

July 13, 2020
Weekly Bulletin

Drive Into the Future – HAIL

The Lead

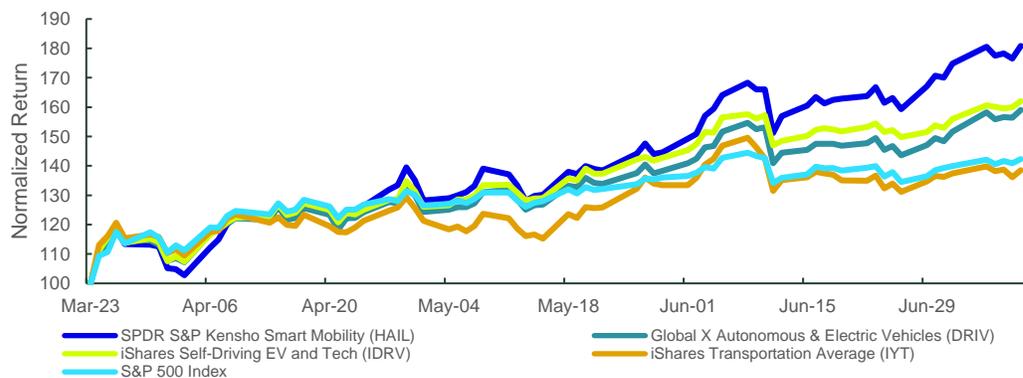
- COVID-19 continues to upend traditions previously set for our society, further weaving technology into how we work, stay healthy, and travel
- Trends in driving are also gearing up for a transformation, as current social behaviors push for autonomous vehicles (AV) and shared mobility to be prevalent by 2030, implying a rapid redistribution in R&D over the coming years¹
- Even while the dream of a fully automated driving network may not be feasible in the short term, pockets of AV are appearing around the world – with use cases ranging from shipping medical supplies to delivering foods to transporting people during the COVID-19 era²

The Takeaway

With the potential of it becoming a \$1 trillion market,³ the use cases for AV will only continue to grow in the coming years. While this will chiefly transform the automotive industry, AV innovation is being spurred by developments from software and semiconductor firms. Furthermore, this effort is being worked on globally and across the cap spectrum. To have broad-based exposure to this trend, consider HAIL, the SPDR S&P Kensho Smart Mobility ETF. Since the market bottom – when a series of next-generation trends began to accelerate – HAIL has significantly outperformed the S&P 500®, a traditional transportation ETF (IYT), and other driverless car-focused funds, such as IDRV and DRIV, as seen in the graph below. And compared with those other driverless car ETFs, HAIL's outperformance has been driven primarily by stock selection effect – speaking to HAIL's index construction process of identifying firms innovating in this space.⁴

Chart of the Week

HAIL vs. Competitors Since Market Bottom (Base = 100)



Source: Bloomberg Finance L.P., as of 07/10/2020. Market Bottom = 03/23/2020. **Performance quoted represents past performance, which is no guarantee of future results. It is not possible to invest directly in an index.**

Standard Performance

Ticker	Name	YTD (%)	Annualized				Since Inception (%)	Inception Date	Gross Expense Ratio (%)
			1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)			
HAIL (NAV)	SPDR® S&P Kensho Smart Mobility ETF	5.64	14.48	-	-	-	3.93	12/26/2017	0.45
HAIL (MKT)	SPDR® S&P Kensho Smart Mobility ETF	5.84	14.81	-	-	-	4.03	-	-
IDRV (NAV)	iShares Self-Driving EV and Tech ETF	2.47	17.82	-	-	-	9.97	04/16/2019	0.47
IDRV (MKT)	iShares Self-Driving EV and Tech ETF	3.09	18.14	-	-	-	10.29	-	-
DRIV (NAV)	Global X Autonomous & Electric Vehicles ETF	-24.71	-14.48	-	-	-	-12.22	04/03/2018	0.68
DRIV (MKT)	Global X Autonomous & Electric Vehicles ETF	-25.05	-15.12	-	-	-	-12.42	-	-
IYT (NAV)	iShares Transportation Average ETF	-16.15	-12.24	-0.62	3.57	9.71	8.49	10/06/2003	0.42
IYT (MKT)	iShares Transportation Average ETF	-16.16	-12.25	-0.62	3.57	9.71	8.49	-	-

Source: ssga.com/etfs, iShares.com, golbalxetfs.com, as of 06/30/2020. **Performance returns for periods of less than one year are not annualized. Performance quoted represents past performance, which is no guarantee of 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. For SPDR ETFs, 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.

Footnotes

¹ Source: PWC "Five trends transforming the Automotive Industry"

² MIT Technology Review: "How Coronavirus Is Accelerating A Future With Autonomous Vehicles"

³ Source: Bloomberg Finance L.P., as of 07/10/2020, "Musk Again Claims Tesla Is On Verge of Solving Full Autonomy"

⁴ Source: Bloomberg Finance L.P., as of 07/10/2020, based on both Brinson (sector screens) and Factor based attribution

ssga.com/etfs

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Important Risk Information:

Index-based funds hold 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.

Concentrated investments in a particular sector or industry (technology sector and electronic media companies) tend to be more volatile than the overall market and increases risk that events negatively affecting such sectors or industries could reduce returns, potentially causing the value of the Fund's shares to decrease.

Currency exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline.

Technology companies, including cyber security companies, can be significantly affected by obsolescence of existing technology, limited product lines, competition for financial resources, qualified personnel, new market entrants or impairment of patent and intellectual property rights that can adversely affect profit margins.

Multi-cap investments include exposure to all market caps, including small and medium capitalization ("cap") stocks that generally have a higher risk of business failure, lesser liquidity and greater volatility in market price. As a consequence, small and medium cap stocks have a greater possibility of price decline or loss as compared to large cap stocks. This may cause the Fund not to meet its investment objective.

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

Foreign (non-U.S.) Securities may be subject to greater political, economic, environmental, credit and information risks. Foreign securities may be subject to higher volatility than U.S. securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets.

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.

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

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The SPDR S&P Kensho Smart Mobility ETF [HAIL] seeks to track an index that is designed to capture companies whose products and services are driving innovation behind smart transportation, which includes the areas of autonomous and connected vehicle technology, drones and drone technologies used for commercial and civilian applications, and advanced transportation tracking and transport optimization systems

The iShares Transportation Average ETF [IYT] seeks to track the investment results of an index composed of U.S. Equities in the transportation sector

The iShares Self-Driving EV and Tech ETF [IDRV] seeks to track the investment results of an index composed of developed and emerging market companies that may benefit from growth and innovation in and around electric vehicles, battery technologies, and autonomous driving technologies

The Global X Autonomous & Electric Vehicles ETF [DRIV] seeks to invest in companies involved in the development of autonomous vehicle technology, electric vehicles ("EVs"), and EV components and materials

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