

State Street SPDR S&P 400 U.S. Mid Cap Leaders UCITS ETF

Website disclosure for an Article 8 fund



A. Sammenfatning

State Street SPDR S&P 400 U.S. Mid Cap Leaders UCITS ETF ("**fonden**") er en indeksfond, der følger resultaterne af S&P MidCap 400 Scored & Screened Leaders Index ("**indekset**"). Indekset er angivet med henblik på at opnå de miljømæssige og sociale karakteristika, som fonden fremmer.

Fonden fremmer miljømæssige karakteristika, der er knyttet til at reducere udnyttelsen af ikke-vedvarende naturressourcer ved at udelukke virksomheder, der f.eks. er involveret i termisk kul, oliesand, skiferolie og -gas, arktisk boring og atomenergi, idet hver især sker i overensstemmelse med indekset. Desuden fremmer fonden sociale karakteristika tilknyttet: (i) bedre helbred og velbefindende ved at udelukke direkte investering i virksomheder, der er involveret i produktion og distribution af tobak, og (ii) støtte af menneskerettigheder, miljø og bekæmpelse af korruption ved at udelukke virksomheder, der anses for ikke at overholde FN's Global Compact-principper ("**UNGC**").

Selvom fonden ikke har ikke bæredygtig investering som mål, investerer den mindst 15 % af porteføljen i bæredygtige investeringer i henhold til artikel 2, stk. 17, i disclosure-forordningen ved hjælp af investeringsforvalterens egenudviklede vurderingsmetode.

Investeringsforvalteren og/eller underinvesteringsforvalteren investerer på vegne af fonden ved brug af replikationsstrategien som beskrevet yderligere i afsnittet om investeringsmål og -politikker - indeksopfølgende fonde ("Investment Objectives and Policies – Index Tracking Funds") i prospektet, primært i indeksets værdipapirer, og til enhver tid i overensstemmelse med de investeringsbegrænsninger, der er anført i prospektet.

Investeringsforvalteren anvender en bindende ESG-metode, der er rettet mod at opbygge en portefølje, hvor mindst 90 % af fondens aktiver er investeret i værdipapirer, der er i overensstemmelse med de miljømæssige og sociale karakteristika, som fonden fremmer. Den resterende del (<10 %) af porteføljen, som består af kontanter og likvide midler, der besiddes efter investeringsforvalterens skøn, er ikke i overensstemmelse med de miljømæssige og sociale karakteristika, der fremmes. I det omfang fonden måtte anvende afledte finansielle instrumenter, anvendes de ikke til at opnå de miljømæssige eller sociale karakteristika, som fonden fremmer. Fonden forpligter sig ikke til at foretage bæredygtige investeringer, som dette er defineret i EU-klassificeringssystemet.

Den andel af fondens portefølje, der er investeret i værdipapirer, som indgår i indekset, vil udgøre en bæredygtighedsindikator, der anvendes til at måle opnåelsen af hvert af de miljømæssige eller sociale karakteristika, som fonden fremmer.

De bæredygtighedsindikatorer, der anvendes til at måle opfyldelsen af ESG-kriterierne i det indeks, fonden følger, omfatter: (i) udelukkede forretningsaktiviteter, (ii) screening for normer og standarder, (iii) udelukkelse baseret på EGS-scorer og (iii) vigtigste negative indvirkninger.

Linket til den indeksmetode, som afspejler de miljømæssige eller sociale karakteristika, der fremmes af fonden, er tilgængeligt i det relevante tillæg og fremgår nedenfor.

De datakilder, der anvendes til at opnå de relevante miljømæssige eller sociale karakteristika, er nærmere beskrevet i indeksmetoden.

Der er en risiko for, at indeksudbyderen kan begå fejl, f.eks. urigtig vurdering af screeningskriterierne som beskrevet i investeringspolitikken og/eller på urigtigt grundlag medtage/udelukke bestanddele af indekset i forbindelse med screeningen. Data om bæredygtig investering kan være baseret på visse antagelser, prognoser, vurderinger, synspunkter og udtalelser, som kan være baseret på aktuelle markedstendenser eller forventede fremtidige begivenheder. Da datamodeller, metoder og antagelser er under udvikling og innovative og på grund af den iboende usikkerhed ved forudsigelse af fremtidige begivenheder, kan det ikke garanteres, at data om bæredygtig investering altid er præcise eller korrekte, eller at data om bæredygtig investering vil opfylde målene eller kravene for en bestemt kunde eller investor. Desuden kan der være data, der ikke kan indhentes på grund af manglende adgang til datakilder.

