

# SPDR® Bloomberg SASB® Euro Corporate ESG UCITS ETF

A cost-efficient\*, physical UCITS ETF that seeks to provide investment results that, before fees, aim to replicate as reasonably as possible the total return of the Bloomberg SASB Euro Corporate ESG Ex-Controversies Select Index.

## Reasons to Consider this Exposure

- **Exclude Controversies** SPDR Bloomberg SASB Euro Corporate Select ESG UCITS ETF excludes issuers that derive significant revenue from certain practices, industries or product lines.

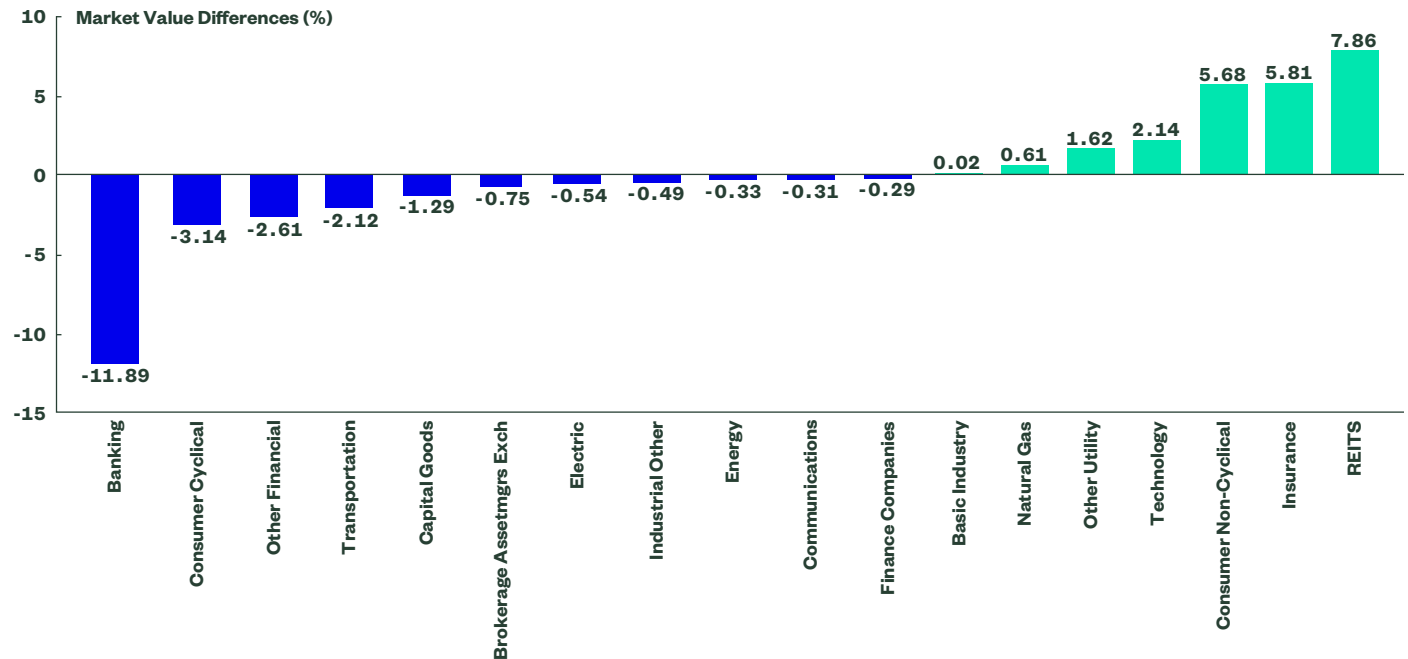
## Fund in Focus

### EUCR

SPDR Bloomberg SASB Euro Corporate ESG UCITS ETF

- **Maximise ESG Score** The embedded ESG approach builds on SASB's materiality map to maximise the ESG score via a best-in-class/positive screening approach.
- **Core Building Block** The ETF is designed to be used as a core building block for benchmark-aware ESG investors.

## Sector Profile vs. Parent Index



Source: State Street Global Advisors, Bloomberg Finance L.P., as of 1 October 2020.

\* Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

## Index Construction

*Step 1: Remove Controversies from the parent index (Bloomberg Barclays Euro Corporate Index):* Remove issuers involved in and/or that derive significant revenue from operations related to extreme event controversies, controversial weapons, UN global compact violations, thermal coal extractions, tobacco or civilian firearms. From the remaining issuers in the parent index, remove those without ESG score availability.

*Step 2: Control for ESG and Risk/Return Metrics:* Select securities and their corresponding weights to maximise ESG score while maintaining similar risk-return characteristics of the parent index (see optimisation constraints in the Appendix on page 5). Securities with an ESG score or R-Factor® (developed by State Street Global Advisors) greater than or equal to the parent index average ESG score, and that also meet all controversial business screens, have a minimum market value weight equal to their parent index weight. Securities with ESG scores less than the parent index average ESG score are eligible. Issuers are either excluded from the index or assigned a weight between one quarter of their parent index weight and up to 15 times their parent index weight.

### An Aggregated Score Based on SASB's Materiality Framework

The ESG scoring solution is based on the SASB (Sustainability Accounting Standards Board) materiality map. This map has been developed after rigorous research, company and public comment. SASB is an independent, non-profit organisation with a mission to help public corporations around the world identify, manage and report on sustainability topics that matter to investors. It is supported by investors globally representing \$48 trillion.

## Top 10 Issuers

Bloomberg SASB Euro Corporate ESG Ex-Controversies Select Index	
BNP Paribas SA	3.50
TOTAL SE	3.11
Allianz SE	2.64
SAP SE	2.42
Danone SA	2.35
AXA SA	2.30
Diageo PLC	2.27
Unibail-Rodamco-Westfield	2.25
AT&T Inc	2.20
Gecina SA	2.19

Bloomberg Barclays Euro Corporate Index	
Volkswagen AG	2.03
BNP Paribas SA	1.65
Groupe Credit Mutuel	1.49
Credit Agricole Group	1.32
Daimler AG	1.27
TOTAL SE	1.25
Banco Santander SA	1.17
Societe Generale SA	1.10
Anheuser-Busch InBev SA/NV	1.04
BP PLC	1.04

All sources are: State Street Global Advisors, Bloomberg Finance L.P., as of 1 October 2020. Index characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Diversification does not ensure a profit or guarantee against loss. **Past performance is not a guarantee of future results.**

## Fund Details

SPDR Bloomberg SASB Euro Corporate ESG UCITS ETF	
ISIN	IE00BLF7VW10
Inception Date	16 October 2020
Primary Ticker (Xetra)	SPPR GY
Other Tickers	Borsa Italiana — EUOR IM Euronext Amsterdam — EUOR NA
<b>TER (%)</b>	<b>0.15</b>
Index Name	Bloomberg SASB Euro Corporate ESG Ex-Controversies Select Index
Index Tickers	I35553EU
Portfolio Construction	Physical — Sampled
Number of Index Holdings	1406
Index Rebalance Frequency	Monthly (including for exclusions and scores)

Source: State Street Global Advisors, as of 1 October 2020. Index characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

## Understanding the Index

The index construction excludes controversies and seeks to optimise its ESG score. This is done by weighting issuers with an aggregated ESG score and the index aims to meet core allocation needs by targeting a risk profile similar to that of a traditional beta exposure.

## Characteristics vs. Parent Index

Characteristics	Bloomberg SASB Euro Corporate ESG Ex-Controversies Select Index	Bloomberg Barclays Euro Corporate Index
Number of Issues	1,406	3,106
Number of Issuers	233	681
Mkt Val (EUR bn)	1,195	2,510
Yield to Worst	0.49	0.51
Cpn	1.98	1.65
Mty (Yrs)	5.81	5.70
OAD	5.31	5.28
OAS	114	117
OAC	0.45	0.41
LQA	72.01	74.40
Index Rtg	A3/BAA1	A3/BAA1

\* Average of the ratings from Fitch, Moody's, and Standard & Poor's.

