STATE STREET GLOBAL ADVISORS

Multi-Asset Class

State Street ICAV

State Street Timewise 2030 Fund - I EUR Share Class

30 June 2021

Fund Objective

The objective of the Sub-Fund is to provide a balance between capital growth and capital preservation through exposure to a broad range of asset classes.

Investment Policy

Investments are made in accordance with an asset allocation "glide path" developed by the investment manager for the Strategy. The glide path sets out the types of investments which the investment manager believes are appropriate for the Strategy, taking into account the investment objective and the remaining time until the target retirement date of the Strategy. The asset allocation and risk profile of the Strategy will therefore vary over time and may also be amended from time to time depending upon the investment manager's view of typical pension fund investor behaviour, market-events, changes in average life expectancy, inflation, applicable law and regulation or other circumstances deemed relevant by the investment manager.

Structure

ICAV

Domicile

Ireland

Investment Manager

State Street Global Advisors Limited

Fund Facts

Currency	EUR
Net Assets (millions)	16.92 EUR as of 30th June 2021
Inception Date	08 August 2019
Zone	Global
Settlement	DD+2
Notification Deadline	DD-2 3:00PM Irish Time
Valuation	Closing mid-market prices
Minimum Initial Investment	10m (for Class I)
Minimum Subsequent Investment	1 EUR (for Class I)

Performance

Annualised	**Benchmark**	**Fund Gross**	**Difference**	**Fund Net**	**Difference**
1 Year (%)	17.05	20.09	3.04	19.61	2.56
3 Years (%)	-	-	-	-	-
5 Years (%)	-	-	-	-	-
10 Year (%)	-	-	-	-	-
Cumulative					
1 month (%)	2.47	2.75	0.28	2.72	0.24
3 Months (%)	3.44	4.40	0.96	4.30	0.86
1 Year (%)	17.05	20.09	3.04	19.61	2.56
3 Years (%)	-	-	-	-	-
5 Years (%)	-	-	-	-	-
10 Year (%)	-	-	-	-	-
Calendar					
2021 (year to date)	8.00	10.51	2.51	10.29	2.29
2020	4.50	-0.21	-4.71	-0.61	-5.11
2019 (partial)	5.96	6.54	0.58	6.38	0.41

Past performance is not a guarantee of future results. Investing involves risk including the risk of loss of principal.

The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect the deduction of advisory or other fees which could reduce the return. Index returns reflect capital gains and losses, income, and the reinvestment of dividends. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in the currency EURO.

Technical net asset values are calculated using the valuation of the benchmark when the Fund is closed according to its NAV calendar but the value of the benchmark can be ascertained.

Certain figures might be rounded to the nearest hundredth decimal and may result in the total not appearing to add correctly.

Source, SSGA. All data is as at 30/06/2021.

Asset Allocation

	State Street Timewise Q2 2021							
	2025 Fund	**2030 Fund**	**2035 Fund**	**2040 Fund**	**2045 Fund**	**2050 Fund**	**2055 Fund**	**2060 Fund**
Yrs to Nomal Retirment Age	5	10	15	20	25	30	35	40
Developed Equity	19%	30%	39%	42%	43%	43%	43%	43%
Emerging Equity	3%	5%	7%	7%	8%	8%	8%	8%
Smart Beta Equity	10%	12	15%	17%	18%	18%	18%	18%
Small Cap Equity	4%	5%	7%	7%	8%	8%	8%	8%
Flexible Asset Allocation	18%	18%	18%	12%	10%	10%	10%	10%
Emerging Market Debt	4%	4%	4%	5%	5%	5%	5%	5%
High Yield Debt	4%	4%	4%	5%	5%	5%	5%	5%
Corporate Bonds	27%	21%	8%	1%	0%	0%	0%	0%
Inflation Linked Bonds	8%	2%	0%	0%	0%	0%	0%	0%
Cash	4%	0%	0%	0%	0%	0%	0%	0%
Infrastructure	0%	0%	0%	4%	5%	5%	5%	5%
Nav Price	**1.1229**	**1.1652**	**1.2177**	**1.2651**	**1.2664**	**1.2663**	**1.2661**	**1.2658**

Commentary

Market Review

Global growth recovery broadened in the second quarter aided by accelerated vaccine rollout in the United States (US) and Europe and the momentum shifting away from China. Incoming data in the second half of the quarter pointed to continued robust global recovery cycle despite persistent headwinds, including supply chain disruptions, new variants of coronavirus and potential central bank tightening on inflationary concerns.

Risk assets continued to rally in the second quarter supported by the strong economic recovery across key developed markets (DM). Commodities registered solid gains on the back of strong growth in energy prices. The US dollar remained flat for the quarter with the decline in the first half of the quarter made good during the strong monthly performance in June. The yield on the US 10-year Treasury note reduced to 1.47% from 1.74%, giving up some of the large gains made during the first quarter.

