

# SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF

## *Supplement No. 37*

(A sub-fund of SSGA SPDR ETFs Europe I plc (the “Company”) an open-ended investment company constituted as an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

**This Supplement (the “Supplement”) forms part of the Prospectus dated 28 October 2022 as amended from time to time (the “Prospectus”) in relation to the Company. This Supplement should be read together with the Prospectus and Key Investor Information Document (“KIID”).** It contains information relating to the SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF (the “Fund”), which is represented by the SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF series of shares in the Company (the “Shares”).

All Shares in this Fund have been designated as ETF Shares. Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

Prospective investors should review the entire Supplement, the Prospectus and KIID carefully. If you have any questions, you should consult your stockbroker or financial adviser. Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in this Fund. The Company and the Directors listed in the “Management” section of the Prospectus, accept responsibility for the information contained in this Supplement.

## SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF

### Fund Characteristics

Base Currency	USD
Investment Manager	State Street Global Advisors Europe Limited.
Sub-Investment Manager(s)	State Street Global Advisors Trust Company.
Dividend Policy	For distributing share classes, semi-annual distribution of income (in or around January and July), except where the Management Company in its sole discretion, determines not to pay a dividend on any given distribution date. For accumulating share classes, all income and gains will be accumulated in the Net Asset Value per Share. Distributing / accumulating status indicated in Share class information overleaf
SFDR Fund Classification	Article 8 Fund, Sustainability Risk integrated by the Index

### Dealing Information

Dealing Deadline	For unhedged share classes cash subscriptions and redemptions: 4.45 p.m. (Irish time) on each Dealing Day. For unhedged share classes in kind subscriptions and redemptions: 4.45 p.m. (Irish time) on each Dealing Day. For hedged share classes cash and in-kind subscriptions and redemptions: 2.00p.m. (Irish time) on each Dealing Day. For all subscriptions and redemptions on the last Dealing Day prior to 25 December and 1 January each year: 11.00 a.m. (Irish time). Earlier or later times may be determined by the Management Company at its discretion with prior notice to the Authorised Participants.
Settlement Deadline	3.00 p.m. (Irish time) on the second Business Day after the Dealing Day, or such earlier or later date as may be determined by or agreed with the Management Company. The Management Company/Company will notify Shareholders if, (i) an earlier Settlement Deadline applies in respect of subscriptions, or (ii) a later Settlement Deadline applies in respect of redemptions. Settlement may be impacted by the settlement schedule of the underlying markets.
Dealing NAV	The Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
Minimum Subscription and Redemption Amount	Authorised Participants should refer to the Authorised Participant Operating Guidelines for details of the current minimum subscription and redemption amounts for the Fund.

### Index Information

Index (Ticker)	Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index (I36569US)
Index Rebalance Frequency	Monthly.
Additional Index Information	Further details of the Index and its performance can be found at: <a href="https://www.bloomberg.com/professional/product/indices/">https://www.bloomberg.com/professional/product/indices/</a>

### Valuation Information

Valuation	The Net Asset Value per Share is calculated in accordance with the “ <b>Determination of Net Asset Value</b> ” section of the Prospectus.
Valuation Pricing Used	Closing bid prices.
Valuation Point	10.15 p.m. (Irish time) on each Business Day.

**SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF**

**Share Classes**

<b>Share Class Type</b>	<b>USD unhedged</b>		<b>EUR hedged</b>		<b>GBP hedged</b>		<b>CHF hedged</b>	
<b>Name</b>	SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF		SPDR Bloomberg SASB U.S. High Yield Corporate ESG EUR Hdg UCITS ETF		SPDR Bloomberg SASB U.S. High Yield Corporate ESG GBP Hdg UCITS ETF		SPDR Bloomberg SASB U.S. High Yield Corporate ESG CHF Hdg UCITS ETF	
<b>Dividend Policy*</b>	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc
<b>Share Class Currency</b>	USD		EUR		GBP		CHF	
<b>Currency Hedged Index</b>	n/a		Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index (EUR Hedged)		Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index (GBP Hedged)		Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index (CHF Hedged)	
<b>Index Ticker</b>	I36569US		H36569EU		H36569GB		H36569CH	
<b>TER</b> (further information in this respect is set out in the “Fees and Expenses” section of the Prospectus)	Up to 0.30%		Up to 0.35%		Up to 0.35%		Up to 0.35%	

\*Dividend Policy: ‘Dist’ = Distributing shares, ‘Acc’ = Accumulating shares

## Investment Objective and Policy

**Investment Objective:** The objective of the Fund is to track the performance of the fixed-rate, U.S. Dollar-denominated high yield corporate bond market.

