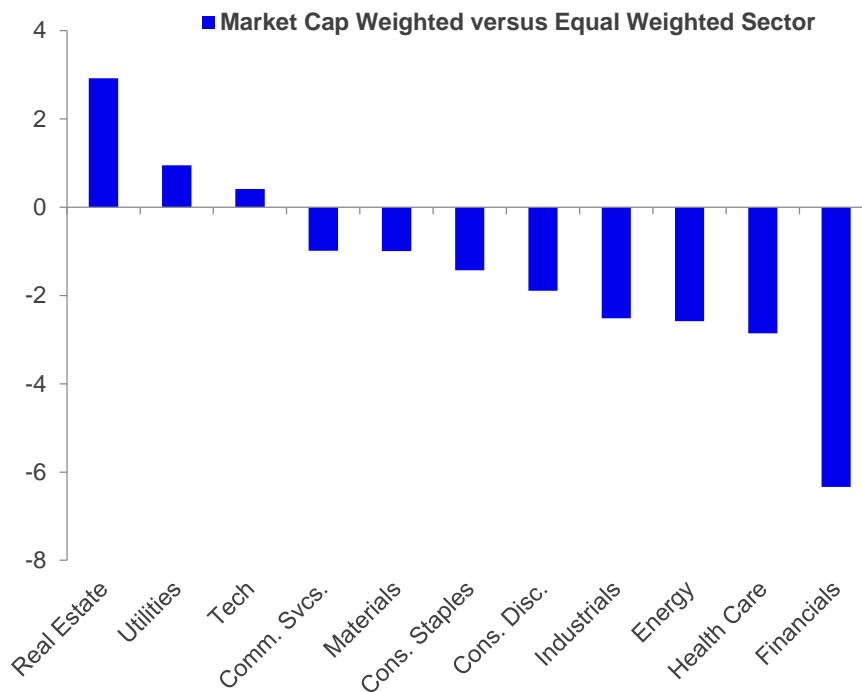
The rally within sectors has been broad since the market bottom, but there is more narrowness when viewed year-to-date

Percent of Stocks by Sector with Gains

%



Return Difference Since the Market Bottom (3/24)



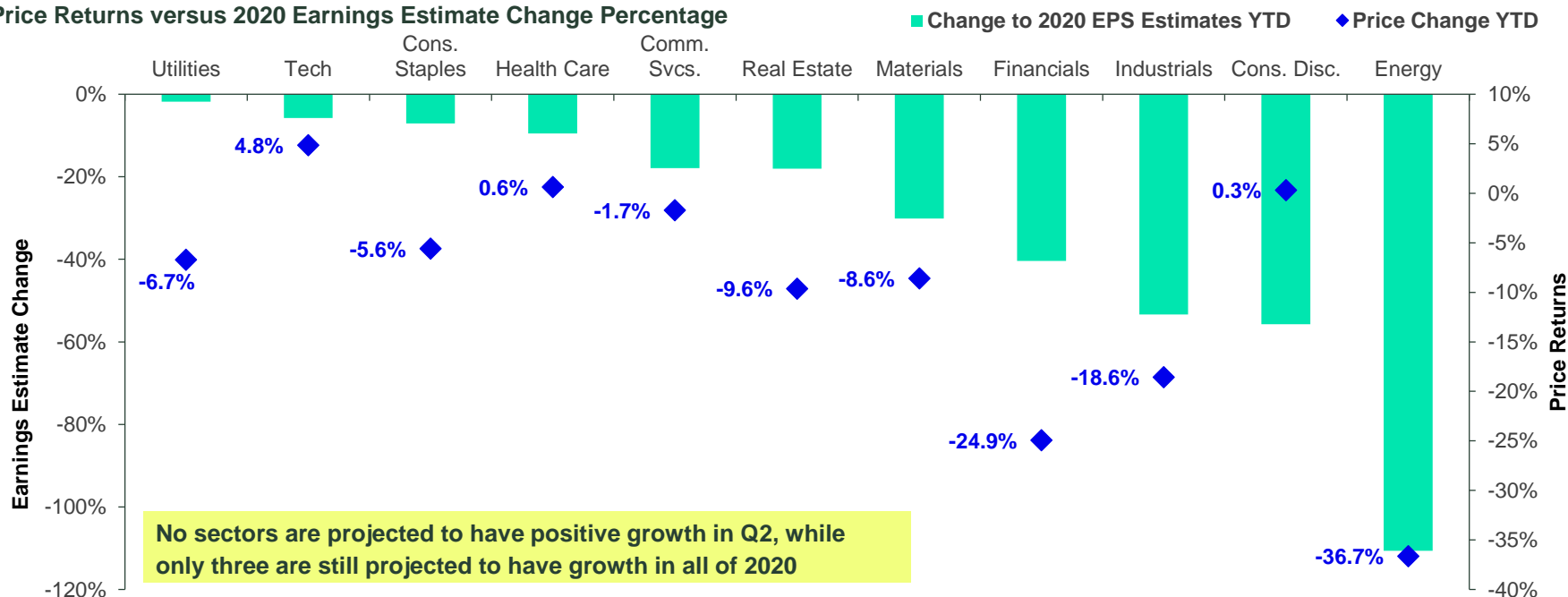
Smaller firms within Energy, Health Care, and Financials have outpaced larger firms since the rally – signaling some breadth

Source: State Street Global Advisors, Bloomberg Finance, L.P., as of May 31, 2020. Past performance is not a reliable indicator of future results.

Sector Earnings Trends

Sectors with the most severe earnings declines have performed worse – except for Cons. Disc. as a few large firms have supported that broader sectors returns

Price Returns versus 2020 Earnings Estimate Change Percentage



	Utilities	Tech	Cons. Staples	Health Care	Comm. Svcs.	Real Estate	Materials	Financials	Industrials	Cons. Disc.	Energy
Q2 Projected EPS Growth	-0.3	-9.8	-15.0	-15.7	-29.9	-10.0	-37.5	-50.8	-87.0	-111.0	-148.2
2020 Projected EPS Growth	2.3	1.1	-1.6	0.4	-12.9	-4.9	-21.3	-38.6	-44.9	-52.6	-107.3

Source: State Street Global Advisors, FactSet, Bloomberg Finance, L.P., as of May 31, 2020. Based on consensus analyst estimates.