State Street Investment Management fører tilsyn med eksterne leverandører, herunder indeksudbydere, i overensstemmelse med programmet for risikostyring af tredjepartsrisici. State Street Investment Management har regelmæssigt kontakt med indeksudbydere i forbindelse med undersøgelser af serviceniveau og foretager også målrettede undersøgelser af indeksudbydernes procedurer, systemer og systemkontroller, data, kvalitetskontrol og IT-sikkerhed.

Politikker for aktivt ejerskab er ikke direkte integreret i fondens investeringsstrategi. Stemme ved fuldmagt og aktiviteter omkring aktivt ejerskab sker i henhold til de vilkår og betingelser, der fremgår af bæredygtighedspolitikken ("Sustainability Stewardship Service Proxy Voting and Engagement Policy").

Fonden har angivet indekset med henblik på at opnå de miljømæssige og sociale karakteristika, som fonden fremmer. Indeksmetoden giver mulighed for løbende revision og opgørelse ved udgangen af hver måned.

Der henvises til metoden for S&P MidCap 400 Scored & Screened Leaders Index:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-ss-leaders-indices.pdf>



B. No sustainable investment objective

The Fund promotes environmental or social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15 % of sustainable investments under article 2(17) of SFDR using the Investment Manager's proprietary assessment methodology.

Sustainable investments that the financial product partially intends to make should not cause significant harm to any environmental or social sustainable investment objective. In this respect, the Investment Manager considers the mandatory principal adverse indicators ("PAIs") as set out in Table 1, Annex 1 of Level 2 of SFDR on sustainability factors through the incorporation of the SASB

materiality framework in the Investment Manager's proprietary ESG Score and the application of the exclusions in the Index. By investing in securities classified as "Leaders or Outperformers" in accordance with the Investment Manager's proprietary ESG Score and the application of exclusions to the Index, the Investment Manager deems the Fund's sustainable investments not to cause significant harm to any environmental or social sustainable investment objective

The Fund pursues a reduction of negative externalities caused by the underlying investments and in that context considers Principal Adverse Impacts (PAI) on sustainability factors by applying norms based ESG screens within the index. Specifically, the Fund considers:

- Violation of UNGC Principles
- Exposure to controversial weapons

A sustainable investment, as determined by the Investment Manager, does not include companies that the Investment Manager has deemed to violate UNGC principles. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are considered as part of the UNGC principles assessment.



C. Environmental or social characteristics of the financial product

The Fund promotes environmental characteristics related to reduction of non-renewable natural resource utilisation by excluding companies involved in, for example, thermal coal, oil sands, shale oil and gas, arctic drilling and nuclear, each in line with the Index.

In addition, the Fund promotes social characteristics related to:

- Better health and wellbeing by excluding direct investment in companies involved in production and distribution of tobacco; and
- Support for human rights, labour, environment and anti-corruption by excluding companies deemed to have failed to comply with the United Nations' Global Compact (the "UNGC") principles.

The definition of "involved" in relation to each activity is based on generating or deriving a revenue from the activity that exceeds a percentage of revenue or a defined total revenue threshold, or any exposure to the activity regardless of the amount of revenue received. The activity may relate to production or distribution or both in accordance with the Index methodology. Further detail on the exclusions applied to promote environmental and/or social characteristics can be found in the methodology of the Index.



D. Investment Strategy

The investment policy of the Fund is to track the performance of the Index (or any other index determined by the Directors from time to time to track substantially the same market as the Index) as closely as possible, while seeking to minimise as far as possible the tracking difference between the Fund's performance and that of the Index.

The Index measures the equity performance of the 400 mid cap companies in the U.S. equity market by market capitalisation, known as the S&P MidCap 400 Index (the “**Standard Index**”), while excluding companies based on certain ESG characteristics as outlined below.

The Index excludes companies from the Standard Index based on their involvement in certain controversial business activities (including controversial weapons, small arms, military contracting, coal, thermal coal, oil sands, shale oil and gas, Arctic drilling, nuclear, tobacco, alcohol) as determined by the index provider as outlined in the Index methodology (the “**Exclusions**”). Thereafter the Index selects the top 50% of the float-adjusted market capitalization of each Global Industry Classification Standard (GICS) Industry Group within the Standard Index (minus the Exclusions), based on each company’s S&P Global ESG Score.

The S&P Global ESG score measures a company’s performance on and management of material ESG risks, opportunities, and impacts informed by a combination of company disclosures, media and stakeholder analysis, modelling approaches, and in-depth company engagement. For more information on S&P Global ESG scores, please refer to the S&P Global ESG Scores Methodology: https://portal.s1.spglobal.com/survey/documents/spglobal_esg_scores_methodology.pdf

Companies deemed not in violation by the Index provider of the UNGC principles are considered to exhibit good governance.



