STATE STREET INVESTMENT MANAGEMENT

Make room for PRIV

Three implementation approaches that show how public and private credit have the potential to enhance yield, diversify return sources, and improve portfolio efficiency.

Fixed income investors face no shortage of choices today. The challenge is not simply whether to own bonds, but how to determine which bond exposures are doing the most work in a portfolio.

Many investors begin with either an indexed core bond allocation or an active core-plus strategy. Others may seek additional income through investment-grade corporate bonds or higher-yielding sectors. In each case, the relevant question is not simply what a fund owns, but how introducing a new allocation changes portfolio outcomes.

The State Street® IG Public & Private Credit ETF (PRIV) was designed as an actively managed core-plus bond strategy combining investment-grade public and private credit exposures within a risk-aware framework.

Rather than viewing PRIV as a standalone allocation, investors may find it more useful to evaluate the role it can play within an existing fixed income portfolio:

- Replacing indexed core exposure
- Complementing credit-heavy core-plus strategies
- Enhancing income while maintaining a focus on investment-grade credit quality.

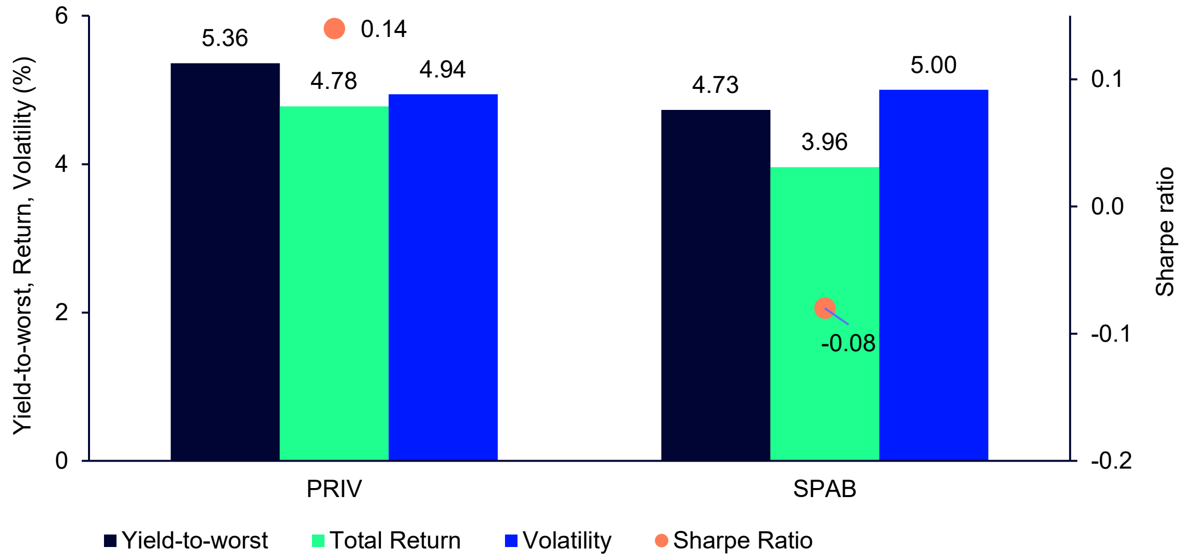
These examples are intended to demonstrate portfolio outcomes rather than simply highlight product features.

1. Replace indexed core exposure with a differentiated core-plus allocation

Many investors use passive aggregate bond ETFs as the foundation of their fixed income allocation. SPAB provides a useful comparison because it represents a traditional indexed implementation of the Agg. The question is straightforward: What changes when an investor replaces indexed core bond exposure with PRIV?

PRIV offers a meaningfully higher yield than SPAB, with a yield-to-worst of 5.4 % versus 4.7%, representing approximately 70 basis points of additional yield (Figure 1).[1] At the same time, the volatility profile was nearly identical, with PRIV exhibiting 4.9% volatility compared with 5.0% for SPAB.[2] The result was stronger risk-adjusted performance, as reflected by a Sharpe Ratio of 0.14 versus -0.08 for SPAB.[3]

Figure1: Replacing indexed core exposure with PRIV improved yield and risk-adjusted returns



Source: State Street Investment Management, Morningstar, period: 2/26/2025 – 6/30/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Performance metrics are annualized for periods greater than 1 year (NAV used for funds). Volatility = standard deviation of daily total returns (annualized) since PRIV's inception (2/26/2025). Sharpe ratio computed based on daily total returns (annualized) since PRIV's inception (2/26/2025).