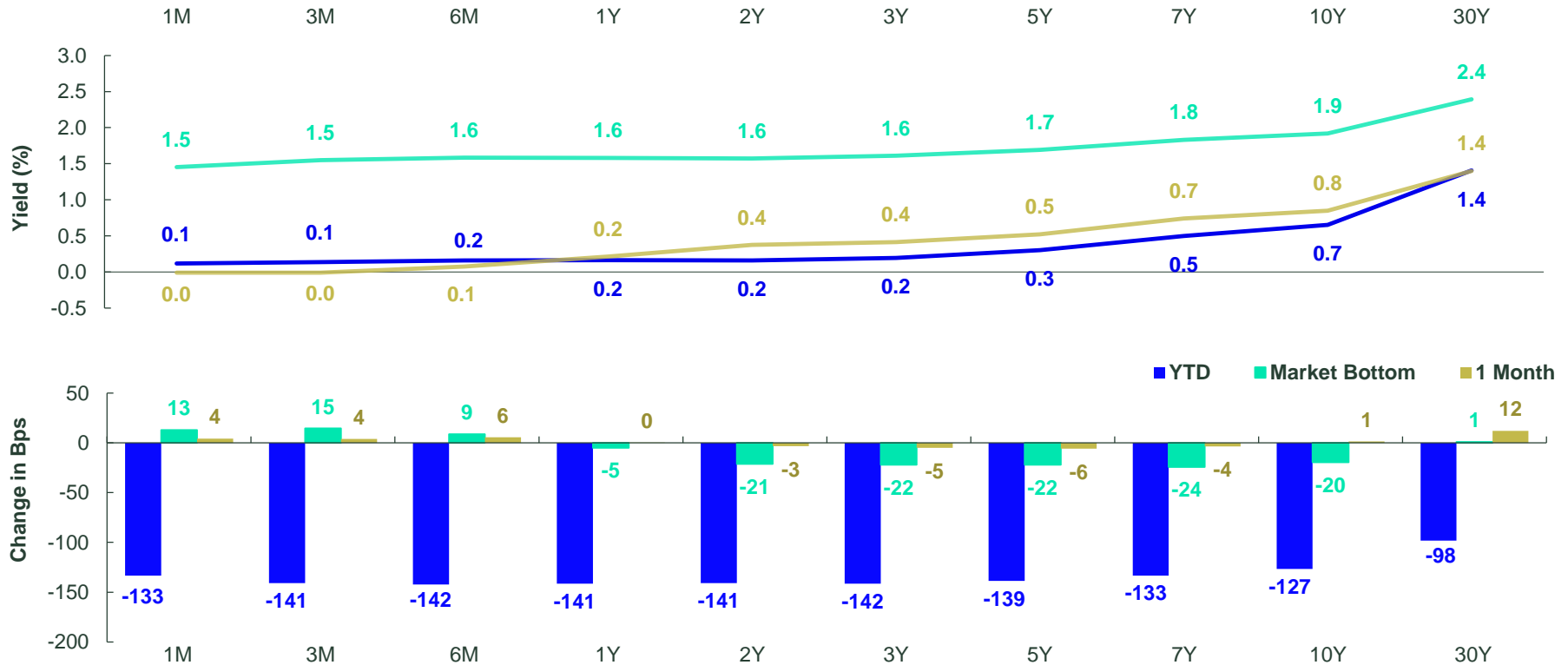
4. Fixed Income

Yield Curve

As a result of the increase in a fiscal and monetary stimulus, long rates have increased and the yield curve has slightly steepened over the past month

US Treasury Curve

US Treasury Active: 5/31/2020 12/31/2019 3/24/2020

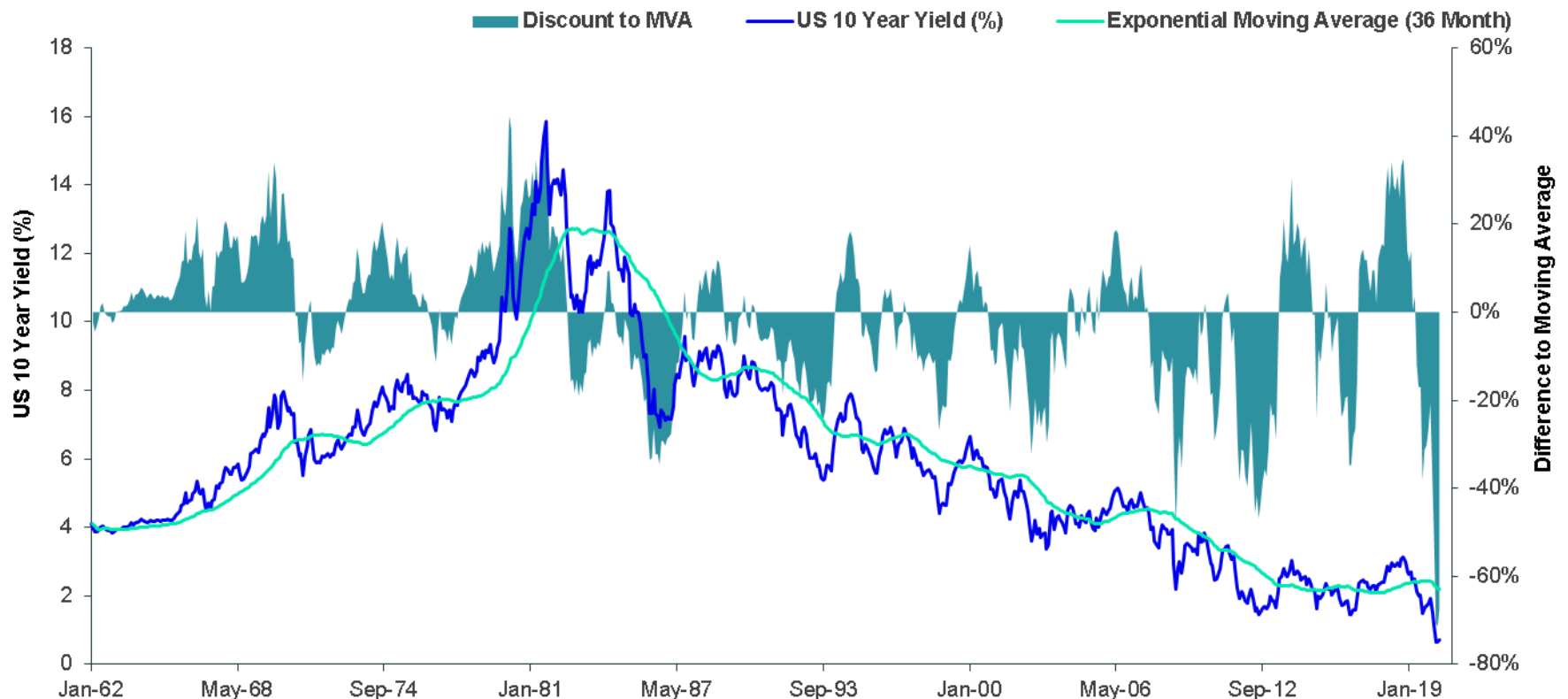


Source: Bloomberg Finance, L.P. as of May 31, 2020. Market Bottom = 03/24/2020 **Past performance is not a reliable indicator of future results.**

Rate Trends

As a result of the crisis policy measures and the risk-off sentiment, the US 10 Year Yield now trades over 60% below its recent 36-month exponential moving average

US 10 Year Yield versus 36 Month Exponential Moving Average



Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** An exponential moving average is used as it places a greater weight and significance on the most recent data points

