A Case For: Sustainable Climate Bond Strategy

Strategy Profile
Environmental, Social & Governance (ESG)

State Street Global Advisors' sustainable climate bond investment solution is designed to capture the goals of the Paris Agreement within the fixed income asset class and to support the transition to the lower carbon economy.

Key Features of the Sustainable Climate Bond Strategy

- Designed to capture the goals of the Paris Agreement by constructing a portfolio (relative to the index) that aims to lower current and future emissions, maximise investment in green bonds, and target companies that are positioned to benefit from the transition to the low-carbon economy based on their ratings for climate adaptation.
- Screening out companies that do not meet international norms in relation to environmental protection, human rights, labour standards, anti-corruption, controversial weapons and tobacco.
- Benefit from SSGA's state-of-the art indexing portfolio management model which balances diversification, turnover and tracking error objectives.

The Slow-Burning Crisis

The Intergovernmental Panel on Climate Change (IPCC), a leading international body of climate scientists, has consistently warned about the reality of severity of climate change. Their reports highlight the increasing concentration of greenhouse gases in the atmosphere, rising temperatures, and the impact of human activities on the climate. The last eight years have been the hottest on record. Recent years have been marked by disaster caused by more frequent and extreme weather events brought about by climate change. The 2020 Australian wildfires, set off by a record heatwave, destroyed 44,400 square miles of bushland and forest and led to the killing or displacement of an estimated 3 billion animals.[1]

Research suggests that 'tipping points' such as the melting of huge ice sheets or the loss of the Amazon rainforest are much more likely to occur than previously thought.[2]

The melting of polar ice caps and glaciers is a visible sign of the changing climate. Changes in sea levels, the loss of natural habitats and disruptions to ecosystem and biodiversity has implications for agricultural productivity, the stability of supply chains, industries, infrastructure, disease control, as well as government policy and regulations.

Tackling the Climate Threat

In recognition of the severity of climate risks, countries have committed to reducing carbon emissions in line with the 2015 Paris Agreement of limiting global warming to 2° Celsius or less over the 21st century. The European Union, UK and several other countries have committed to be carbon neutral by 2050. In advance of regulation, many companies are proactively taking steps to reduce their carbon footprints and disclose their exposure to climate risks. Below are three trends in the global response to climate change that investors will have to address.

1 The Seismic Energy Transition

Recent years have seen a sustained shift in energy use away from fossil fuels and towards renewable energy, driven largely by acknowledgement of the impact of fossil fuel pollution and the need to reduce carbon emissions. The falling costs of solar and wind energy has further increased their attractiveness compared to fossil fuels. The COVID-19 crisis acted to hasten the decline in fossil fuel demand. The Russia–Ukraine war has also accelerated Europes desire to move to renewable energy sources. The transition to the low carbon economy will require companies in all sectors to decrease their carbon footprint.

2 Regulatory Tipping Point

Government policies and regulations play a crucial role in creating opportunities or risks for certain sectors and therefore its impact in shaping the investment landscape. In order to meet the Paris Agreement goals and reach net zero carbon emissions by 2050, a growing number of countries and local jurisdictions are making climate disclosure mandatory across the investment chain — from companies, to financial services firms, to end-investors.

In June 2020, the European Parliament approved the EU Taxonomy Regulation, which are fundamental to the realisation of the European Green Deal, which aims to boost private sector investment in green and sustainable projects. The European Insurance and Occupational Pensions Authority has stated that pension funds and insurers can play a key role in the transition towards a low carbon economy and that they should actively incorporate climate change risks in their own risk management frameworks.

The European Commission is also seeking to integrate sustainability risks and sustainability factors into Undertakings for the Collective Investment in Transferable Securities (UCITS) schemes, the Alternative Investment Fund Managers Directive (AIFMD) and the Markets in Financial Instruments Directive (MiFID). This, in turn, will drive investment in more sustainable projects and activities.

3 Capital Allocations

High-quality disclosures about how organisations and assets will both impact and be impacted by environmental change is encouraging better-informed pricing and capital allocation.

A recent study found that two-thirds of the world's largest pension schemes expect to increase their allocations to climate-related index funds over the next three years.

A potential driver for the increased adoption of climate considerations in investment portfolios is the perceived robustness of sustainable investment strategies.

Portfolio Impact

Investors are recognising that the transition to a low-carbon economy poses financial risks. Climate change is the highest priority among UN PRI signatories, representing almost 3,500 investors and over $120 trillion of assets.[3] For investors, climate change and its impact on asset valuations are becoming important criteria for investment decisions. The risks from climate change can be split into four broad categories:

Companies face a multitude of climate-related risks, including supply chain disruptions and shortage of raw materials, falling demand for products and services, carbon taxes and other regulations.