**Investment Policy:** 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 is a high yield, fixed-rate, U.S. dollar-denominated benchmark that optimizes its R-Factor™ score, an environmental, social and governance (“ESG”) rating, provided by State Street Global Advisors®. Based on the Bloomberg US Corporate High Yield Bond Index (the “**U.S. HY Corporate Index**”), the Index selects securities eligible for the U.S. HY Corporate Index, then aims to exclude certain issuers based on their ESG characteristics considering both their ESG rating and their involvement in certain controversial business activities as outlined in the Index methodology. Then, the Index weights securities using an optimisation process, in order to seek to maximise the portfolio ESG rating, while controlling for active total risk. The active total risk refers to the variation between the Index and the U.S. HY Corporate Index.

At least 90% of the Fund's assets are invested in securities that are constituents of the Index, while the Index provider applies ESG ratings on all of the Index constituents. It is expected that the resulting portfolio ESG rating will be higher than the portfolio ESG rating of the U.S. HY Corporate Index after applying a filter eliminating at least 20% of the least well rated securities, by ESG rating, from the U.S. HY Corporate Index.

The adoption of these screens and best in class criteria within the Index correspond to the environmental and social factors which the Fund promotes, as further described in the “**ESG Screening**” and “**ESG Best in Class Investing**” subsections of the “**ESG Investing**” section of the Prospectus. Companies deemed by the Index provider to not violate United Nations Global Compact principles are considered to exhibit good governance. The main methodological limits are described in the “**Screening Risk**” subsection of the “Investment Risks” section of this Supplement.

Hedged Share Classes are made available to reduce the impact of exchange rate fluctuations between the currency of the Class and the currency in which the underlying assets are denominated. Investors should note that the hedged Share Classes (designated as such in this Supplement) will be hedged back to the currency of the relevant Class. Consequently the hedged Share Classes should more closely track the corresponding currency hedged versions of the Index (“Currency Hedged Index”).

The Investment Manager and/or Sub-Investment Manager, on behalf of the Fund, will invest using the stratified sampling strategy as further described in the “**Investment Objectives and Policies – Index Tracking Funds**” section of the Prospectus, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus. The Investment Manager and/or Sub-Investment Manager also may, in exceptional circumstances, invest in securities not included in the Index but that it believes closely reflect the risk and distribution characteristics of securities of the Index. The bond securities in which the Fund invests will be primarily listed or traded on Recognised Markets in accordance with the limits set out in the UCITS Regulations. Details of the Fund's portfolio and the indicative net asset value per share for the Fund are available on the Website daily.

As at the date of this Supplement the Investment Manager and/or Sub-Investment Manager consider the principal adverse impacts of its investment decisions at the Fund level in order to seek to reduce negative externalities that may be caused by its underlying investments.

This Fund promotes environmental or social characteristics in accordance with SFDR Article 8. More information about the environmental and social characteristics can be found in the annex to this Supplement.

**Currency Hedging:** The Fund will use financial derivative instruments (“FDIs”), including forward foreign exchange contracts, to hedge some or all of the foreign exchange risk for hedged Share Classes. Currency hedging transactions in respect of a hedged Share Class will be clearly attributable to that Class and any costs shall be for the account of that Class only. All such costs and related liabilities and/or benefits will be reflected in the net asset value per Share of the Class. Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Investment Manager and/or Sub-Investment Manager but will be monitored and adjusted on a regular basis.

**Taxonomy Regulation.** While this Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the Taxonomy Regulation. The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Fund do not take into account the EU criteria for environmentally sustainable economic activities. The Fund does not commit to invest more than 0% of its Net Asset Value in Taxonomy-aligned investments.

