

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

## Website disclosure for an Article 8 fund



### A. Resumen

El State Street SPDR S&P 400 U.S. Mid Cap Leaders UCITS ETF (el «**Fondo**») es un fondo indexado que replica la rentabilidad del S&P MidCap 400 Scored & Screened Leaders Index (el «**Índice**»). El Índice se ha designado con el fin de lograr las características medioambientales y sociales promovidas por el Fondo.

El Fondo promueve características medioambientales relacionadas con la reducción del uso de recursos naturales no renovables mediante la exclusión de empresas relacionadas, por ejemplo, con el carbón térmico, las arenas bituminosas, el petróleo y el gas de esquisto, las perforaciones en el Ártico y la energía nuclear, todo ello de conformidad con el Índice. Además, el Fondo promueve características sociales relacionadas con: (i) mejorar la salud y el bienestar, excluyendo la inversión directa en empresas que participan en la producción y distribución de tabaco; y (ii) promover los derechos humanos, el trabajo, el medio ambiente y la lucha contra la corrupción, excluyendo empresas que se considere que han infringido los principios del Pacto Mundial de las Naciones Unidas (el «**Pacto Mundial**»).

Si bien el Fondo no tiene como objetivo la inversión sostenible, invertirá como mínimo un 15% de su cartera en inversiones sostenibles con arreglo al apartado 17 del artículo 2 del Reglamento sobre la divulgación de información relativa a la sostenibilidad en el sector de los servicios financieros (SFDR) empleando la metodología de evaluación propia del Gestor de inversiones.

El Gestor de inversiones o el Subgestor de inversiones, actuando por cuenta del Fondo, invierte aplicando la estrategia de replicación que se describe más detalladamente en el apartado «Investment Objectives and Policies – Index Tracking Funds» del Folleto, principalmente en los valores que integran el Índice, en todo momento de conformidad con las Restricciones de inversión establecidas en el Folleto.

El Gestor de inversiones emplea una metodología ASG vinculante cuyo objetivo es elaborar una cartera en la que al menos el 90% de los activos del Fondo se inviertan en valores que se ajustan a las características medioambientales y sociales que promueve el Fondo. El resto de la cartera (<10%), consistente en efectivo y equivalentes de efectivo que se mantienen conforme al criterio del Gestor de inversiones, no se ajustarán a las características medioambientales y sociales que promueve. En la medida en que el Fondo pueda emplear instrumentos financieros derivados, estos no se utilizarán a fin de lograr las características medioambientales o sociales que promueve el Fondo. El Fondo no se compromete a realizar inversiones sostenibles en el sentido del Reglamento de taxonomía.

La proporción de la cartera del Fondo que se invierte en valores incluidos en el Índice constituirá el indicador de sostenibilidad utilizado para medir el logro de cada una de las características medioambientales o sociales que promueve el Fondo.

Los indicadores de sostenibilidad empleados para medir el cumplimiento de los criterios ASG del Índice replicado por el Fondo incluyen: (i) exclusiones por actividades comerciales; (ii) selección en función de normas y estándares; (iii) exclusiones basadas en puntuaciones ASG; y (iv) principales incidencias adversas.

El enlace a la metodología del Índice que recoge las características medioambientales o sociales promovidas por el Fondo se facilita en el Suplemento pertinente y se incluye más abajo.

Las fuentes de datos utilizadas para lograr las características medioambientales o sociales pertinentes se detallan en la metodología del Índice.

Existe el riesgo de que el proveedor del índice pueda cometer errores, como una evaluación incorrecta de los criterios de selección descritos en la Política de inversión, o que incluya componentes incorrectos o excluya componentes correctos en el proceso de selección. Los datos de inversión sostenible pueden basarse en determinados supuestos, previsiones, proyecciones, puntos de vista y opiniones que pueden fundamentarse en tendencias actuales del mercado o acontecimientos futuros previstos. Dada la naturaleza innovadora y evolutiva de los modelos, metodologías y supuestos de datos, y la incertidumbre propia de predecir eventos futuros, no puede garantizarse en todo momento la precisión o corrección de los datos de inversión sostenible ni que estos vayan a cumplir los objetivos o requisitos de cualquier cliente o inversor concreto. Además, es posible que haya datos que no puedan obtenerse debido a la falta de fuentes de datos disponibles.

State Street Investment Management supervisa a los proveedores externos, incluidos los proveedores de índices, en consonancia con su programa de gestión de riesgos de terceros. State Street Investment Management mantiene un diálogo activo periódico con los proveedores de índices para realizar revisiones de los niveles de servicio y también lleva a cabo revisiones específicas de los procesos, sistemas y controles de sistemas, datos, controles de calidad y seguridad informática de dichos proveedores.

Las políticas de implicación no están integradas directamente en la estrategia de inversión del Fondo. El voto por delegación y las actividades de implicación se realizan tal y como establece la Sustainability Stewardship Service Proxy Voting and Engagement Policy (Política de implicación y voto por delegación del Servicio de Sostenibilidad).

El Fondo ha diseñado el Índice con el fin de lograr las características medioambientales y sociales promovidas por el Fondo. La metodología del índice prevé una revisión sistemática y reajustes cada cierre de mes.

Consulte la metodología del 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](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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