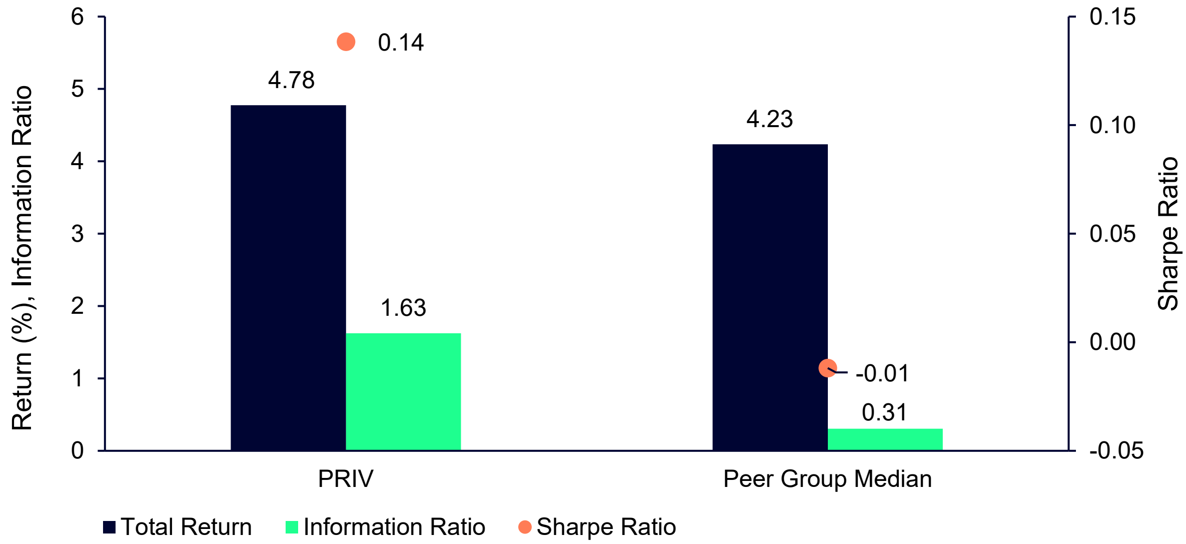
Key takeaway: Replacing indexed core exposure with PRIV increased forward-looking yield by approximately 70 bps while maintaining a similar volatility profile and improving risk-adjusted returns.

2. Diversify credit-heavy core-plus allocations

Many active core-plus strategies aim to generate excess returns through greater exposure to credit-sensitive sectors. To evaluate whether PRIV may serve as a complement to these approaches, we compared it with a peer group of the most credit-sensitive active core-plus ETFs.

Since inception, PRIV has outperformed the peer group median on both an absolute and risk-adjusted basis (Figure 2).[4] For the same time period, PRIV delivered an Information Ratio of 1.63 versus 0.31 and a Sharpe Ratio of 0.14 versus -0.01.[5]

Figure 2: PRIV has historically provided differentiated sources of alpha



Source: Morningstar, calculations by State Street Investment Management Global ETF Research Team, period: 2/26/2025 – 6/30/2026. Performance metrics are annualized for periods greater than 1 year (NAV used for funds). **The performance data quoted represents past performance. Past performance does not guarantee future results.** Peer group consists of actively managed ETFs in the Intermediate Core-Plus Morningstar category. Strategies were ranked by their 3-year correlation (based on monthly total returns) to the Bloomberg US Corporate High Yield Bond Index, and the median of the ten most credit-sensitive funds was selected for comparison. The Bloomberg US Aggregate Bond Index was used as the calculation benchmark for the Information ratio. Information ratio and Sharpe ratio are computed based on daily total returns (annualized) since PRIV's inception (2/26/2025).