## Permitted Investments

**Bonds:** The securities in which the Fund invests may include government and government-related bonds, corporate bonds, asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, covered bonds, collateralised bonds and 144A Securities. 144A Securities are securities that are not required to be registered for re-sale in the United States under an exemption pursuant to Section 144A of the U.S. Securities Act of 1933 ("**144A Securities**"), but can be sold in the United States to certain institutional buyers. The 144A Securities will be listed or traded on Recognised Markets.

**Other Funds / Liquid Assets:** The Fund may invest up to 10% of its net assets in other regulated open-ended funds (including Money Market Funds) where the objectives of such funds are consistent with the objective of the Fund and where such funds are authorised in member states of the EEA, United Kingdom, USA, Jersey, Guernsey or the Isle of Man and where such funds comply in all material respects with the provisions of the UCITS Regulations. The Fund may hold ancillary liquid assets such as deposits in accordance with the UCITS Regulations.

**Derivatives:** The Fund may use FDIs for currency hedging and efficient portfolio management purposes. Any use of FDIs by the Fund shall be limited to futures and forward foreign exchange contracts (including non-deliverable forwards). Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund; or the minimisation of tracking error, i.e. the risk that the Fund return varies from the Index return. FDIs are described in the "**Investment Objectives and Policies – Use of Financial Derivative Instruments**" section of the Prospectus.

## Securities Lending, Repurchase Agreements & Reverse Repurchase Agreements

The Fund does not currently participate in a securities lending programme, though it is entitled to do so. The Fund also does not intend to engage in repurchase agreements and reverse repurchase agreements. Should the Directors elect to change this policy in the future, due notification will be given to Shareholders and this Supplement will be updated accordingly.

## Investment Risks

Investment in the Fund carries with it a degree of risk. Investors should read the "**Risk Information**" section of the Prospectus. In addition, the following risks are particularly relevant for the Fund.

**Index Tracking Risk:** The Fund's return may not match the return of the Index. It is currently anticipated that the Fund will track the Index with a potential variation of up to 2% annually under normal market conditions. The Fund's

ability to track the Index will be affected by Fund expenses, the amount of cash and cash equivalents held in its portfolio, and the frequency and the timing of purchases and sales of interests in the Fund. The Investment Manager and/or Sub-Investment Manager may attempt to replicate the Index return by investing in a sub-set of the securities in the Index, or in some securities not included in the Index, potentially increasing the risk of divergence between the Fund's return and that of the Index.

**Liquidity Risk & ETF Liquidity Risk:** Lack of a ready market or restrictions on resale may limit the ability of the Fund to sell a security at an advantageous time or price or at all. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. Illiquidity of the Fund's holdings may limit the ability of the Fund to obtain cash to meet redemptions on a timely basis. Where the fund invests in illiquid securities or does not trade in large volumes, the bid offer spreads of the Fund may widen, the Fund may be exposed to increased valuation risk and reduced ability to trade. Shares in the Fund may also trade at prices that are materially different to the last available NAV.

**Duration / Interest Rate Risk:** Changes in interest rates are likely to affect the value of bonds and other debt instruments. Rising interest rates generally result in a decline in bond values, while falling interest rates generally result in bond values increasing. Investments with longer maturities and higher durations are more sensitive to interest rate changes, therefore a change in interest rates could have a substantial and immediate negative effect on the values of the Fund's investments.

**Concentration Risk:** When the Fund focuses its investments in a particular currency, the financial, economic, business, and other developments affecting issuers in that currency will have a greater effect on the Fund than if it was more diversified. This concentration may also limit the liquidity of the Fund. Investors may buy or sell substantial amounts of the Fund's shares in response to factors affecting or expected to affect a currency in which the Fund focuses its investments.

**Lower Rated Securities Risk:** Lower-quality debt securities ("high yield" or "junk" bonds) can involve a substantially greater risk of default than higher quality debt securities. They can be illiquid, and their values can have significant volatility and may decline significantly over short periods of time. Lower-quality debt securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general. **As the Fund has material exposure to sub-investment grade bonds an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Debt Securities - Credit Risk:** A debt security's value may be adversely affected by its issuer's ability or perceived ability, to make timely payments. An issuer's ability to meet its obligations in relation to securities held by the Fund may decline substantially. The rating assigned to any particular

investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Investment grade securities may still be subject to credit difficulties leading to the loss of some or all of the sums invested. If a security held by a Fund loses its rating or its rating is downgraded, the Fund may nonetheless continue to hold the security in the discretion of the Investment Manager and/or Sub-Investment Manager.