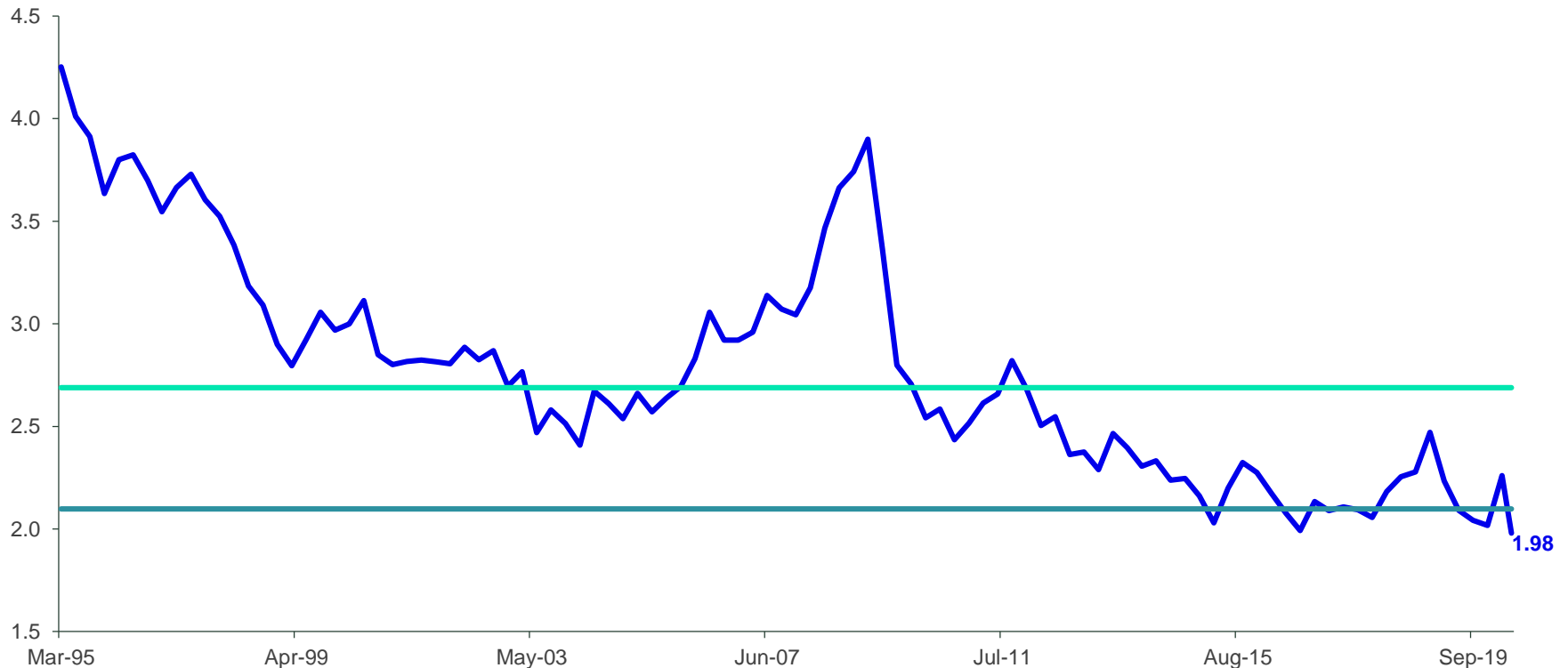
Rate Trends (continued)

The global 60/40 portfolio now yields the lowest amount on record, as result of the low rates and reduction in dividends – leading to challenges for income generation

Global 60/40 Portfolio Yield

(%)

Yield on 60/40 Global Portfolio Median 10th Percentile

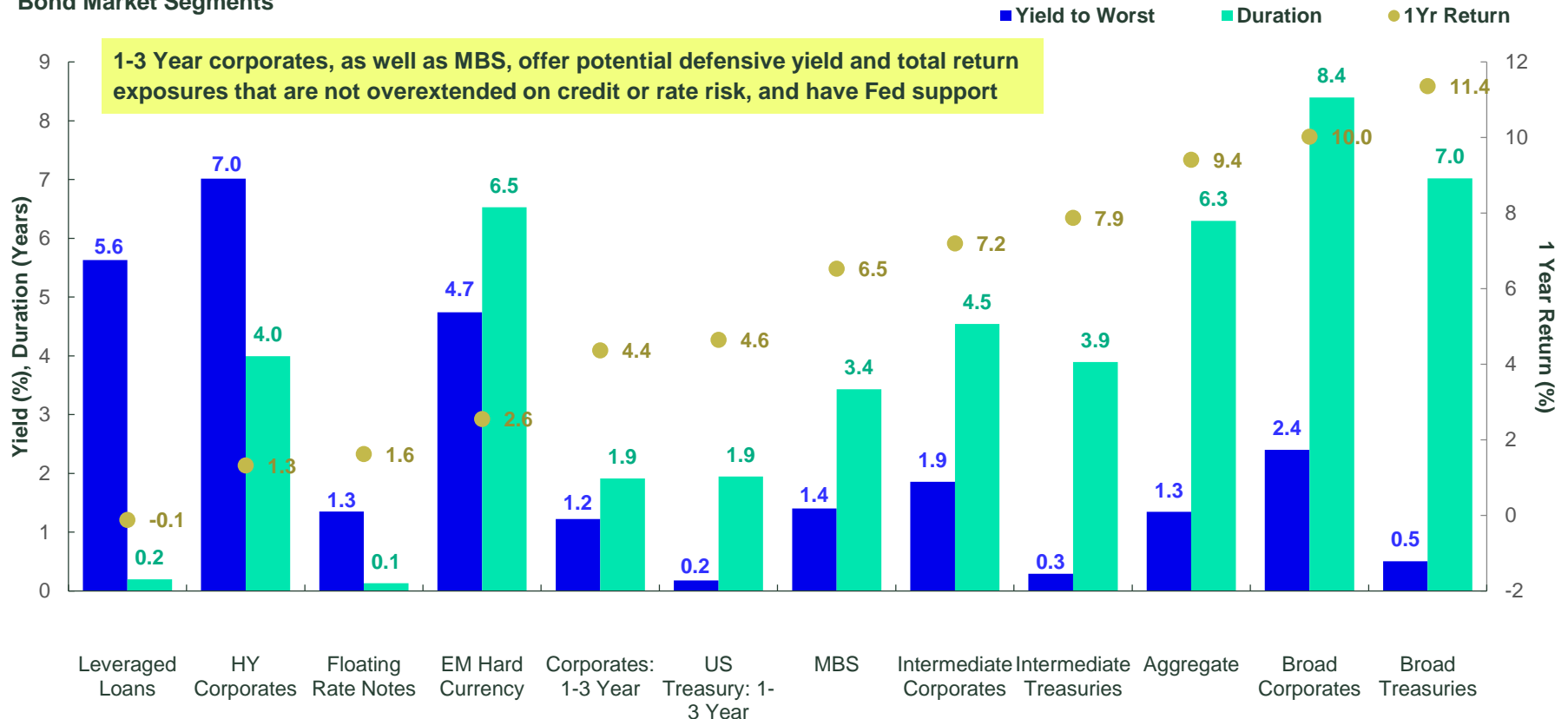


Bloomberg Finance L.P. as of May 18, 2020; calculations by SPDR Americas Research. Yield based upon a standard 60/40% blend of the yields for the MSCI ACWI Index and the Bloomberg Barclays US Aggregate Index. The results shown do not represent those of an index but were achieved by mathematically combining the actual data of the MSCI ACWI Index and the Bloomberg Barclays US Aggregate Index.