Equities

Global equity markets advanced with the MSCI AC World Index returning over 6% for the second quarter. Vaccine distribution, central bank liquidity, fiscal stimulus, reopening momentum, and above earnings expectations served as some of the forces driving equities higher. The performance was dominated by DM equities as measured by the MSCI World Index, which returned 6.9% during the quarter as the vaccination pace accelerated in developed economies. EM equities as measured by the MSCI Emerging Market Index, posted modest positive returns of 5.1% but lagged behind DM equities.

Euro Area equities (+6.2%) advanced in Q2, supported by the reopening of regional economies and strong global goods demand. The increasing vaccination rate bolstered prospects for a strong economic rebound. Though Eurozone GDP contracted in the first quarter, business activity picked up in the second quarter and expanded at its fastest rate in 15 years in June. The IHS Markit Flash PMI for Eurozone rose to 59.2 in June, up from 59.7 in May, its highest level since June 2006. The European Commission started to publish its assessment of recovery plans for member states. Many countries, including Portugal, Spain and Greece, received the green light for the European Union (EU) recovery funding. The ECB kept its monetary policy unchanged during the quarter but emphasized on faster paced liquidity injection going forward.

UK equities (+4.8%) performed better in Q2 on the back of successful progression of the mass vaccination program and a gradual lifting of COVID-19 restrictions. With 70% of adults estimated to have antibodies against coronavirus, the country was on a sustainable path toward recovery. While the spread of the delta variant remained a potential concern, the increasing number of cases did not lead to significantly higher hospital admissions in the UK. This suggested vaccines worked well against the new variant, too. Business activity expanded in the sector quarter with the IHS Markit Composite PMI interim number at 61.7 for June, the highest since the series began in 1998. Retail sales rose, primarily driven by household savings and fiscal stimulus. However, inflation-led input price pressure resulted in supply bottlenecks and most businesses struggling to meet the rising demand.

US equities posted a strong return over the second quarter as the pandemic was reined in, consumer spending increased, growth stocks rebounded, first-quarter earnings grew strongly and the prospects of fiscal stimulus improved. The S&P 500 Index added 7.6% in Q2 to finish it's second-best first-half performance since 1998. The US economy recorded 6.4% annualized growth at the end of first quarter with retail sales recording 17% above the pre-pandemic level. Inflation and growth were the highlights of the quarter as the US PMIs for manufacturing and services rose to record high levels. This signaled rising consumer demand as well as higher cost for businesses. In May, the US consumer price index increased by 5.0% YoY – however, some underlying details suggested there were temporary factors at play. The US president outlined two more spending packages – a US$2.3 trillion American Jobs Plan and a US$1.8 trillion American Families Plan, with many key tax credits from the Rescue bill being extended or made permanent.

Asia Pacific equities lagged other DM during the quarter and rose by only 0.5%. Australia and Hong Kong were the top performers, with gains of 6.0% and 1.6%, respectively. Japanese stocks underperformed other developed markets in Q2, returned -1.1% for the quarter as tensions between Japan and China, emergence of new forms of the coronavirus, reports of a fourth wave of pandemic and the slow vaccination campaign all weighed on the performance of the markets. In Japan, the Bank of Japan kept monetary policy steady and reiterated its view of inflationary pressures being subdued.

The broad measure of EM, the MSCI Emerging Markets Index, was up by 4.2% for the quarter. EM equities lagged behind their DM counterparts as many countries faced a spike in cases, re-imposition of lockdowns and a slowdown in vaccination. Within the region, a new outbreak was witnessed in Latin America, Turkey, India and the Philippines. India in particular saw a worsening of the pandemic situation, which intensified pressure on its healthcare infrastructure. On the economic front, in China, both manufacturing and services growth rates peaked as PMIs slowed further in June. Manufacturing PMI slipped as a result of supply-side constraints, including for coal, electricity and semiconductors. Services PMI was slowed by consumer-facing sectors amid local pandemic outbreaks.

Bonds

Global bonds (Bloomberg Barclays Global Aggregate Bond Index) saw modest positive returns (+0.4%) in Q2. Spreads were flat overall, and bond yields were relatively range-bound over the quarter as markets saw a balance between improving global growth and major central banks signaling toward potential tapering plans. Despite a more hawkish than expected outcome in the Federal Open Market Committee's June meeting, risk assets recovered after an initial slide and long-end Treasury yields actually rallied to a low not seen since February.

Sovereign fixed income markets stabilized during the second quarter, consolidating the sell-off experienced during the first quarter. The US 10y yield reported a drop of 27bp in Q2 at 1.47%. Yields across the Euro core rose but to a lower extend than previous quarter, German 10y bund rose from -0.20% at previous months end to -0.18% by May. In UK, the reflation theme and the consequent sell off in rates that dominated the landscape during Q1 2021, took a pause during the second quarter as higher inflation expectations were offset by lower real yields. 10y gilt yields ended the quarter 13bp lower at 0.72%. The Bank of England (BOE) kept interest rates unchanged during its May meeting.