Figure 1 **Climate Change Risks**

Systemic Risk to financial markets as they seek to digest impact on economic growth, societal disruption and energy-mix change	**Country Risk** to petro-states that fail to reinvent themselves in time
Corporate Risk in sectors across the world, from drilling to diesel engines and from transport to banks	**Asset Value at Risk** as investors digest vast amounts of potentially stranded fossil fuel assets Fossil fuel and related sectors comprise about a quarter of all equity and debt markets

Accepting that climate risks must be addressed, what should an optimal climate-aware approach look like? Limiting carbon emissions is clearly necessary but insufficient on its own.

Asset owners must also build long-term resiliency into their portfolios. Resiliency is critical in a world that will be shaped by climate change for decades, perhaps centuries, to come.

A ‘Mitigation and Adaptation’ Approach

We believe in an investment approach that incorporates both **mitigation** of greenhouse gas emissions, and **adaptation** to the future impacts of climate change. These are complementary approaches to reducing climate risks and correspond with asset owners’ need to balance short- and long-term risks and opportunities.

- Mitigation aims to reduce the flow of heat-trapping greenhouse gases into the atmosphere and increase exposure to new energy and green companies.
- Adaptation aims to increase exposure to companies working proactively to minimise their exposure to the actual or expected physical, economic and regulatory impacts of climate change and the transition to a low-carbon economy.

Introducing the Sustainable Climate Bond Strategy

Imagine if you could drastically improve your portfolio’s carbon profile and reduce climate risk, all while keeping risk and return characteristics broadly in place.

This is the rationale behind the State Street Sustainable Climate Bond Strategy, which adopt a systematic mitigation and adaptation approach that targets Paris-aligned reductions in carbon emissions and fossil fuel exposure and reallocates capital towards companies benefiting from low-carbon technologies.

The Strategy aims to achieve the following objectives in relation to the following six categories utilised in the portfolio construction process:

Figure 2 **Sustainable Climate Bond Strategy: Key Metrics and Targets**

	Mitigation				+ Adaptation	
	Current and Future Risk Exposure				Resiliency	Opportunities
Objectives	**Minimise** Carbon Emissions	**Minimise** Fossil Fuel Reserves	**Minimise** Brown Revenues	**Minimise** ESG Risks	**Build** Resilient Portfolio	**Maximise** Green Bonds & Green Proceeds
Metrics	Carbon Intensity Direct + First Tier Indirect Emissions	Total GHG emissions from fossil fuel reserves in million tons CO_2	Revenues from extractives activities	Norms-based and controversial product involvement screening	Adaptation Score on climate change preparedness	Certified Green Bonds
Units	Metric tons CO_2e/$m revenues	Metric tons	%	—	Scaled range 0–1	—
Definition	Greenhouse gas emissions over which the company has direct control or derives from suppliers, divided by revenue	Total embedded CO_2 emissions for the company in a financial year	Percentage of revenues from brown sectors and extractive sectors with high embedded carbon emissions	Adherence to international norms in relation to ecological protection, human rights, labour standards, anti-corruption, controversial weapons and tobacco	Position on Climate Change Greenhouse Gas Reduction Action Plans	Bonds which qualify as green according to the Climate Bonds Initiative Taxonomy
Target	↓ ≥70%*	↓ ≥95%	↓ ≥95%	↓ 100%	↑ 0.167**	↑ ≥2.5x

Source: State Street Global Advisors. *The framework applies “zeros“ for carbon intensity, brown revenue and fossil fuel reserves metrics associated for bonds identified as green bonds. **0.167 is the ‘Adaptation Score’ below which a company will be ineligible for inclusion. The Adaptation Score scale is 0 (lowest) to 1 (highest). The above targets are estimates based on certain assumptions and analysis made by SSGA. There is no guarantee that the estimates will be achieved. Please see the Important Information section in the Appendix for more information.

Our approach follows a four-step process:

1 Start with the Right Universe

Clients can select any standard investment grade or high yield credit or aggregate benchmark which include corporate bonds. For each exposure, we first incorporate a set of screens that are aligned with our climate and ESG objectives. If a client has their own climate metrics they would like included then we can potentially accommodate this in a separately managed account.