Bond Market Overview

Corporate bonds have rallied since the bottom of the market, but remain flat on a year-over-year basis given the sizeable drawdowns

Bond Market Segments



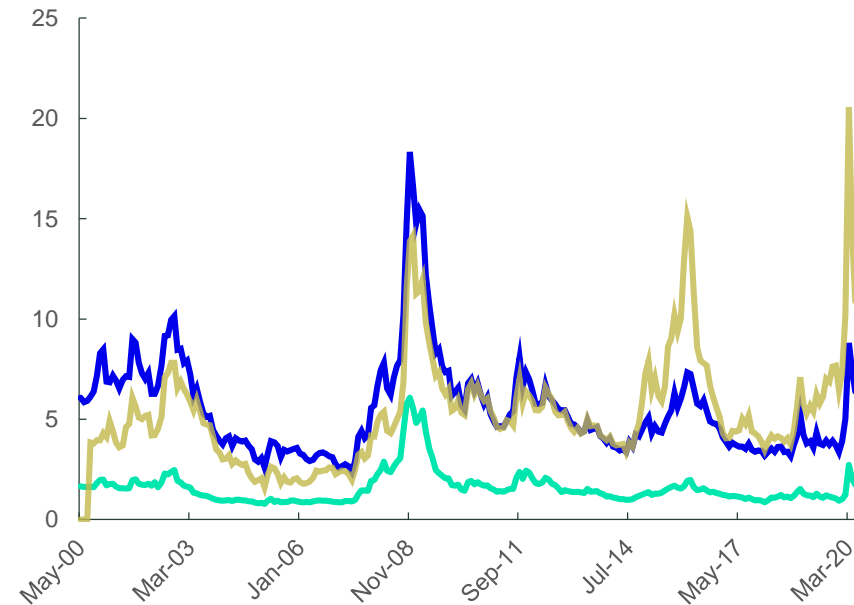
Source: Bloomberg Finance, L.P. as of May 31, 2020. **Past performance is not a reliable indicator of future results.** Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Performance returns for periods of less than one year are not annualized. Intermediate Treasuries: Bloomberg Barclays Intermediate Treasury Index, US Treasury: 1-3 Year: Bloomberg Barclays U.S. Treasury 1-3 Year Index, Broad Treasuries: Bloomberg Barclays US Treasury Index, Corporates: 1-3 Year: Bloomberg Barclays US Corporate 1-3 Year Index, Aggregate: Bloomberg Barclays US Agg Index, MBS: Bloomberg Barclays US MBS Index, Intermediate Corporates: Bloomberg Barclays Intermediate Corporate Index, Floating Rate Notes: Bloomberg Barclays FRN < 5yr Index, Broad Corporates: Bloomberg Barclays US Corporate Index, HY Corporates: Bloom

Credit Trends

With the Federal Reserve indicating their willingness to support the broader credit markets, spreads have tightened

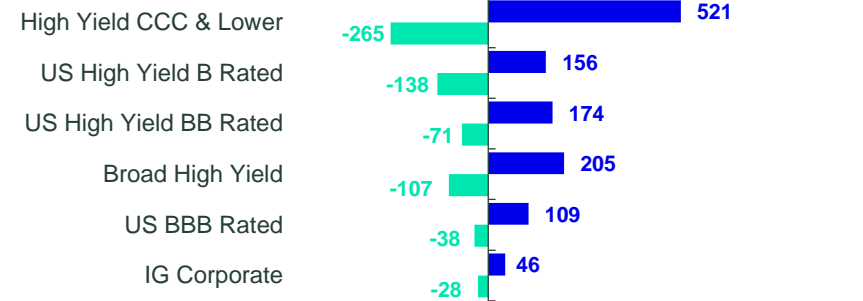
Credit Spreads (%)

- Bloomberg Barclays US Corporate High Yield Index
- Bloomberg Barclays US Corporate Index
- Bloomberg Barclays High Yield Energy Index

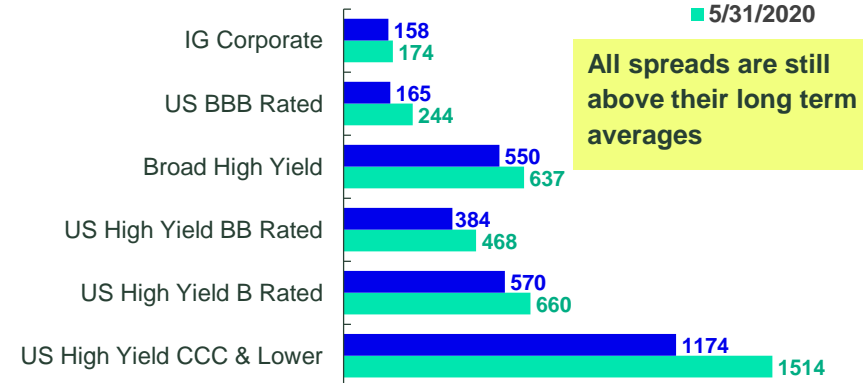


Source: Bloomberg Finance, L.P. BofA Merrill Lynch, as of May 31, 2020. US High Yield CCC & Lower = BofA ML US High Yield CCC & Lower Rated Index. US High Yield B Rated = BofAML US High Yield B Rated Index. BBB Rated = BofA ML US Investment Grade BBB Rated Index. Broad high yield = Bloomberg Barclays US Corporate High Yield Index. IG Corporate = Bloomberg Barclays US Corporate Index. **Past performance is not a reliable indicator of future results. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.**

Credit Spread Changes in Basis Points



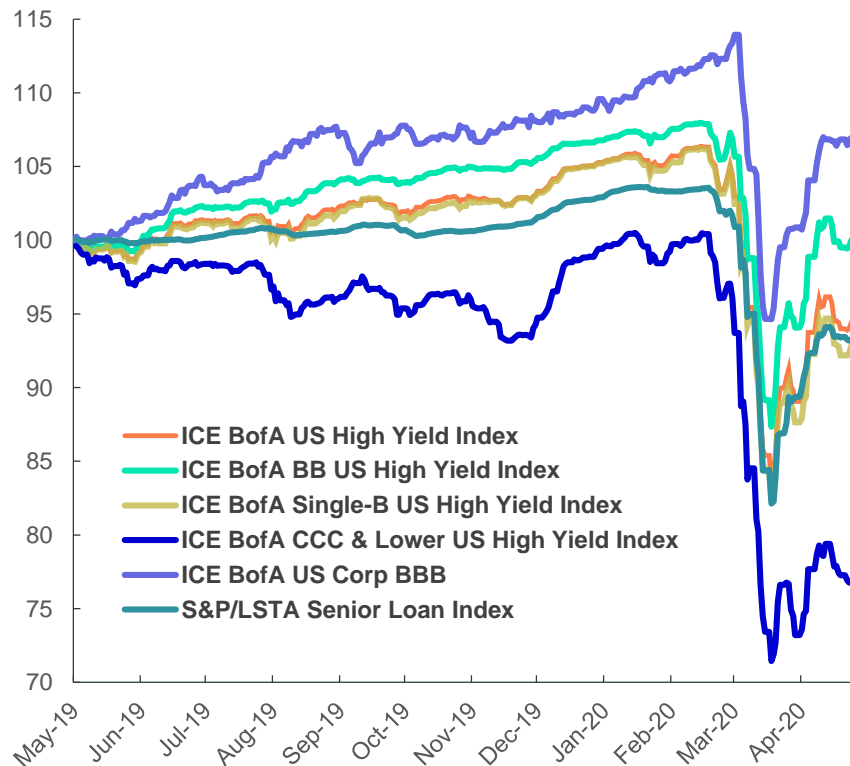
Credit Spread Current vs. 20-Yr Averages (bps)