Global corporates delivered positive returns during the second quarter of 2021 recovering some of the losses posted during the first quarter on the back of rising inflation and growth expectations and the consequent rise in government yields. Global Corporates continued to benefit from the support of the markets, amid higher demand for yield, the continued policy support from governments and central banks and the roll-out of Covid-19 vaccines. Spreads ended the quarter tighter across all rating and currencies delivering positive excess returns across the board. In Europe, the impact from higher government bunds detracted to performance and EUR IG corporates delivered total returns of 0.3%.

High Yield bonds also delivered positive total returns across all currencies and returns were supported by the higher coupon embedded within the asset class. In US, spreads tightened by 42bp and total returns were supported by the higher carry within High Yield in comparison to IG corporates. US High Yield Bonds delivered total returns of 1.8% for the quarter. In the same fashion as US HY, EUR HY returns were supported by the higher yields embedded with High Yield for a total return of 1.4% as German Bunds continued to raise. Spreads ended the month 27bp tighter at 282bp.

Emerging market debt (in USD terms) delivered positive returns in the second quarter as the recovery in global economic growth continued to aid EM countries. Even as concerns about China growth and COVID-19 infections in Asia intensified during the quarter, higher growth in EM countries, a weaker dollar (dollar Index at -0.85% in Q2 2021) and lower US Treasury yields (10-year US Treasury at -27 bps lower in Q2 2021) underpinned the good performance.

Alternatives

Commodities (as measured by the Bloomberg Commodities Total Return Index) posted robust gains for the second quarter as accelerated vaccine rollout and strong global economic recovery brightened the demand outlook for many commodities. Despite a weak June, the index returned 12.3% for the quarter, the highest in almost a decade. Energy was the best performing index component as oil and gas prices continued to pick up. Agricultural commodities also registered strong gains as poor weather conditions and transportation bottlenecks pushed prices higher.

For More Information

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Real estate investment trusts (REITs) as indicated by the FTSE EPRA Nareit Global Real Estate Index gained 6.9% in Q2. As of second quarter, REIT total returns fully recovered from the initial losses recorded in early 2020. Nearly all property sectors registered positive returns during the quarter. Self-storage, residential and industrial REITs registered double digit gains, while lodging/resorts languished.

Asset Allocation (Volatility Management)

Managing volatility is particularly important during a downturn. Episodes like 2008 crisis reinforced the need for glide path designs and asset allocation strategies that effectively balance wealth preservation and wage replacement potential as members approach retirement. In order to manage risk within the glidepath the fund deploy target volatility trigger strategies, also invests into the State Street Flexible Asset Allocation Plus Fund, which dynamically adjusts exposures based on anticipated market conditions - guided by our proprietary Market Regime Indicator (MRI).

Flexible Asset Allocation

Target exposure to growth assets in our cash +4% strategies ranged from approximately 76% to 88% during the second quarter of the year. As the quarter commenced, The State Street Flexible Asset Allocation Fund was approximately 88% invested in growth assets and the portfolio remained very much in risk seeking territory for the period. The overall growth asset exposure did decline marginally, as the MRI moved into Euphoria regime for much of the quarter, indicating potential complacency. The developed equity position was reduced, with the proceeds invested in government bonds and cash. The commodity position, on the other hand, was marginally increased on the back of mounting inflation pressures. At the end of the second quarter The State Street Flexible Asset Allocation Fund was approximately 82% invested in growth assets.

TVT Strategy

A Target Volatility Trigger (TVT) overlay is applied to The State Street Timewise Funds (2025, 2030, 2035 and 2040), in order to provide a measure of protection against significant falls in equity markets. State Street forecasts equity volatility and dynamically adjusts the equity exposure. Our research has led us to set target volatility for Developed Market (DM) equity to 14% and Emerging Market (EM) equity to 16%.

When viewed as a percentage of the developed equity allocation, the TVT strategy equity exposure was approximately 100% at the beginning of the quarter (emerging market was approximately 94%). The developed equity TVT strategy remained fully invested during the quarter as forecasted volatility for developed markets declined as equities continued to grind higher amid a broad recovery in global growth. Similarly, forecasted volatility for emerging markets continued to decline, leading the team to re-risk the portfolio by increasing equity exposure to 100%. At the end of Q2, both the developed market and emerging market TVT strategies were fully invested. With forecasted volatility remaining below the target for the quarter, the strategies were able to participate fully in the ongoing rally in equity markets.

Sources: Bloomberg, FactSet, J.P. Morgan, Barclays, Morgan Stanley, Wall Street Journal, and FTSE, as of July 1, 2021

All performance cited is calculated in Euro unless otherwise stated.

Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualised. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in Euro. 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. The calculation method for value added returns may show rounding differences.

Warning: Past performance is not a reliable guide to future performance.
Warning: This product may be affected by changes in currency exchange rates.

Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: The value of your investment may go down as well as up.

Please note that full details of underlying fund holdings can now be found on www.ssga.com

Marketing Communication

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TER Max represents the fund's aggregate operating and management fees excluding transaction costs. Transaction costs are billed separately to the fund.