

# SPDR® Portfolio S&P Sector Neutral Dividend ETF

- **The SPDR® Portfolio S&P Sector Neutral Dividend ETF seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the S&P® Sector-Neutral High Yield Dividend Aristocrats Index (the “Index”)**
- **The Index is designed to include large, mid and small-cap companies in the S&P Composite 1500® Index that have increased or maintained their dividend for seven or more consecutive years while seeking to mirror the sector weights of the S&P Composite 1500® Index**
- **By providing the potential for attractive income while seeking to track an index designed to mitigate the effect sector biases can have on dividend strategies relative returns to broader equity markets, SPDG is designed for income oriented buy-and-hold investors seeking a low cost core dividend fund**

SPDG's index, the S&P® Sector-Neutral High Yield Dividend Aristocrats Index, includes above-sector-median yielding large-, mid- and small-cap companies within each GICS sector that have increased or maintained their dividend for seven or more consecutive years and seeks to mirror the sector weights of the S&P Composite 1500® Index (figure 1). Given the focus on higher yielding equities with a strong track record of raising or maintaining their dividend policy, the index currently has a dividend yield nearly twice that of the broader market (3.05% versus 1.58%).<sup>1</sup>

## SPDG

Key Information  
**Equity**  
**Q3 2023**

As a result of the sector neutrality feature in the index, the exposure is not overweight any sectors relative to the S&P Composite 1500 Index — a trait that may be found in other dividend strategies (figure 2). As shown, some dividend indices can be severely underweight large sectors like Technology or overweight smaller sectors like Utilities — despite the presence of higher yielding firms in the former. These sector biases may drive more of the relative performance versus the index than the dividend growth factor.

By providing the potential for attractive income while seeking to mitigate the effect sector biases can have on dividend strategies' relative returns to broader equity markets, SPDG is designed for income oriented buy-and-hold investors seeking a low-cost core dividend fund. SPDG is one of the lowest-cost US-focused dividend ETFs with an expense ratio of just 5 basis points (0.05%), which is 89% lower than the average cost of a US-listed dividend ETF.<sup>2</sup>

### Fund Information

Fund Name	SPDR® Portfolio S&P Sector Neutral Dividend ETF
Ticker	SPDG
Inception Date	09/12/2023
Primary Benchmark	S&P Sector-Neutral High Yield Dividend Aristocrats Index
Gross/Net Expense Ratio	0.05%/0.05%
Strategy Type	Passive

Source: State Street Global Advisors, as of 09/12/2023

<sup>1</sup> Bloomberg Finance L.P., as of 08/18/2023. Dividend yield defined as sum of gross dividend-per-share amounts that have gone ex-dividend over past 12 months, divided by current price.

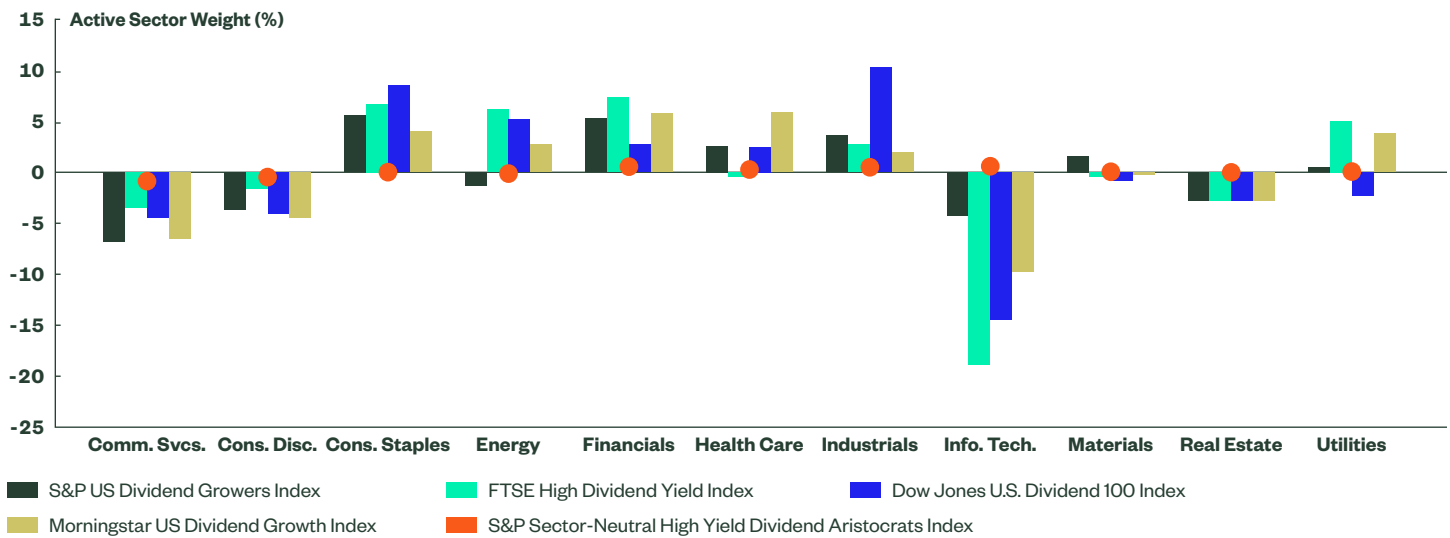
<sup>2</sup> Bloomberg Finance L.P., as of 09/12/2023. Compared to 82 US-focused dividend ETF funds.