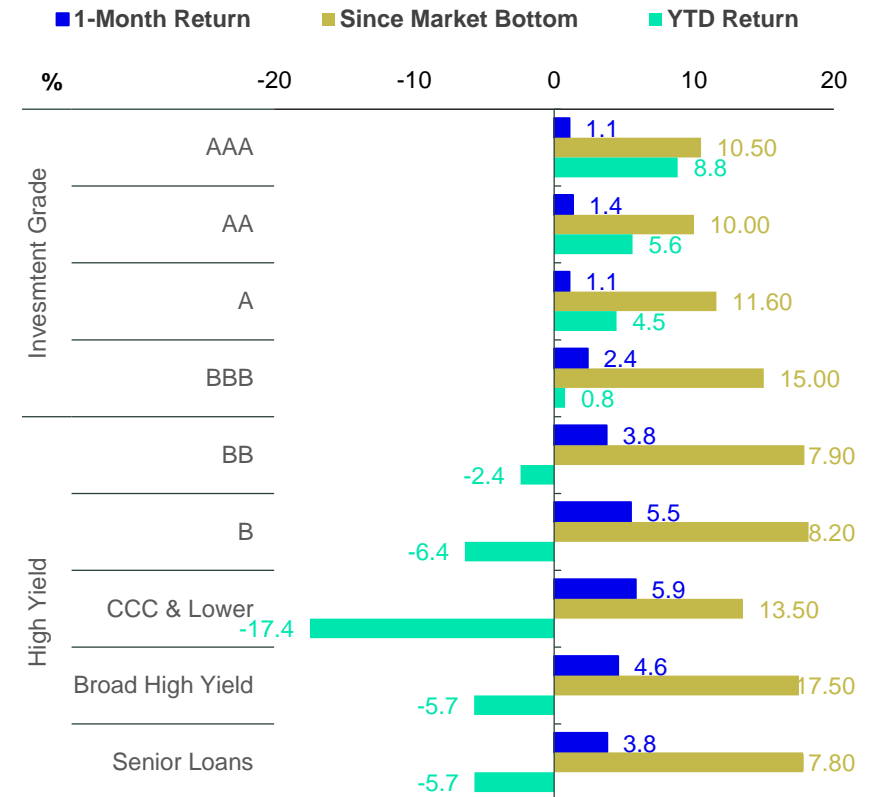
Credit Trends (continued)

With credit rallying, it has not been a dash for trash as CCC-rated debt has not rallied as much as the broader market or where the Fed may provide support (BB)

Credit Segment Performance (1 Year) Base = 100



IG and HY Performance by Credit Rating

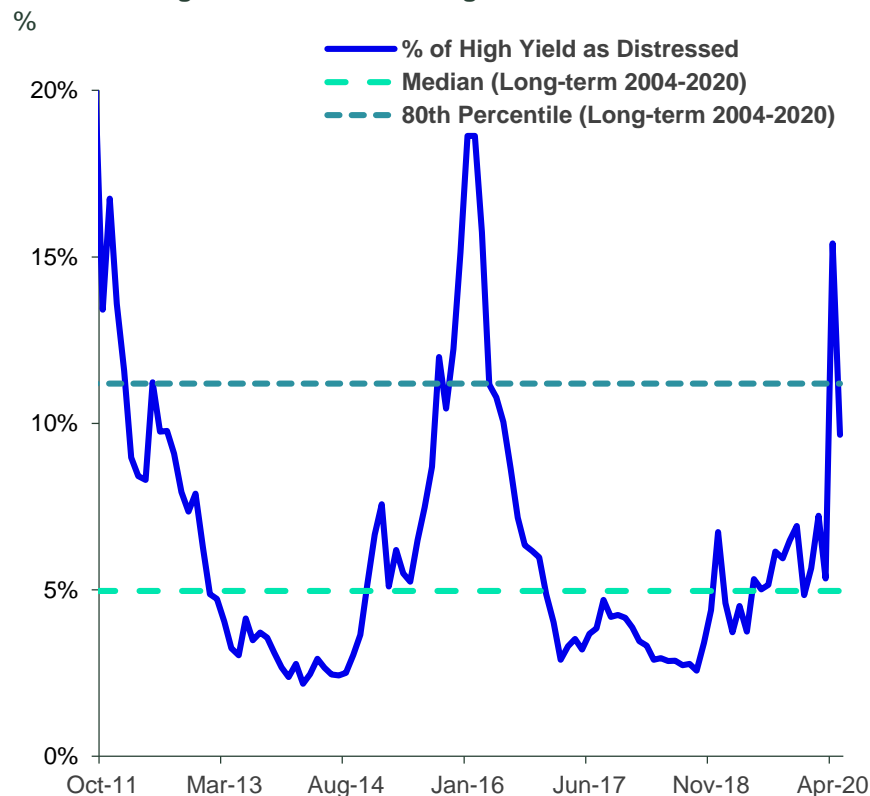


Source: Bloomberg Finance, L.P. BofA Merrill Lynch, as of May 31, 2020. Market Bottom = 03/24/2020 **Past performance is not a reliable indicator of future results. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.**

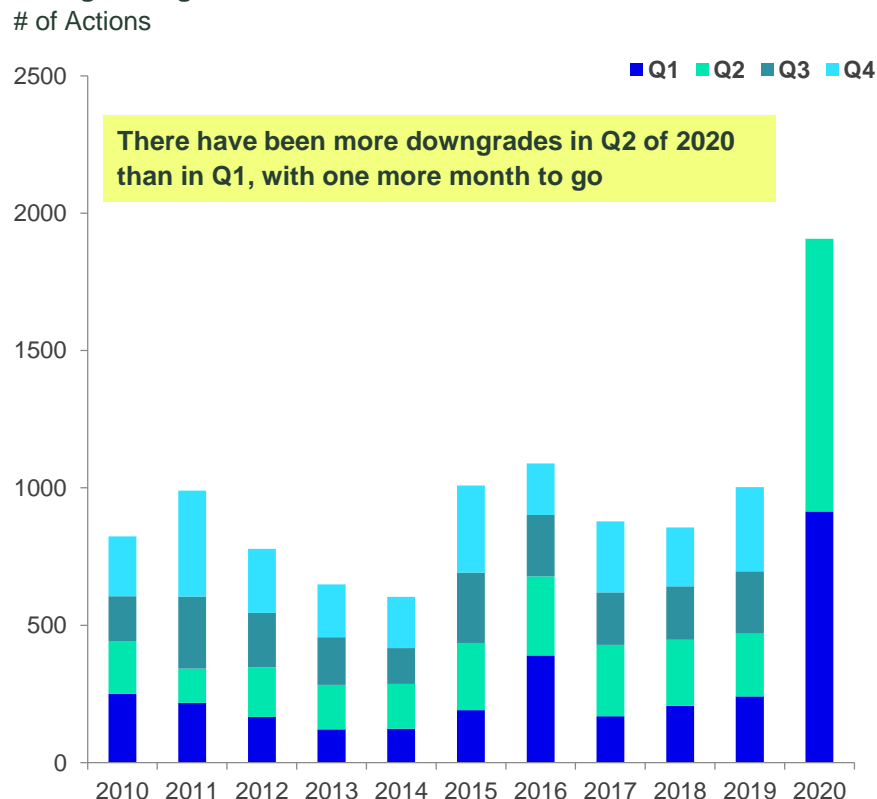
Credit Trends (continued)

