

Select Sector SPDR® Premium Income Funds

Key
Information
Sheet
July 2025

- The Select Sector SPDR® Premium Income Funds employ an actively managed strategy that is designed to provide potential for current income while maintaining the prospects for long-term growth of capital
- The funds seek to achieve their investment objective by investing in shares of the corresponding Select Sector SPDR® Fund while selling call options on that Select Sector SPDR® Fund to generate additional income
- The suite of 11 funds provides investors with the ability to capture market trends based on their analysis of business cycles, market valuations, and other sector-based investment approaches while also generating enhanced current income from harvesting the risk premium embedded in options

The funds provide exposure to the underlying sector with the potential to generate enhanced income and mitigate drawdown risks. Given the dynamic nature of options markets and their potential impact on the total return of the strategy during various market environments, investors may be better served with an actively managed options strategy that can be flexible and respond to market movements.

The Select Sector SPDR® Premium Income Funds are ETFs that employ an actively managed options strategy designed to enhance income generation potential while also maintaining the prospects for long-term growth of capital. The funds seek to achieve this objective through a three-step process.

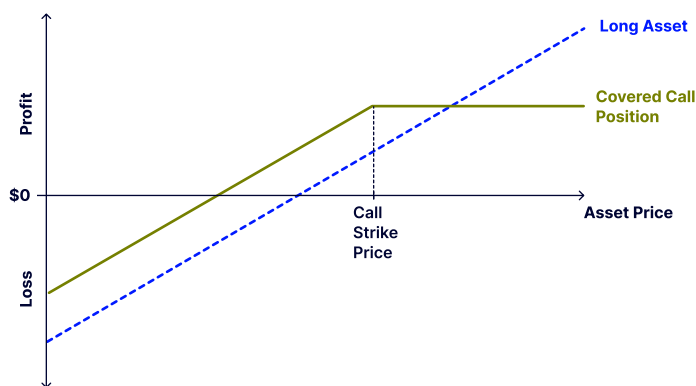
Step 1: Build an underlying equity sector exposure through an investment in the corresponding Select Sector SPDR® Fund, which provides exposure to companies within the particular sector.

Step 2: Sell call options on the corresponding Select Sector Fund for additional monthly income generation.

The Systematic Equity Portfolio Management Team will sell call options against the corresponding Select Sector SPDR® Fund, based on the sensitivity of an option's value to changes in price, time, and volatility — also known as an option's delta.

Step 3: Use a dynamic roll strategy to actively manage the roll of the option position, seeking to balance income generated by the options premiums while still providing potential for price appreciation on its underlying equity portfolio.

Figure 1: Covered Call Payoff



Source: State Street Investment Management.
For illustrative purposes only.

The Select Sector SPDR® Premium Income Funds are designed for income-oriented investors seeking the potential for higher income generation while still providing the ability to capture market trends based on the investor's analysis of business cycles, market valuations, and other sector-based investment approaches.

The funds can modify portfolio risk characteristics, with the potential to reduce market beta, volatility, and drawdown compared to their respective sector. They may also cap overall upside (Figure 1). These funds may also provide a way to add higher income exposures to a portfolio within an equity allocation.

Fund Information

Fund Name	Ticker	Inception Date	Gross/Net Expense Ratio (%)	Strategy Type
The Communication Services Select Sector SPDR Premium Income Fund	XLCI	07/29/2025	0.35/0.35	Active
The Consumer Discretionary Select Sector SPDR Premium Income Fund	XLVI	07/29/2025	0.35/0.35	Active
The Consumer Staples Select Sector SPDR Premium Income Fund	XLSE	07/29/2025	0.35/0.35	Active
The Energy Select Sector SPDR Premium Income Fund	XLEI	07/29/2025	0.35/0.35	Active
The Financial Select Sector SPDR Premium Income Fund	XLFI	07/29/2025	0.35/0.35	Active
The Health Care Select Sector SPDR Premium Income Fund	XLVI	07/29/2025	0.35/0.35	Active
The Industrial Select Sector SPDR Premium Income Fund	XLII	07/29/2025	0.35/0.35	Active
The Materials Select Sector SPDR Premium Income Fund	XLBI	07/29/2025	0.35/0.35	Active
The Real Estate Select Sector SPDR Premium Income Fund	XLRI	07/29/2025	0.35/0.35	Active
The Technology Select Sector SPDR Premium Income Fund	XLKI	07/29/2025	0.35/0.35	Active
The Utilities Select Sector SPDR Premium Income Fund	XLUI	07/29/2025	0.35/0.35	Active

Source: State Street Investment Management, as of 07/29/2025. Some of the funds listed may have current fee agreements in place that reduces fund expenses and if removed or modified will result in higher expense ratios and reduce fund performance. Complete details can be found in each fund's prospectus on our [website](#).

Consider these potential portfolio implementation use cases:

- 1 Holding each of the Select Sector SPDR® Premium Income Funds based on the actual sector's weight in the S&P 500 Index to help create a portfolio with exposure to all sectors represented in S&P 500 with potentially enhanced income generation.
- 2 Using the Select Sector SPDR® Premium Income Funds in an income portfolio, by taking a view on a specific sector based on prevailing market trends or an investment thesis, potentially capturing some of the sector's upside alongside enhanced income.

For example, owning Information Technology or Communication Services to help capture trends in Artificial Intelligence while transforming traditionally low income sectors to potentially generate enhanced income levels.

- 3 Rotating among the Select Sector SPDR® Premium Income Funds based on the investor's analysis of business cycles, market valuations, and other sector-rotation based investment approaches to help create an enhanced income sector rotation model.

statestreet.com/investment-management

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Important risk information

Investing involves risk of including the risk of loss of principal.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of **market stress**.

Market risk: The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investing in markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, inflation, changes in the actual or perceived creditworthiness of issuers, and general market liquidity.

Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions.

The Fund is subject to substantially the same risks as those associated with the direct ownership of the securities represented by an **underlying ETF** in which it invests.

Non-diversified funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

The Fund is **actively managed**. The Adviser's judgments about the attractiveness, relative value, or potential appreciation of a particular sector, security, commodity or investment strategy may prove to be incorrect, and may cause the Fund to incur losses. There can be no assurance that the Adviser's investment techniques and decisions will produce the desired results.

The Fund's use of **call options** involves speculation and can lead to losses because of adverse movements in the price or value of the underlying stock, index, or other asset, which may be magnified by certain features of the options. The Fund's successful use of call options depends on the ability of the Adviser to forecast market movements correctly. If the Fund were to write (sell) a call option on an index or security based on the expectation that the price of an index or security would fall, but the price were to rise instead, the Fund could be required to sell the underlying asset upon exercise

at a price below the current market price. If the Fund is unable to roll or close out the option before it is exercised, the Fund may be required to sell the underlying asset, which may result in increased transaction costs, underinvestment, and the realization of capital gains. When selling a call option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying asset is above the strike price by an amount equal to or greater than the premium. The Fund utilizes FLEX Options guaranteed for settlement by the Options Clearing Corporation ("OCC"). Although unlikely, it is possible the OCC is unable to meet its settlement obligations, which could result in substantial loss for the Fund. FLEX Options may be less liquid than more traditional exchange-traded option contracts.

This communication is not intended to promote or recommend the use of options or options trading strategies and should not be relied upon as such.

Returns on investments in stocks of **large U.S. companies** could trail the returns on investments in stocks of smaller and mid-sized companies.

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