2 Source the Best Data

All investment strategies rely on relevant and high-quality data and climate strategies are no different. At State Street Global Advisors, we employ an open architecture to source the best-available data. We have selected the following data providers for the Sustainable Climate Bond Strategy:

- **Trucost** for carbon emission intensity, fossil fuel reserves and brown revenues
- **Climate Bonds Initiative** for green bonds and climate-aligned issuers
- **ISS ESG** for adaptation score
- **Sustainalytics and MSCI** for product and controversy involvement
- **R-Factor™** for ESG rating based on the SASB ESG risk materiality framework

We utilise three sets of exclusions based on product involvement and prescriptive regulatory screens and updated on a quarterly basis:

Figure 3 **Exclusionary Screening Criteria**

Climate Related Exclusions	**Carbon Intensity**
	Fossil Fuel Reserves
	Brown Revenues
ESG Risks and Reputation Risk Related	**UN Global Compact Violators** Provide universal principles on human rights, labour, environment and anti-corruption
	Controversial Weapons Screen companies involved in production and distribution of weapons that have disproportionate and indiscriminate impact on civilians
	Severe ESG Controversies
Based on Prescriptive Regulatory Screen	**Swedish Ethical Council** Focused on influencing companies to operate in a more sustainable way by acting to bring about positive change in companies associated with violations of international conventions on environment and human rights

Our product involvement framework has two core criteria — drivers of product involvement and scope of resulting restricted list:

Figure 4 **Drivers of Product Involvement**

Three Drivers of Product Involvement	Description	Focused Involvement	Broad Involvement
1. Revenue	*What percent of a company's total revenue is derived from this industry, product, or topic?*	Higher revenue threshold	Lower revenue threshold
2. Activities	*What part of the value chain is the company involved in?*	Direct involvement in the product	Direct and/or indirect involvement in the product
3. Significant Ownership	*Is the company an owner of, or owned by, another company with involvement in this issue?*	Companies whose primary business activity is the product in question, or who own a significant portion of a company with involvement	Companies with any ownership relationship to the product in question are screened

← **Scope** →

Fewer names screened — More names screened

The metrics used in a particular screen depend on the availability from our data providers. For example, some weapons only have revenue metrics, others only activity metrics.

We follow a well-defined methodology that leverages best-in-class available data from multiple data providers where accessible to us.

3 Design for Optimal Outcomes and Balance for Risk-Adjusted Return

We utilise a mitigation and adaptation framework to rebalance the portfolio towards companies that will achieve our stated objectives:

Figure 5 **Designed for Maximum Impact**

	Reduce Exposure to companies with excessive carbon emissions and fossil fuel assets and those involved in controversial behaviors.
	Increase Exposure to green bonds and companies supporting the transition to the lower carbon economy.
	Balancing the objectives in conjunction with diversification, turnover and tracking error considerations.

We then balance the portfolio to target the highest expected risk-adjusted return, given the desired constraints.

We model the portfolio based on the following specifications:

- 70% or greater reduction in GHG emissions
- 95% or greater reduction in companies involved in brown sectors and that have fossil fuel reserves
- 100% exclusion of companies that violate ethical principles relating to corruption, human rights, labour standards, serious controversies, controversial weapons and tobacco
- 0.167 'Adaptation Score' below which a company will be ineligible for inclusion[4]
- 2.5x or greater increase in green bonds (recognised as green according to the green bond standards and EU taxonomy defined by the Climate Bonds Initiative)

4 Maximize Value with Indexed Offer

The portfolio is implemented using an indexed approach to deliver a consistent, cost-efficient and diversified investment exposure. This approach is built around stratified sampling which State Street Global Advisors pioneered. With around 7,600 in the US Investment Grade Corporate Universe and 3,500 securities in the Euro Investment Grade Universe (as at 30 May 2023), buying every bond is not a cost-effective approach for replication.

Skilled sampling can replicate the broad risk profile of the relevant corporate index efficiently and effectively, with a fewer but still highly diversified set of holdings.

In addition, we employ sophisticated indexing techniques focussed on minimising costs and tightly controlling systematic risks, while also adding value. Our value-add indexing approach is underpinned by minimising fund turnover relative to that of the index, effective trading and execution, harnessing the 'new issue premium' and a relative value (RV) security selection process.

As an example, on average for a Euro Corporate Bond Strategy, we are able to achieve a carbon intensity reduction of 75.4%, brown revenue and fossil fuel reserves reductions of 95–100%, full removal of ESG Controversies and a green bond market value increase of 2.7x (i.e. an increase from 8.3% of the market value weight to 24.1%), compared to the corresponding Bloomberg Euro Corporate Bond Index.