E. Proportion of investments

At least 90% of the Fund’s assets are invested in securities that are constituents of the Index and aligned with environmental and / or social characteristics, while the Index provider applies ESG ratings on all the Index constituents. It is intended that, within such portion of the portion, at least 15% of the Fund’s assets are invested in securities which are sustainable investments with environmental and / or social objectives, at the point of rebalance of the portfolio which typically occurs on an annually basis. The Fund may hold 10% of its assets in cash or cash equivalents and derivatives used for currency hedging and efficient portfolio management purposes. Such assets will not be aligned with environmental and social characteristics, nor will there be any environmental or social safeguards in place.

The Fund does not commit to making sustainable investments within the meaning of the Taxonomy Regulation.



F. Monitoring of environmental or social characteristics

The sustainability indicators used to measure attainment of the ESG criteria of the Index tracked by the Fund includes (i) Business activity exclusions, (ii) Norms and standards screening, (iii) ESG score based exclusions, and (iv) Principal adverse impacts, and (v) sustainable investment criteria which are detailed in the SFDR Annex of the Fund.

The Fund rebalances on an annual basis, in line with the Index rebalancing frequency.



G. Methodologies

The index methodology which captures the environmental or social characteristics promoted by the financial product is made available in the fund supplement.



H. Data sources and processing

The data sources used to attain the relevant environmental or social characteristics are detailed in the index methodology.



I. Limitations to methodologies and data

There is a risk that the index provider may make errors, such as incorrect assessment of the screen criteria described in the Investment Policy and/or include incorrect/exclude correct constituents in the screening process. Sustainable investing scoring and screening is subject to inherent methodological limitations. Any assessment of sustainable investing criteria by an Index is based on the data provided by third parties. Such assessments are dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause incorrect assessment of an issuer's sustainable investing performance. In particular there may be potential inconsistencies, inaccuracy or a lack of availability of required sustainable investing data, particularly where this is issued by external data providers. These limitations may include but are not limited to issues relating to:

- Missing or incomplete data from companies (for example, relating to their capacity to manage their Sustainability Risks) which have been used as input for any scoring model;
- The quantity and quality of sustainable investing data to be processed; and
- The identification of relevant factors for the sustainable investing analysis.

Sustainable investing data may be based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. To assess company involvement in different activities and to estimate revenue shares as accurately as possible, data providers strive to obtain information directly from companies and issuers. Sources of data include annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Given the developing and innovative nature of data models, methodologies and assumptions and the inherent uncertainty in predicting forward-looking events, it cannot be guaranteed that the sustainable investing data is always accurate or correct or that the sustainable investing data will satisfy the aims or requirements of any specific client or investor. Furthermore, there may be data that cannot be sourced due to the lack of availability of data sources. For certain markets and types of issuers, companies or securities there may be significant limitations in the amount of sustainable investing data that is available or no

sustainable investing data may be available such that no screening is performed by the index provider. In certain situations where screening data is not available for an issuer, an investee company or a security, the index provider may develop and use alternative screening methodologies, as a proxy, use data relating to a different entity to the issuer or the investee company, which presents a risk that this data may not accurately reflect the sustainability or other characteristics of the issuer or the investee company. In certain situations, even where screening data is available it may not be used as part of the index provider’s screening process. It is not expected that such limitations would affect how the environmental and social characteristics promoted by the Fund are met.



J. Due diligence

State Street Investment Management oversees external vendors, including index providers, in line with its third party risk management programme. State Street Investment Management engages with index providers regularly for service level reviews and also undertakes targeted reviews of index providers’ processes, systems & systems controls, data, quality controls & IT security.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
- No

While engagement policies are not directly embedded into the Fund’s investment strategy, proxy voting and engagement activities in respect of securities held by the Fund are conducted pursuant to the terms of the Sustainability Stewardship Service Proxy Voting and Engagement Policy (the “**Sustainability Policy**”). The Sustainability Policy focuses on risks and opportunities that may impact long-term value creation, with a focus on sustainability priorities such as climate change, nature, human rights and diversity.



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the Fund?

- Yes
- No

The Fund is an index fund tracking the performance of the S&P MidCap 400 Scored & Screened Leaders Index. The Index has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

The Index methodology provides for ongoing review and rebalances on annually.

Please refer to S&P MidCap 400 Scored and Screened Leaders Index methodology:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-ss-leaders-indices.pdf>

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