Key takeaway: PRIV may help diversify credit-heavy core-plus allocations by introducing differentiated sources of return, potentially enhancing both absolute and risk-adjusted portfolio outcomes.

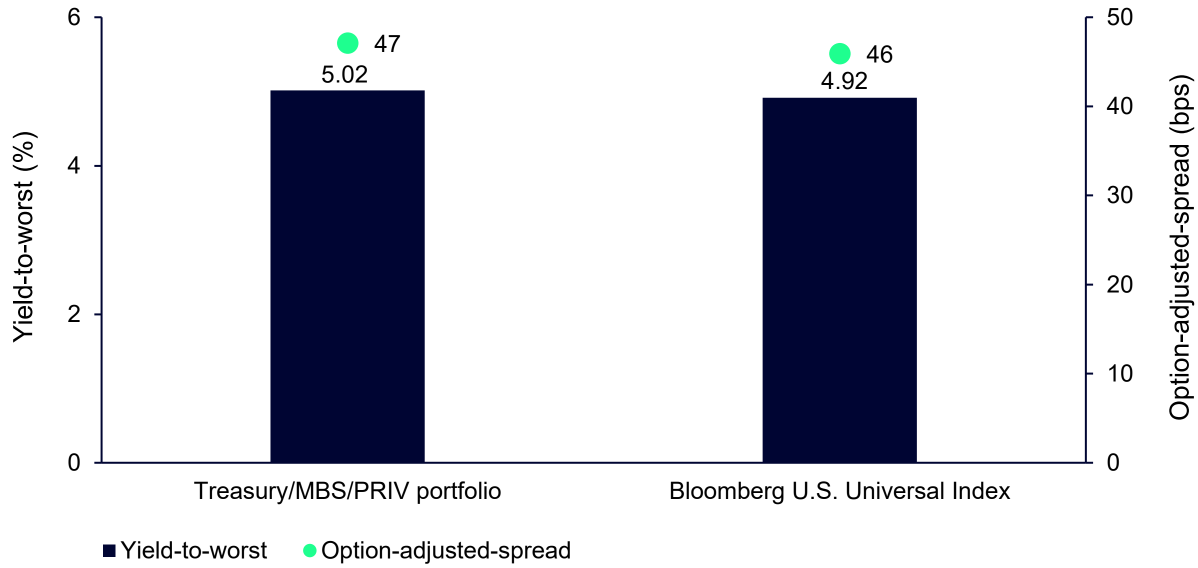
3. Enhance income without moving down in quality

Many investors seeking higher yield move further down the credit spectrum. This case study illustrates an alternative approach.

We constructed a portfolio consisting of 25% U.S. Treasuries, 25% Agency MBS, and 50% PRIV and compared it with the Bloomberg U.S. Universal Index, a broad fixed income benchmark that includes both investment-grade and high-yield exposures.

The Treasury/MBS/PRIV portfolio offered a higher yield-to-worst (5.02% versus 4.92%) while maintaining a similar option-adjusted spread profile (Figure 3).[6] The portfolio also improved credit quality by replacing a portion of the lower-quality exposures embedded within the benchmark with Treasuries, Agency MBS, and PRIV.

Figure 3: Combining PRIV with Treasuries and MBS increased yield while improving quality



Source: Bloomberg Finance L.P., State Street Investment Management, calculations by State Street Investment Management Global ETF Research Team, as of 6/30/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Treasury = Bloomberg U.S. Treasury Index. MBS = Bloomberg U.S. MBS Index. Treasury/MBS/PRIV Portfolio composed of 25% U.S. Treasuries, 25% Agency MBS, and 50% PRIV.

Key takeaway: A Treasury/MBS/PRIV portfolio improved forward-looking yield while maintaining a similar spread profile and a higher-quality fixed income allocation

Whether replacing indexed core exposure, complementing credit-heavy active managers, or enhancing income within an investment-grade allocation, the common theme across these examples is portfolio efficiency.

By expanding the opportunity set available within core fixed income, PRIV seeks to improve income and risk-adjusted outcomes without requiring investors to materially increase credit risk or depart from the role core bonds are intended to play within a diversified portfolio.