With the Federal Reserve indicating their willingness to offer support, the percent of high yield debt trading distressed has fallen – but rating downgrades have not

Percent of High Yield Market Trading as Distressed



Rating Downgrades



Source: Bloomberg Finance, L.P. BofA Merrill Lynch, as of May 31, 2020. Distressed based on spreads of over 1000 basis points. **Past performance is not a guarantee of future results. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.**

Appendix

A [Fund Flow Summary](#)

B [Asset Class Forecast](#)

C [SPDR Sector Scorecard](#)

D [Definitions](#)

E [Important Disclosures](#)

Appendix A

Fund Flow Summary

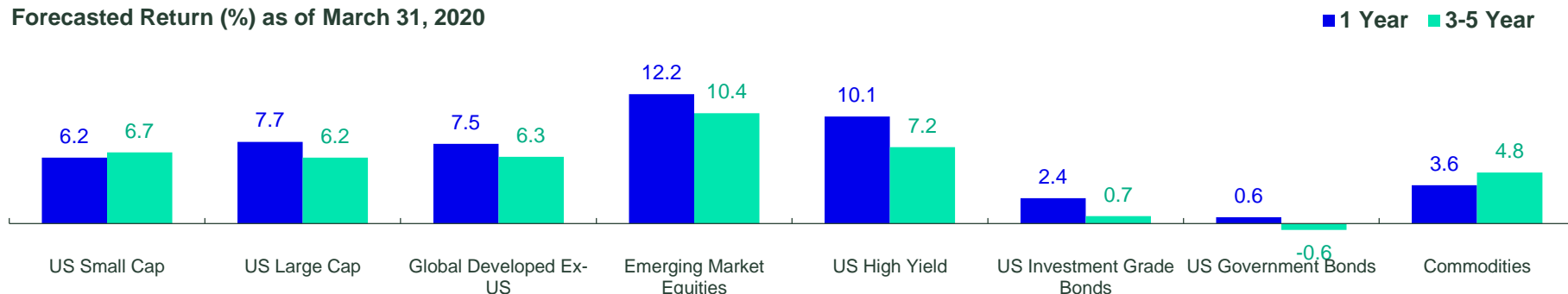
Asset Category		Prior Month (\$M)	Year to Date	Trailing 3 Months (\$M)	Trailing 12 Months (\$M)
Equity Region	US	7,072	69,887	55,648	188,629
	Global	2,582	4,603	4,599	8,889
	International-Developed	-3,681	5,621	-7,234	29,411
	International-Emerging Markets	-2,989	-10,888	-11,829	-11,605
	International-Region	-1,043	-5,135	-5,500	-6,747
	International-Single Country	-3,848	-10,380	-8,326	-10,477
	Currency Hedged	-411	-2,996	-2,745	-4,434
US Size & Style	Broad Market	2,306	18,676	10,941	44,494
	Large-Cap	506	32,454	29,004	109,334
	Mid-Cap	-129	-2,031	-2,109	863
	Small-Cap	-1,374	-602	1,331	8,447
	Growth	4,759	21,741	17,316	26,942
	Value	-1,960	3,499	4,337	20,837
Fixed Income Sectors	Aggregate	9,761	10,938	-5,187	50,324
	Government	-1,250	25,509	17,358	40,895
	Inflation Protected	1,461	-2,570	-3,118	1,410
	Mortgage-Backed	796	2,236	-3,279	10,891
	IG Corporate	9,370	17,777	14,216	32,859
	High Yield Corp.	6,283	11,290	16,025	23,634
	Bank Loans	-72	-2,606	-1,334	-1,418
	EM Bond	-5	-2,672	-2,836	-1,203
	Preferred	323	537	-1,344	5,258
	Convertible	165	-280	-310	133
	Municipals	1,854	2,517	-802	10,300
	Government	-1,658	12,867	12,975	14,612
ETF Maturity Focus	Ultra Short	-1,658	12,867	12,975	14,612
	Short Term	467	8,334	6,107	11,780
	Intermediate	298	5,835	2,165	12,778
	Long Term (>10 yr)	-476	-1,908	-4,159	1,440

Source: State Street Global Advisors, Bloomberg Finance, L.P. As of May 31, 2020. Segments with top 2 inflows in each category are shaded in green. Segments with bottom 2 flows in each category are shaded in orange. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

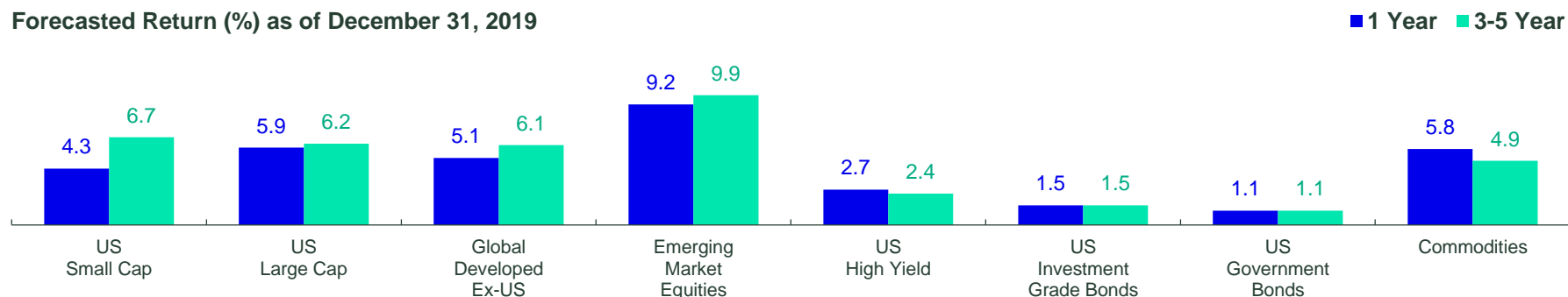
Appendix B

Asset Class Forecast

Forecasted Return (%) as of March 31, 2020



Forecasted Return (%) as of December 31, 2019



Source: State Street Global Advisors Investment Solutions Group. The forecasted returns are based on SSGA's Investment Solutions Group's March 31, 2020 forecasted returns and long-term standard deviations. The forecasted performance data is reported on a gross of fees basis. Additional fees, such as the advisory fee, would reduce the return. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting return would be reduced from 61% to 54%. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in the local (or regional) currency presented. It does not take into consideration currency effects. **The forecasted performance is not necessarily indicative of future performance, which could differ substantially.** Please reference Appendix B (continued) for the assumptions used by SSGA Investment Solutions Group to create asset class forecasts.