**Derivatives Risk:** The Fund may use FDIs for efficient portfolio management purposes as described in the derivatives section under Permitted Investments above. The Fund's use of FDIs involves risks different from, and possibly greater than, the risks associated with investing directly in securities..

**Share Class Risk:** There is no segregation of liabilities between Classes of the Fund. While the Investment Manager and/or Sub-Investment Manager will seek to ensure that gains/losses on and the costs of the relevant FDI associated with any currency hedging strategy will accrue solely to the Class for which it is intended, the transactions could result in liabilities for other Classes.

**Currency Hedging Risk:** Hedges are sometimes subject to imperfect matching between the hedging transaction and the risk sought to be hedged. There can be no assurance that the Fund's hedging transactions will be effective. As the purpose of currency hedging is to try to reduce or eliminate losses caused by exchange rate fluctuations, it can also reduce or eliminate gains where the currency in which the Fund's assets are denominated appreciates.

**Integrating Sustainability Risk:** Sustainability Risk has not been integrated into the Fund's investment process. Any deterioration in the financial profile of an underlying investment affected by a Sustainability Risk may have a corresponding negative impact on the Net Asset Value and/or performance of the investing Fund. Where a Sustainability Risk event occurs, this Fund may be more impacted than an equivalent Fund that integrates Sustainability Risk. Shareholders should refer to the "**Index Strategies and Sustainability Integration**" section of the Prospectus for further information.

**SFDR - Fund Classification Risk:** The SFDR has phased implementation from 10 March 2021 and imposes new disclosure obligations on financial market participants. As at the date of this Prospectus, the implementing Regulatory Technical Standards (Level 2) for SFDR have been enacted by the European Commission and will apply from 1 January 2023, but certain concepts introduced by SFDR are not currently the subject of centralised implementing standards, local guidance or established market practice. The Fund has been assessed and classified in good faith based on the relevant information currently available. As these standards and guidance develop, the SFDR related disclosures and the Article 8 classification indicated in this

Supplement and on the Website are subject to change and may no longer apply.

## **Investor Profile**

The typical investors of the Fund are expected to be institutional, intermediary and retail investors who want to take a short, medium or long term exposure to the performance of the short-dated, fixed-rate, U.S. dollar denominated high yield corporate bond market and are prepared to accept the risks associated with an investment of this type and the expected medium to high volatility of the Fund.

## **Subscriptions, Redemptions & Conversions**

Investors may subscribe for or redeem Shares in the Fund on each Dealing Day at the Dealing NAV with an appropriate provision for Duties and Charges and in accordance with the provisions in the "**Purchase and Sale Information**" section of the Prospectus.

For subscriptions, consideration, in the form of cash or cleared in kind securities, must be received by the Settlement Deadline. For redemptions, a written redemption request signed by the Shareholder is required to be received by the Administrator by the Dealing Deadline on the relevant Dealing Day.

Shareholders should refer to the terms of the "**Purchase and Sale Information**" section of the Prospectus for information on Share conversions.

## **Initial Offer Period**

Shares in the following Share Classes of the Fund will be issued at the Dealing NAV:

SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF (Dist)

SPDR Bloomberg SASB U.S. High Yield Corporate ESG EUR Hdg UCITS ETF (Acc)

Shares of the Fund which are not launched as at the date of this Supplement will be available from 9.00 a.m. (Irish time) on 6 April 2023 to 3.00 p.m. (Irish time) on 5 October 2023 or such earlier or later date as the Directors may determine and notify to the Central Bank (the "Initial Offer Period"). The initial offer price will be approximately 30 in the currency of the respective share class, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Investment Manager and/or Sub-Investment Manager and communicated to investors prior to investment. Following the closing date of the Initial Offer Period, the Shares will be issued at the Dealing NAV.