Figure 6 **Strategy Back Test Results and Live Performance**

	1 Month (%)	3 Month (%)	6 Month (%)	YTD (%)	1 Year (%)	Since Inception (%)
State Street Sustainable Climate Euro Corporate Bond Strategy (Gross). Inception date: 20 May 2021.	0.71	0.09	3.46	2.38	-4.54	-6.11
Bloomberg-Euro Aggregate Corporates Index	0.70	0.24	3.47	2.46	-4.28	-6.03
Difference	**0.01**	**-0.15**	**-0.01**	**-0.08**	**-0.26**	**-0.08**
State Street Sustainable Climate Euro Corporate Bond Strategy (Net)	0.69	0.01	3.30	2.28	-4.82	-6.40
Bloomberg-Euro Aggregate Corporate Index	0.70	0.24	3.47	2.46	-4.28	-6.03
Difference	**-0.01**	**-0.22**	**-0.17**	**-0.18**	**-0.54**	**-0.36**
Tracking Error Volatility (TEV)	—	—	—	—	**0.29**	**0.25**

	1 Month (%)	3 Month (%)	6 Month (%)	YTD (%)	1 Year (%)	Since Inception (%)
State Street Sustainable Climate US Corporate Bond Strategy (Gross). Inception date: 20 May 2021.	0.75	0.35	9.15	4.28	0.76	-4.83
Bloomberg US Credit Corporate Index	0.77	0.28	9.21	4.29	0.68	-5.00
Difference	**-0.02**	**0.07**	**-0.07**	**-0.01**	**0.09**	**-0.17**
State Street Sustainable Climate US Corporate Bond Strategy (Net)	0.72	0.28	8.99	4.18	0.46	-5.12
Bloomberg US Credit Corporate Index	0.77	0.28	9.21	4.29	0.68	-5.00
Difference	**-0.05**	**0**	**-0.23**	**-0.11**	**-0.21**	**-0.12**
Tracking Error Volatility (TEV)	—	—	—	—	**0.22**	**0.21**

Source: State Street Global Advisors, as at 31 March 2023. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request.
Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD.
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 as applicable.

Please see Strategy Profiles for latest available performance figures:

Sustainable Climate Euro Corporate Bond Strategy

Sustainable Climate US Corporate Bond Strategy

Back test (Euro Corp)

31 December 2014–31 March 2023	Climate Strategy — Gross of Fee (back-tested)	Climate Strategy — Net of Fee (back-tested)	Benchmark*
1-yr Return (%)	-4.77	-5.01	-4.57
3-yr Annualised Return (%)	-0.46	-0.72	-0.38
5-yr Annualised Return (%)	-0.55	-0.81	-0.52
Since Inception Return (%)	0.37	0.11	0.39
Max Drawdown (%)	16.37	16.64	16.12
TEV Since Inception (%)	0.18	0.18	—

Back test (US Corp)

31 December 2014–31 March 2023	Climate Strategy — Gross of Fee (back-tested)	Climate Strategy — Net of Fee (back-tested)	Benchmark*
1-yr Return (%)	-6.41	-6.65	-6.39
3-yr Annualised Return (%)	-1.31	-1.57	-0.84
5-yr Annualised Return (%)	1.54	1.28	1.44
Since Inception Return (%)	2.04	1.77	1.99
Max Drawdown (%)	20.22	20.60	20.46
TEV Since Inception (%)	0.75	0.75	—

Source: State Street Global Advisors, as at 31 March 2023. * **The data displayed for the Climate Corporate Bond Strategy is a hypothetical example of Back-Tested Performance for illustrative purposes only and is not indicative of the past or future performance of any SSGA product.** Back-Tested Performance does not represent the results of actual trading but is achieved by means of the retroactive application of a model designed with the benefit of hindsight. Actual performance results could differ substantially, and there is the potential for loss as well as profit. The Back-Tested Performance may not take into account material economic and market factors that would impact the adviser's actual decision-making. The performance reflects management fees, transaction costs, and other fees and expenses a client would have to pay, which reduce returns. Please reference Back-tested Methodology Disclosure in the Appendix for a description of the model methodology as well as an important discussion of the inherent limitations of back-tested results. Benchmark returns are unmanaged and do not reflect the deduction of any fees or expenses.
Benchmark returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

Paris Alignment

The Paris Agreement is an international accord that aims to limit the rise in global average temperatures to below 2°C above pre-industrial levels by the end of this century, and to pursue efforts to limit it to 1.5°C. While there is no 'one-dimension-fits-all' portfolio solution "Paris-aligned" investment means implementing an investment strategy that is consistent with the global goal of net zero emissions by 2050. Global net zero emissions by 2050 represents a no-or low-overshoot scenario associated with a >66% probability of limiting temperature increase to 1.5°C and is therefore recommended as the appropriate precautionary approach to achieving the 1.5°C goal of the Paris Agreement (IPCC, 2018).