STATE STREET INVESTMENT MANAGEMENT

Standard Performance

Ticker	Name	YTD (%)	Annualized 1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Exp Ratio (%)	30-Day SEC Yield (%)
PRIV (NAV)	State Street® IG Public & Private Credit ETF	0.80	4.54	-	-	-	4.77	2/26/2025	0.55	4.55
PRIV (MKT)	State Street® IG Public & Private Credit ETF	0.87	4.43	-	-	-	4.79	-	-	-
SPAB (NAV)	State Street® SPDR® Portfolio Aggregate Bond ETF	0.70	3.79	4.15	0.06	1.49	3.11	5/23/2007	0.03	4.52
SPAB (MKT)	State Street® SPDR® Portfolio Aggregate Bond ETF	0.75	3.76	4.12	0.06	1.49	3.11	-	-	-
-	Bloomberg U.S. Treasury Index	0.28	2.72	3.17	-0.42	0.86	6.17	1/1/1973	-	-
-	Bloomberg U.S. MBS Index	0.99	5.21	4.59	0.50	1.38	5.41	1/1/1986	-	-
-	Bloomberg U.S. Universal Index	0.77	4.15	4.70	0.44	1.95	4.13	1/1/1999	-	-

Source: State Street Investment Management, as of 6/30/2026. Performance returns for periods of less than one year are not annualized**. The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. Visit ssga.com for most recent month-end performance.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. The gross expense ratio is the fund's total annual operating expenses ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus. 30-day SEC yield: an annualized yield that is calculated by dividing the net investment income earned by the fund over the most recent 30-day period by the maximum offering price on the last day of the period. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

Footnotes

1 - Source: State Street Investment Management, as of 6/30/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.**

2 - Source: Morningstar, period: 2/26/2025 – 6/30/2026. Based on standard deviation of daily total NAV returns (annualized). **The performance data quoted represents past performance. Past performance does not guarantee future results.**

STATE STREET INVESTMENT MANAGEMENT

3 - Source: Morningstar, period: 2/26/2025 – 6/30/2026. Based on daily total NAV returns (annualized). **The performance data quoted represents past performance. Past performance does not guarantee future results.**

4 - Source: Morningstar, calculations by State Street Investment Management Global ETF Research Team, period: 2/26/2025 – 6/30/2026. Performance metrics are annualized for periods greater than 1 year (NAV used for funds). **The performance data quoted represents past performance. Past performance does not guarantee future results.** Peer group consists of actively managed ETFs in the Intermediate Core-Plus Morningstar category. Strategies were ranked by their 3-year correlation (based on monthly total returns) to the Bloomberg US Corporate High Yield Bond Index, and the median of the ten most credit-sensitive funds was selected for comparison. The Bloomberg US Aggregate Bond Index was used as the calculation benchmark for the Information ratio. Information ratio and Sharpe ratio are computed based on daily total returns (annualized) since PRIV's inception (2/26/2025).

5 - Source: Morningstar, calculations by State Street Investment Management Global ETF Research Team, period: 2/26/2025 – 6/30/2026. Performance metrics are annualized for periods greater than 1 year (NAV used for funds). **The performance data quoted represents past performance. Past performance does not guarantee future results.** Peer group consists of actively managed ETFs in the Intermediate Core-Plus Morningstar category. Strategies were ranked by their 3-year correlation (based on monthly total returns) to the Bloomberg US Corporate High Yield Bond Index, and the median of the ten most credit-sensitive funds was selected for comparison. The Bloomberg US Aggregate Bond Index was used as the calculation benchmark for the Information ratio. Information ratio and Sharpe ratio are computed based on daily total returns (annualized) since PRIV's inception (2/26/2025).

6 - Source: Bloomberg Finance L.P., State Street Investment Management, as of 6/30/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** U.S. Treasuries = Bloomberg U.S. Treasury Index. Agency MBS = Bloomberg U.S. MBS Index.