SFDR Annex

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF (the "Fund")

**Legal entity identifier:** 549300TT5VW373IGI142

Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
  **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> <b>It promotes Environmental/ Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

The environmental and social factors promoted by the Fund are those which contribute to the R-Factor™ scores applied to index constituents including the Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index (the "Index"), which are a function of an assessment and rating by the Index provider of various environmental, social and governance characteristics for companies in the index universe. For more information on R-Factor™ scores, please refer to the SSGA website: [https://www.ssga.com/uk/en\\_gb/intermediary/ic/capabilities/esg/data-scoring/r-factor-transparent-esg-scoring#:~:text=R%2DFactor%E2%84%A2%20is%20the,materiality%20in%20the%20scoring%20process](https://www.ssga.com/uk/en_gb/intermediary/ic/capabilities/esg/data-scoring/r-factor-transparent-esg-scoring#:~:text=R%2DFactor%E2%84%A2%20is%20the,materiality%20in%20the%20scoring%20process). In addition, the Index excludes issuers that are tagged with extreme event controversies, controversial weapons, United Nations Global Compact principles ("UNGC") violations, civilian firearms, thermal coal extraction and power generation, oil sands extractions,artic oil and gas exploration, and tobacco companies.



**Sustainability indicators** measure how the

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of each of the environmental or social

environmental or social characteristics promoted by the financial product are attained.

characteristics promoted by this Fund are based on the Index, which optimises an ESG rating that is constituted by a “responsibility factor” (“R-Factor™”). The R-Factor approaches ESG scoring by capturing the full spectrum of “financially material” metrics to isolate long-term sustainability drivers of value across environmental, human capital, social capital, business model, leadership and corporate governance dimensions.

The scoring methodology systematically integrates best-in-class data, transparent sustainability framework, financial materiality across industries and corporate governance standards to define one R-Factor score for every company.

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund does not commit to investing in sustainable investments.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes,



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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.





Further information on the PAIs will be found in the Periodic Reports for the Fund.

No



**What investment strategy does this financial product follow?**

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 minimize as far as possible the tracking difference between the Fund's performance and that of the Index.

The Index is a high yield, fixed-rate, U.S. dollar-denominated benchmark that optimizes its R-Factor™ score, an environmental, social and governance ("ESG") rating, provided by State Street Global Advisors®. Based on the Bloomberg US Corporate High Yield Bond Index (the "U.S. HY Corporate Index"), the Index selects securities eligible for the U.S. HY Corporate Index, then aims to exclude certain issuers based on their ESG characteristics considering both their ESG rating and their involvement in certain controversial business activities as outlined in the Index methodology.

Then, the Index weights securities using an optimisation process, in order to seek to maximise the portfolio ESG rating, while controlling for active total risk. The active total risk refers to the variation between the Index and the U.S. HY Corporate Index.

The Investment Manager and/or Sub-Investment Manager, on behalf of the Fund, invests using the stratified sampling strategy as further described in the "Investment Objectives and Policies – Index Tracking Funds" section of the Prospectus, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The investment policy of the Fund is to track the performance of the Index. At least 90% of the Fund's assets are invested in securities that are constituents of the Index, while the Index provider applies ESG ratings on all the Index constituents.

Environmental and social characteristics are promoted via the adoption of screens to exclude securities related to certain sectors, companies or practices, based on specific ESG criteria, and best in class based on ESG performance relative to investment universes and/or industry peers when assessed against objective criteria within the Index..

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund excludes investments in issuers as set out in the investment strategy and binding requirements outlined above, however the Fund does not have a committed minimum rate to reduce the scope of investments.

**What is the policy to assess good governance practices of the investee companies?**

Companies deemed not in violation by the Index provider of the UNGC principles are considered to exhibit good governance. For information on the methodologies used in the construction of the Index and further information on the exclusion criteria and data sources, please refer to Bloomberg's index methodology description which can be found at the following link:

<https://www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices>

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

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. The Fund does not commit to making sustainable investments within the meaning of the SFDR or the Taxonomy Regulation. The Fund may hold 10% of its assets in cash or cash equivalents and derivatives used for currency hedging and efficient portfolio management purposes, at the Investment Manager's discretion, which would be classified under #2 Other in the below table. Such assets will not be aligned with environmental and social characteristics, nor will there be any environmental or social safeguards in place.