The objective for the Sustainable Climate Bond Strategy is to maximise efforts that achieve decarbonisation in the real economy and increase investments in the solutions needed to achieve net zero. When applying this to investments, this requires the implementation of a comprehensive framework with concrete targets set at the portfolio level, as shown on the previous page.

These top-down and bottom-up reference targets are an important means to set direction and appropriate ambition for an investment strategy and serve as an ongoing reference point to monitor whether that strategy is achieving the expected outcomes. Issuers that do not meet the criteria are typically excluded from the eligible investment universe rather than underweighted. Our Sustainable Climate Bond Strategies are also reinforced through our company engagements to influence issuers and their policies in order to bring companies and their supply chains towards greater alignment with the Paris Agreement goals.

Who We Are

State Street Global Advisors' ESG experience covers portfolio management, investment research, proxy voting and engagement, as well as valuable relationships with third-party research providers. While most clients' custom ESG criteria require a separate account, State Street Global Advisors has created pooled funds that address many of the more common client approaches. Pooled vehicles may offer advantages such as economies of scale, lower fees and lower administrative costs.

We apply a multi-dimensional approach to our ESG investing solutions. During more than 30 years of ESG investing, we have advanced our portfolio management and stewardship capabilities to deliver value to our clients.

Through our extensive ESG data and research, we can help develop and implement solutions for our clients that align policy, principles and values, yet seek maximum performance or minimum tracking error within the constraints.

To learn more about how our climate-focused strategies could help you meet your investment goals please contact your State Street Global Advisors representative or email us at ssga_insightsemea@ssga.com.

Visit our website to discover more on Climate Bond Investing with State Street Global Advisors

1 Past eight years confirmed to be the eight warmest on record. World Meteorological Organization (12 January 2023). https://public.wmo.int/en/media/press-release/past-eight-years-confirmed-be-eight-warmest-record#:~:text=The%20warmest%20eight%20years%20have,contributed%20to%20record%20global%20temperatures.

2 'Australia's 2019–2020 Bushfires: The Wildlife Toll', WWF (2020).

3 UN Principles for Responsible Investment, Jan 2023.

4 The Adaptation Score scale is 0 (lowest) to 1 (highest).

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 index and active strategies to create cost-effective solutions. 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 fourth-largest asset manager* with US $3.8 trillion† under our care.

* Pensions & Investments Research Center, as of December 31, 2022.
† This figure is presented as of June 30, 2023 and includes approximately $63 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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Hypothetical Climate Corporate Bond Strategy (the "Climate Bond Strategy").
Purpose of theoretical Model Performance: The Climate Bond Strategy seek to create portfolios with improved climate risk exposure while maintaining low tracking error with respect to the reference benchmark. Over a fixed period, typically on a yearly basis, a back-test is performed to check the indicative impact of Climate Bond methodology relative to a broad reference credit benchmark in terms of Tracking Error and Tracking difference. Once a strategy is live then the model will be used to identify securities which may be considered for inclusion in a Climate Bond Strategy portfolio based on key climate input metrics.

The results shown do not represent the results of actual trading using client assets but were achieved by means of the retroactive application of an investment process that was designed with the benefit of hindsight, otherwise known as back-testing. Thus, the performance results noted above should not be considered indicative of the skill of the advisor or its investment professionals. The back-tested performance was compiled after the end of the period depicted and does not represent the actual investment decisions of the advisor. These results do not reflect the effect of material economic and market factors on decision making.

In addition, back-tested performance results do not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risks associated with actual investing.

No representation is being made that any client will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently significant differences between back-tested performance results subsequently achieved by following a particular strategy.

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

Not all products are available to all investors, please contact SSGA for further information regarding this strategy.

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The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

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

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The views expressed in this material are the views of Rupert Cadbury through the period ended May 2023 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.

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

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.

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. Investing involves risk including the risk of loss of principal. **The information contained in this communication is not a research recommendation or 'investment research' and is classified as a 'Marketing Communication' in accordance with the Markets in Financial Instruments Directive (2014/65/EU) or applicable Swiss regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.**

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

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