

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

Website disclosure for an Article 8 fund



A. Riepilogo

State Street SPDR S&P 400 U.S. Mid Cap Leaders UCITS ETF (il “Fondo”) è un fondo indicizzato che replica la performance dell’Indice MidCap 400 Scored & Screened Leaders (l’“Indice”). L’Indice è stato designato allo scopo di soddisfare le caratteristiche ambientali e sociali promosse dal Fondo.

Il Fondo promuove caratteristiche ambientali legate alla riduzione dell’utilizzo di risorse naturali non rinnovabili escludendo società connesse, ad esempio, a carbone termico, sabbie bituminose, petrolio e gas di scisto, trivellazioni artiche ed energia nucleare, in ciascun caso in linea con l’Indice. Il Fondo promuove inoltre caratteristiche sociali connesse a: (i) maggiore salute e benessere escludendo gli investimenti diretti in società coinvolte nella produzione e nella distribuzione del tabacco; e (ii) sostegno a diritti umani, condizioni di lavoro, ambiente e lotta alla corruzione escludendo società ritenute responsabili di violazioni dei principi del Global Compact delle Nazioni Unite (“UNGC”).

Pur non avendo come obiettivo un investimento sostenibile, una quota minima pari al 15% del Fondo sarà rappresentata da investimenti sostenibili ai sensi dell’articolo 2(17) del SFDR, avvalendosi della metodologia di valutazione proprietaria del Gestore degli investimenti.

Il Gestore degli investimenti e/o il Subgestore degli investimenti, per conto del Fondo, investono adottando la strategia di replica descritta in maggiore dettaglio nella sezione del Prospetto denominata “Obiettivi e politiche d’investimento – Fondi indicizzati”, principalmente nei titoli che compongono l’Indice e sempre in conformità con i Limiti agli investimenti illustrati nel Prospetto.

Il Gestore degli investimenti adotta una metodologia ESG vincolante che mira a costruire un portafoglio in cui almeno il 90% del patrimonio del Fondo sia investito in titoli allineati alle caratteristiche ambientali e sociali promosse dal Fondo. La quota rimanente (<10%) del portafoglio, costituita da liquidità e disponibilità liquide equivalenti detenute a discrezione del Gestore degli investimenti, non sarà allineata alle caratteristiche ambientali e sociali promosse. Nella misura in cui il Fondo possa ricorrere a strumenti finanziari derivati, questi non verranno utilizzati per soddisfare le caratteristiche ambientali o sociali promosse dal Fondo. Il Fondo non si impegna a effettuare investimenti sostenibili ai sensi del Regolamento sulla tassonomia.

La percentuale del portafoglio del Fondo investita in titoli inclusi nell’Indice costituirà un indicatore di sostenibilità utilizzato per misurare il raggiungimento di ciascuna delle caratteristiche ambientali o sociali promosse dal Fondo.

Gli indicatori di sostenibilità utilizzati per misurare il rispetto dei criteri ESG dell’Indice replicato dal Fondo includono: (i) esclusione di attività commerciali, (ii) screening rispetto a norme e standard, (iii) esclusioni basate sul punteggio ESG e (iv) principali effetti negativi.

Il link alla metodologia dell'Indice che illustra le caratteristiche ambientali o sociali promosse dal Fondo è disponibile nel relativo Supplemento ed è riportato di seguito.

Le fonti di dati utilizzate per soddisfare le caratteristiche ambientali o sociali rilevanti sono illustrate in dettaglio nella metodologia dell'Indice.

Sussiste il rischio che il fornitore di indici possa commettere errori, come valutare in modo inesatto i criteri di esclusione descritti nella Politica d'investimento e/o includere/escludere erroneamente componenti nel processo di selezione. I dati relativi agli investimenti sostenibili possono essere basati su determinate ipotesi, previsioni, proiezioni, visioni e opinioni, che a loro volta possono basarsi sulle tendenze di mercato attuali o su eventi futuri previsti. Considerata la natura in evoluzione e innovativa dei modelli di dati, delle metodologie e delle ipotesi, nonché l'incertezza intrinseca nella previsione di eventi futuri, non si può garantire che i dati relativi agli investimenti sostenibili siano sempre accurati o corretti, né che tali dati soddisfino gli obiettivi o i requisiti di uno specifico cliente o investitore. Alcuni dati potrebbero inoltre non essere ottenuti a causa della mancata disponibilità di fonti di dati.

State Street Investment Management supervisiona i fornitori esterni, compresi i fornitori di indici, in linea con il proprio programma di gestione del rischio di terzi. State Street Investment Management interagisce regolarmente con i fornitori di indici per la revisione dei livelli di servizio e conduce inoltre verifiche mirate su processi, sistemi e controlli di sistema, dati, controlli di qualità e sicurezza informatica di tali fornitori.

Le politiche di impegno non sono direttamente integrate nella strategia di investimento del Fondo. L'esercizio del voto per delega e le attività di impegno sono condotti in conformità ai termini della Politica relativa all'esercizio del voto per delega e alle attività di impegno del Servizio di stewardship in materia di sostenibilità.

Il Fondo ha designato l'Indice allo scopo di soddisfare le caratteristiche ambientali e sociali promosse dal Fondo. La metodologia dell'Indice prevede una revisione continua e ribilanciamenti alla fine di ogni mese.

Si rimanda alla metodologia dell'Indice S&P MidCap 400 Scored & Screened Leaders:

<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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