Figure 1 **Index Methodology**

<b>Index Name</b>	<b>S&amp;P Sector-Neutral High Yield Dividend Aristocrats Index</b>
<b>Broad Market Index</b>	S&P Composite 1500 Index
<b>Eligibility Factors</b>	<p>At each annual reconstitution:</p> <ul style="list-style-type: none"> <li>• Must be members of the S&amp;P Composite 1500</li> <li>• Must have a float market capitalization (FMC) greater than or equal to \$2 billion as of the rebalancing reference date (\$1.5 billion for current constituents)</li> <li>• Must have a three-month median daily value traded greater than or equal to \$5 million, as of the rebalance reference date (\$4 million for current constituents)</li> <li>• Must have maintained or increased total dividend-per-share amounts every year for at least seven consecutive years</li> </ul>
<b>Constituent Selection</b>	<ul style="list-style-type: none"> <li>• For all eligible stocks, calculate the median indicated annual dividend (IAD) yield for each GICS sector to obtain sector median IAD yield</li> <li>• Select all eligible stocks whose IAD yield is greater than the sector median IAD yield to form the index</li> </ul>
<b>Sector Cap</b>	<ul style="list-style-type: none"> <li>• Each sector in the index is weighted to mirror the corresponding sector weight in the S&amp;P Composite 1500® Index at each quarterly rebalance</li> </ul>
<b>Issue Weighting</b>	<ul style="list-style-type: none"> <li>• Float market capitalization within each GICS sector</li> </ul>
<b>Reconstitution/Rebalance</b>	<ul style="list-style-type: none"> <li>• Reconstituted annually, effective after the last business day in January</li> <li>• Rebalanced quarterly in January, April, July and October</li> </ul>
<b>Monthly Review</b>	<ul style="list-style-type: none"> <li>• Index constituents are reviewed monthly for ongoing eligibility</li> </ul>

Source: S&P Dow Jones Indices, as of 08/15/2023. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Figure 2 **Active Sector Weights Against the S&P Composite 1500 Index**



Source: Bloomberg Finance L.P., as of 07/31/2023. Weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Dividend indices chosen based on total assets of U.S.-listed ETFs tracking the indices, representing the top 5 non-SPDR solutions.

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Our clients are the world's governments, institutions and financial advisors. To help them achieve their financial goals we live our guiding principles each and every day:

- Start with rigor
- Build from breadth
- Invest as stewards
- Invent the future

For four decades, these principles have helped us be the quiet power in a tumultuous investing world. Helping millions of people secure their financial futures. This takes each of our employees in 29 offices around the world, and a firm-wide conviction that we can always do it better. As a result, we are the world's fourth-largest asset manager\* with US \$3.8 trillion† under our care.

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\* Pensions & Investments Research Center, as of December 31, 2022.

† This figure is presented as of June 30, 2023 and includes approximately \$63 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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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.

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

**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.

**Passively managed funds** invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

**Dividend paying securities** can fall out of favor causing securities to underperform companies that do not pay dividends. Changes in dividend policies of companies may adversely affect fund performance.

The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities 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, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, or other events could have a significant impact on the Fund and its investments.

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