Taxonomy-aligned activities are expressed

as a share of:  
**turnover** reflecting the share of revenue from green activities of investee companies  
**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
**operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

To the extent that the Fund may, for currency hedging and efficient portfolio management purposes only, use financial derivative instruments, these are not used to attain the environmental or social characteristics promoted by the Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While this Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the Taxonomy Regulation. Therefore, the Fund does not commit to invest more than 0% of its Net Asset Value in Taxonomy Regulation aligned investments. It should therefore be noted that this Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, its portfolio alignment with the Taxonomy Regulation is not calculated. For this reason, the “do no significant harm” principle does not apply to any of the investments of this Fund.

Therefore, there is no intentional alignment with the Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>**

**Yes:**

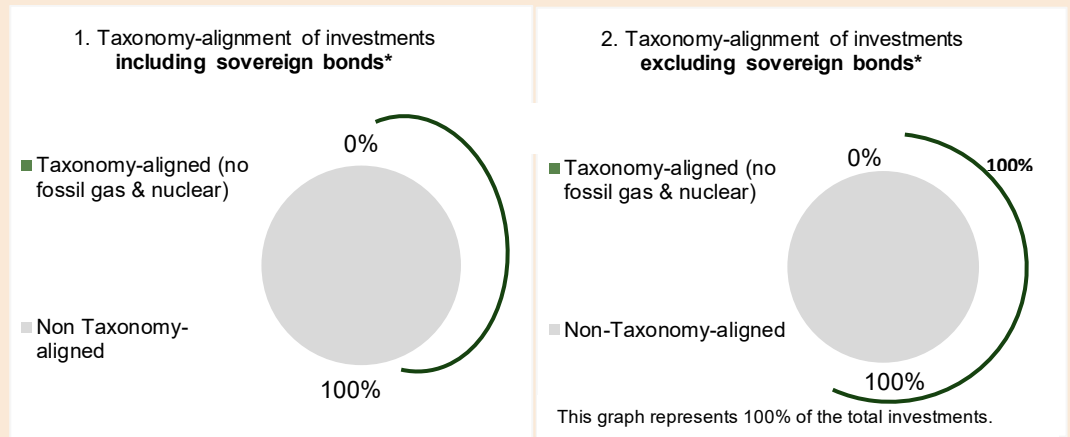
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- In fossil gas
- In nuclear energy
- ✓ **No**

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**What is the minimum share of investments in transitional and enabling activities?**

The Fund does commit to a minimum share of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to investing in Sustainable Investments.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold a portion of its assets in cash or cash equivalents and derivatives used for currency hedging and efficient portfolio management purposes, at the Investment Manager's discretion, which would be classified under #2 Other in the above table. Such assets will not be aligned with environmental and social characteristics, nor will there be any environmental or social safeguards in place.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund tracks the performance of the Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select 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

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



seeking to minimise as far as possible the tracking difference between the Fund's performance and that of the Index. The Index is an investment grade, fixed-rate, Euro-denominated benchmark that optimizes its R-Factor™ score, an ESG rating, provided by State Street Global Advisors © and as described above.

#### Reference

**benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index methodology provides for monthly review and rebalance.

#### ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Fund rebalances on a monthly basis, in line with the Index rebalancing frequency.

#### ***How does the designated index differ from a relevant broad market index?***

The designated index implements exclusions and changes to index weights, versus the relevant broad market index, that are a function of company ESG characteristics, considering both ESG ratings and involvement in certain controversial business activities, as applied by the index provider, Bloomberg. For information on the Index methodology used in the construction of the Index and further information on the exclusion criteria and data sources, please refer to Bloomberg's index methodology description.

#### ***Where can the methodology used for the calculation of the designated index be found?***

<https://www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices>

#### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[Investing in SPDR Exchange Traded Funds \(ETFs\) \(ssga.com\)](https://www.ssga.com)



## SPDR Bloomberg SASB U.S. High Yield Corporate ESG UCITS ETF

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As of the date of the Supplement the Fund uses (within the meaning of the Benchmark Regulation) the following BISL benchmark:

Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index

As of the date of the Supplement, BISL, a UK-based administrator, is no longer listed on the ESMA Register referred to in Article 36 of the Benchmark Regulation. The transition period for third country benchmarks under the Benchmark Regulation, however, runs until 31 December 2023. EU supervised entities may continue to use third country benchmarks like Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index during that period.

SASB® does not take any position as to whether an issuer should be included or excluded from the Bloomberg SASB US Corporate High Yield ESG Ex-Controversies Select Index.

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