Important Disclosures

Important Information for PRIV: Apollo Global Securities, LLC ("Apollo") is not a sponsor, distributor, promoter, or investment adviser to the Fund. Apollo has entered into a contractual agreement with the Fund whereby it is obligated to provide intraday, firm, executable bids on Fund holdings sourced by Apollo (each an "AOS Investment") to the Fund on a daily basis at certain intervals and is required to repurchase AOS Investments that the Fund has purchased at the firm bid price offered by Apollo, subject to, but not limited to, contractual levels designed to cover the estimated seven-day stress redemption rate as of the date hereof. The sale of AOS Investments to Apollo is not exclusive and the Fund may seek to sell AOS Investments to other counterparties.

Important Risk Information

For Investment Professional Use Only.

State Street Global Advisors (SSGA) is now State Street Investment Management. Please click here for more information.

Investing involves risk including the risk of loss of principal.

The views expressed in this material are the views of the Global ETF Research team through the period ended June 30, 2026 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates raise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

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

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.

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.

Debt Securities: The values of debt securities may increase or decrease as a result of the following: market fluctuations, changes in interest rates, actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments or illiquidity in debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates.

Investing in **high yield fixed income securities**, otherwise known as “junk bonds”, is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Privately issued securities are securities that have not been registered under the Securities Act and as a result are subject to legal restrictions on resale. Privately-issued securities are not traded on established markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent the Fund from disposing of them promptly at reasonable prices. Private credit can range in credit quality depending on a variety of factors, including total leverage, amount of leverage senior to the security in question, variability in the issuer’s cash flows, the size of the issuer, the quality of assets securing debt and the degree to which such assets cover the subject company’s debt obligations. In addition, there can be no assurance that the Adviser will be able to secure all of the investment opportunities that it identifies for the Fund, or that the size of an investment opportunity available to the Fund will be as large as the Adviser would desire, on account of general economic conditions, specific market developments, or other circumstances outside of the Adviser’s control.

Liquidity Risk: Lack of a ready market, stressed market conditions, restrictions on resale, or certain market environments may limit the ability of the Fund to sell an investment at an advantageous time or price or at all. Illiquid investments may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. If the liquidity of the Fund’s holdings deteriorates, it may lead to differences between the market price of Fund Shares and the net asset value of Fund Shares, and could result in the Fund Shares being less liquid. Illiquidity of the Fund’s holdings may also limit the ability of the Fund to obtain cash to meet redemptions on a timely basis. In addition, the Fund, due to limitations on investments in any illiquid investments and/or the difficulty in purchasing and selling such investments, may be unable to achieve its desired level of exposure to a certain market or sector. Further, if counterparties are unwilling to purchase AOS Investments, AOS Investments that were deemed liquid by the Adviser may become illiquid.

Counterparty Risk: The Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into derivatives contracts, repurchase agreements, reverse repurchase agreements, and other transactions. If a counterparty fails to meet its contractual obligations, the Fund may be unable to terminate or realize any gain on the investment or transaction, or to recover collateral posted to the counterparty, resulting in a loss to the Fund. If the Fund holds collateral posted by its counterparty, it may be delayed or prevented from realizing on the collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty.

Valuation Risk: Some portfolio holdings, potentially a large portion of the Fund’s investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including “fair valued” securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time.

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The funds presented herein have different investment objectives, costs and expenses. Each fund is managed by a different investment firm, and the performance of each fund will necessarily depend on the ability of their respective managers to select portfolio investments. These differences, among others, may result in significant disparity in the funds' portfolio assets and performance. For further information on the funds, please review their respective prospectuses.

The Fund may **hold securities that have not been registered for sale to the public under the U.S. federal securities laws**. There can be no assurance that a trading market will exist at any time for any particular restricted security. Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent the Fund from disposing of them promptly at reasonable prices. The Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility.

Non-diversified fund may invest in a relatively small number of issuers. The value of shares of non-diversified funds may be more volatile than the values of shares of more diversified funds.

Morningstar Percentile Rankings are based on the average annual total returns of the funds in the category for the periods stated and do not include any sales charges or redemption fees, but do not include 12b-1 fees and the reinvestment of dividends and capital gains distributions. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. Rankings for each share class will vary due to different expenses. Had sales charges or redemption fees been included, total returns would be lower.

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