## Top 10 Exclusions

Top 10 exclusions from the Bloomberg Barclays Euro Corporate Index		
Volkswagen AG	2.03	ESG Flag & UN Global Compact
Wells Fargo & Co	0.86	ESG Flag & UN Global Compact
Atlantia SpA	0.66	ESG Flag & UN Global Compact
Bayer AG	0.63	ESG Flag
British American Tobacco PLC	0.39	Tobacco
Airbus SE	0.38	Controversial Weapons
Danske Bank A/S	0.38	ESG Flag & UN Global Compact
Philip Morris International In	0.30	Tobacco
Swedbank AB	0.22	ESG Flag & UN Global Compact
Altria Group Inc	0.18	Tobacco
<b>Total</b>	<b>6.03</b>	

All sources are: State Street Global Advisors, Bloomberg Finance L.P., as of 1 October 2020. N.B. ESG Flag = Extreme Event Controversies. Index characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Diversification does not ensure a profit or guarantee against loss. **Past performance is not a guarantee of future results.**

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## Why SPDR for ESG?

SPDR ETFs are a part of State Street Global Advisors, the asset management arm of State Street. This structure affords SPDR a heritage of sustainability and significant resource to respond to client needs.

As a well-established provider of financial services to global institutional investors, State Street is dedicated to long-term value creation.

Across our leading investment servicing, management, research and analytics capabilities, State Street is committed to helping investors understand the Environmental, Social and Governance (ESG) issues that affect the value of their portfolios. We further show our commitment to sustainability as a signatory to the UN's Sustainable Development Goals, through global environmental goals and incorporation of ESG into the board charter at the corporate level.

As we witness the structural shift in our economies from tangible to intangible value drivers, we recognise that ESG considerations are becoming more important factors for companies and the way they are valued as well as for investors. At State Street Global Advisors, we are committed to combining our financial data and analytics capabilities with our investment practitioner perspective to create a new generation of ESG solutions. We provide leading research, analytics and advisory for investors' ESG needs across asset classes and investment styles.

We believe our asset stewardship activities and expertise are differentiating activities in the financial world.

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## State Street Global Advisors — Experience in ESG

- **AUM** \$352.7 billion in ESG integrated assets (as of 30 June 2020)
- **Asset stewardship** Our dedicated team engages with companies representing **72%** of State Street Global Advisors' equity AUM
- **Implementing ESG since 1985** Launched first ESG mandate in **1985**, making us an early leader in low-carbon investing and recognized authority in asset stewardship and corporate governance.

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## Appendix: ESG Score Optimisation Constraints

**Cash Position** All cash that enters the index mid-month is completely reinvested into next month's index at the next rebalancing date. On each rebalancing date, cash has a 0% weight.

**Class 2 Sector Weights** Bloomberg Barclays Class 2 sector weights must be within 200bps of the parent index.

**Index Rating Weights** Bloomberg Barclays Index Rating weights (Aaa, Aa, A, Baa) must be within 300bps of the parent index.

**Duration Times Spread** Must be within 0.2 years of each Class 2 sector of the parent index. DTS is calculated by multiplying spread duration by Libor option-adjusted spread. DTS measures sensitivity to relative spread change as opposed to absolute spread change like modified duration.

**Option-Adjusted Duration** Must be within 0.15 years of each Class 2 sector of the parent index.

**R-Factor® Score** Securities with R-Factor® scores greater than or equal to the parent index average R-Factor®, and that also meet all controversial business screens, have a minimum market value weight equal to their parent index weight. Securities with R-Factor® scores less than the parent index average R-Factor® are eligible. These issuers are either excluded from the index or assigned a weight between one quarter their parent index weight and up to 15 times their parent index weight.

**Security & Issuer Weights** Individual security weights must be less than 15 times their weight in the parent index or 100bps, whichever is less. Issuer (ticker) weights must be less than 200bps plus their weight in the parent index. Only long positions are allowed.

**Yield to Worst** Must be no less than 10bps from the parent index.

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Source: Bloomberg Finance L.P. Note Each of these constraints, with the exception of the security and ticker level upper and lower bounds, are soft constraints. This means that the optimizer will consider solutions outside of these bounds, provided that the trade-off is sufficient.

## Potential Risks

**Corporate Default.** Whilst the securities held in this ETF are considered 'investment grade', there is still always the chance of default. In that event, companies may not be able to meet their obligations and investors could lose their value of the investment.

**Interest Rate Risk.** Due to its short duration, this ETF is less affected by interest rate moves. This can have a positive or negative effect depending on the direction of the market.

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