Asset Class Forecast: Assumptions

Fixed Income	Our return forecasts for fixed income derive from current yield conditions together with expectations as to how real and nominal yield curves could evolve relative to historical averages. For corporate bonds, we also analyze credit spreads and their term structures, with separate assessments of investment-grade and high-yield bonds.
Equities	Our long-term equity forecasts begin with expectations for developed market large capitalization stocks. The foundation for these forecasts are estimates of real return potential, derived from current dividend yields, forecast real earnings growth rates, and potential for expansion or contraction of valuation multiples. Our forecasting method incorporates long run estimates of potential economic growth based on forecast labor and capital inputs to estimate real earning growth.
Commodities	Our long-term commodity forecast is based on the level of world GDP, as a proxy for consumption demand, as well as on our inflation outlook. Additional factors affecting the returns to a commodities investor include how commodities are held (e.g., physically, synthetically, or via futures) and the various construction methodologies of different commodity benchmarks.

All assumptions are based upon current market conditions as of the date of this presentation and are subject to change. **Past performance is no reliable indicator of future results.** All investments involve risk including the loss of principal. All material presented herein are obtained from sources believed to be reliable, but accuracy cannot be guaranteed.

SPDR Sector Scorecard

	Composite Score	Metrics
	Validation	Relative Valuation (P/B, P/E, NTM P/E, P/S)
		Absolute Valuation (P/B, P/E, NTM P/E, P/S)
	Earnings Sentiment	Earnings Revision (Changes to EPS Estimates, Upgrade to Downgrade Ratio)
		Earnings Surprise (The Magnitude and Breadth of Earnings Surprise)
	Momentum	Price Returns 3-Months, 6-Months, 12-Months
Volatility	Realized Volatility	Standard Deviation 30-Days Annualized
	Implied Volatility	3-Month-at-the-money Implied Volatility for Options

The metrics shown are z-scores, which are calculated using the mean and standard deviation of the relevant metrics within S&P 500 sectors. Using Z-scores to standardize results across all sectors allows for easier relative assessment. Sectors with cheaper valuation, higher price momentum, higher sentiment and higher volatility will have higher z-scores.

We calculate a composite score by equally weighting each metric z-score in the same category.

The scorecard does not represent the investment views of State Street. Metrics used in the scorecard have not been backtested for any sector strategies by State Street. These are for illustrative and educational purposes as we seek to bring greater transparency to the sector investing landscape and the due diligence required to build sophisticated portfolios to meet specific client objectives.

Source: SPDR America Research.

Appendix D

Definitions

Basis Point: One hundredth of one percent, or 0.01%.

Bloomberg Barclays EM USD Aggregate Index: The index is a hard currency emerging markets debt benchmark that includes US dollar-denominated debt from sovereign, quasi-sovereign, and corporate issuers in the developing markets.

Bloomberg Barclays Global Aggregate Bond Index: A benchmark that provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the US Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment-grade 144A securities.

Bloomberg Barclays Global Aggregate Bond Index: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays US Aggregate Index: A benchmark that provides a measure of the performance of the US dollar denominated investment grade bond market, which includes investment grade government bonds, investment grade corporate bonds, mortgage pass through securities, commercial mortgage backed securities and asset backed securities that are publicly for sale in the US.

Bloomberg Barclays US Corporate 1–3 Year Index: The Index includes publicly issued US dollar denominated corporate issues that have a remaining maturity of greater than or equal to 1 year and less than 3 years, are rated investment grade.

Bloomberg Barclays US Corporate Bond Index: The Bloomberg Barclays US Corporate Bond Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays US Corporate High Yield Index: The index consists of fixed rate, high yield, USD-denominated, taxable securities issued by US corporate issuers.

Bloomberg Barclays US Mortgage Backed Securities Index: The index consists of US Mortgage Backed Securities

Bloomberg Barclays US Treasury 1–3 Year Index: The Index is designed to measure the performance of short term (1–3 years) public obligations of the US Treasury.

Bloomberg Barclays US Treasury Bill 1–3 Months Index: The Bloomberg Barclays 1–3 Month US Treasury Bill Index (the "Index") is designed to measure the performance of public obligations of the US Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

Bloomberg Commodity Index: Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Breakeven Inflation Rate: It is a market based measure of expected inflation. It is the difference between the yield of a nominal bond and an inflation linked bond of the same maturity.

Bloomberg Barclays US High Yield Index: The Bloomberg USD High Yield Corporate Bond Index is a rules-based, market-value weighted index engineered to measure publicly issued non-investment grade USD fixed-rate, taxable, corporate bonds. To be included in the index a security must have a minimum par amount of 250MM.

Bloomberg Barclays US Treasury Index: The Bloomberg US Treasury Bond Index is a rules-based, market-value weighted index engineered to measure the performance and characteristics of fixed rate coupon US Treasuries which have a maturity greater than 12 months. To be included in the index a security must have a minimum par amount of 1,000MM.

Bloomberg US Pure Value Index: The return of the top quintile less the bottom quintile value stocks.

CBOE VIX Index: The Chicago Board Options Exchange (CBOE) Volatility Index shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Citigroup Economic Surprise Index: The Citi Economic Surprise Indices measure data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected and a negative reading means that data releases have been worse than expected.

Credit Spread: A credit spread is the difference in yield between a US Treasury bond and a debt security with the same maturity but of lesser quality.

Current Short Interest (%): The percentage of tradable outstanding shares which have been shorted. Used as a measure of investor sentiment.

Definitions

Convexity: Convexity is a measure of the curvature in the relationship between bond prices and bond yields. Bond with negative convexity, prices decrease as interest rate fall. Since many high yields bonds are callable, the price of the callable bonds might drop in the event of falling yields because the bond could be called.

DXY Dollar Index: The DXY Dollar Index tracks the performance of a basket of foreign currencies issued by US major trade partners, including Eurozone, Japan, U.K. Canada, Sweden and Switzerland, versus the US Dollar.

Euro STOXX 50 Index: Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super-sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries.

EBITDA: Earnings before Interest Taxes Depreciation and Amortization

Excess Returns: A security's return minus the return from another security in the same time period.

Global Industry Classification Standard (GICS): An industry taxonomy developed in 1999 by MSCI and Standard & Poor's (S&P) for use by the global financial community. The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 156 sub-industries [1] into which S&P has categorized all major public companies.

Implied Volatility: The estimated volatility of a security's price. In general, implied volatility increases when the market is bearish and decreases when the market is bullish. This is due to the common belief that bearish markets are more risky than bullish markets.

Minimum Volatility Factor: A category of stocks that are characterized by relatively less movement in share price than many other equities.

Momentum Factor: The tendency for a security to maintain a certain direction of price trajectory. This tendency is well documented in academic research, which has made "momentum" one of the six smart beta factors that are systematically being isolated in new-generation strategic indexes.

MSCI Canada Index: An equities benchmark that captures large- and mid-cap representation in Canada.

MSCI Germany Index: An equities benchmark that captures large- and mid-cap representation in Germany.

MSCI EAFE Index: An equities benchmark that captures large- and mid-cap representation across developed market countries around the world, excluding the US and Canada.

MSCI Emerging Market Index: The MSCI Emerging Markets Index captures large and mid-cap representation across 23 emerging markets countries. With 834 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Europe Index: The MSCI Europe Index is a free-float weighted equity index designed to measure the equity market performance of the developed markets in Europe.

MSCI Japan Index: The MSCI Europe Index is a free-float weighted equity index designed to measure the equity market performance of the developed markets in Japan.

MSCI USA Enhanced Value Weighted Index: The MSCI USA Enhanced Value Weighted Index captures large and mid-cap representation across the US equity markets exhibiting overall value style characteristics. The index is designed to represent the performance of securities that exhibit higher value characteristics relative to their peers within the corresponding GICS® sector.

MSCI USA Equal Weighted Index: The MSCI USA Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI USA Index. At each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

MSCI USA High Dividend Yield Index: The MSCI World High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large and mid cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.

MSCI USA Index: The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World benchmark does not offer exposure to emerging markets.

MSCI USA Minimum Volatility Index: The MSCI USA Minimum Volatility (USD) Index aims to reflect the performance characteristics of a minimum variance strategy applied to the MSCI large and mid cap equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI World Index.

Appendix D (continued)

Definitions

Price-earnings ratio (P/E Ratio): The price-earnings ratio (P/E Ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The price-earnings ratio can be calculated as: Market Value per Share/Earnings per Share.

Price-to-book ratio (P/B Ratio): The price-to-book ratio (P/B Ratio) is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. Also known as the "price-equity ratio."

Quality Factor: One of the six widely recognized, research-based smart beta factors that refers to "quality" equities. Companies whose stocks qualify exhibit consistent profitability, stability of earnings, low financial leverage and other characteristics consistent with long-term reliability such as ethical corporate governance.

Risk on: Used to describe investment sentiment when investors' risk tolerance increases.

RSI: The relative strength index (RSI) is a momentum indicator that measures the magnitude of recent price changes to evaluate overbought or oversold conditions in the price of a stock or other asset.

Russell 1000 Growth Index: The index is a style index designed to track the performance of stocks that exhibit the strongest growth characteristics by using a style-attractiveness-weighting scheme.

Russell 1000 Value Index: The index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics by using a style-attractiveness-weighting scheme.

Russell 2000 Index: A benchmark that measures the performance of the small-cap segment of the US equity universe.

S&P/LSTA US Leveraged Loan 100 Index: The S&P/LSTA US Leveraged Loan 100 Index is designed to reflect the largest facilities in the leveraged loan market.

S&P 500 Communication Services Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® Communication Services sector.

S&P 500 Consumer Discretionary Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Financial Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® financial sector.

S&P 500 Health Care Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 High Dividend Index is designed to measure the performance of the top 80 high dividend-yielding companies within the S&P 500® Index, based on dividend yield.

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

S&P 500 Industrial Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® industrial sector.

S&P500 Information Technology Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Low Volatility Index: The S&P 500® Low Volatility Index measures performance of the 100 least volatile stocks in the S&P 500. The index benchmarks low volatility or low variance strategies for the US stock market. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights.

S&P 500 Materials Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Quality Index: The index is designed to track high quality stocks in the S&P 500 by quality score, which is calculated based on return on equity, accruals ratio and financial leverage ratio.

S&P 500 Real Estate Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® real estate sector.

Appendix D (continued)

Definitions

S&P 500 Utilities Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

Size Factor: A smart beta factor based on the tendency of small-cap stocks to outperform their large-cap peers over long time periods.

Spread Changes: Changes in the spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Standard Deviation: Measures the historical dispersion of a security, fund or index around an average. Investors use standard deviation to measure expected risk or volatility, and a higher standard deviation means the security has tended to show higher volatility or price swings in the past.

State Street Confidence Indexes: Measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The results shown represent current results generated by State Street Investor Confidence Index. The results shown were achieved by means of a mathematical formula in addition to transactional market data, and are not indicative of actual future results which could differ substantially.

Quintile Spread: The spread between the top 20% of a data set and the bottom 20% of a data set.

Value Factor: One of the basic elements of "style"-focused investing that focuses on companies that may be priced below intrinsic value. The most commonly used methodology to assess value is by examining price-to-book (P/B) ratios, which compare a company's total market value with its assessed book value.

Yield: The income produced by an investment, typically calculated as the interest received annually divided by the investment's price.

Yield Curve: A graph or line that plots the interest rates or yields of bonds with similar credit quality but different durations, typically from shortest to longest duration. When the yield curve is said to be flat, it means the difference in yields between bonds with shorter and longer durations is relatively narrow. When the yield curve is said to be steepened, it means the difference in yields between short term and long term bonds increases.

Yield Factor: A factor which screens for companies with a higher than average dividend yield relative to the broad market, and which have demonstrated dividend sustainability and persistence.

Yield to Worst: Yield to worst is an estimate of the lowest yield that you can expect to earn from a bond when holding to maturity, absent a default. It is a measure that is used in place of yield to maturity with callable bonds.

Z-score: It indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where z is the z-score, X is the sector relative performance, μ is the mean of the eleven sector relative performance, and σ is the standard deviation of sectors' relative performance.

Bloomberg Barclays US FRN < 5yr Index: The Bloomberg Barclays US Dollar Floating Rate Note < 5 Years Index consists of debt instruments that pay a variable coupon rate, a majority of which are based on the 3-month LIBOR, with a fixed spread.

Bloomberg Barclays U.S. MBS Index (the "MBS Index") measures the performance of the U.S. agency mortgage pass-through segment of the U.S. investment grade bond market.

MSCI France Index: An equities benchmark that captures large- and mid-cap representation in France.

MSCI UK Index: An equities benchmark that captures large- and mid-cap representation in UK.

MSCI Russia Index: An equities benchmark that captures large- and mid-cap representation in Russia.

MSCI Brazil Index: An equities benchmark that captures large- and mid-cap representation in Brazil.

MSCI India Index: An equities benchmark that captures large- and mid-cap representation in India.

Important Disclosures

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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.

The values of **debt 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.

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

Investments in **small-sized companies** may involve greater risks than in those of larger, better known companies.

Investments in **mid-sized companies** may involve greater risks than in those of larger, better known companies, but may be less volatile than investments in smaller companies.

Companies with **large market capitalizations** go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Value stocks can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

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.

Because of their narrow focus, **sector** investing tends to be more volatile than investments that diversify across many sectors and companies.

Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

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.

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.

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.

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.

Appendix E

Important Disclosures

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value. ETFs typically invest by sampling an 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.

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