

SPDR Spotlight

Keep Calm and "Carry" On - HYBL

The Lead

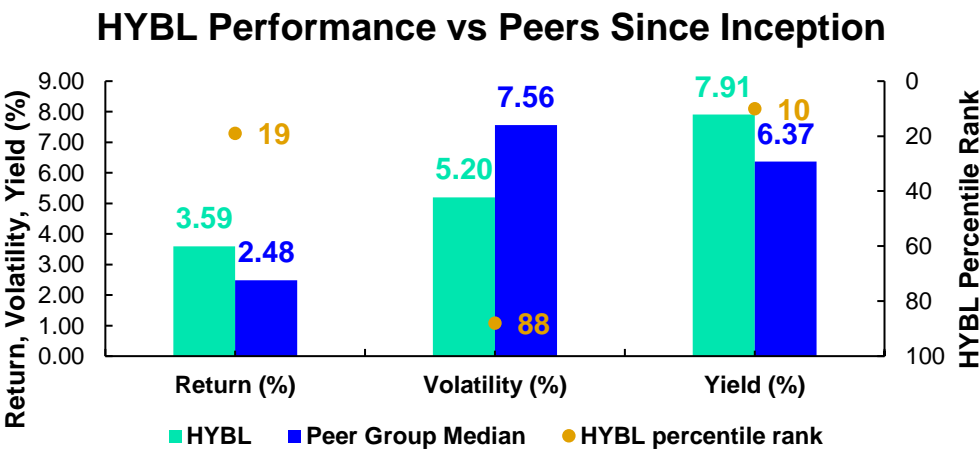
- As inflation’s downward trajectory proves to be rugged and the Fed remains patient with cutting rates, rate volatility increased more than 15% over the past one month¹
- With yields close to or more than 8%², high yield credits offer higher income than traditional core fixed income bonds with much less rate sensitivity, providing investors attractive income opportunities
- While higher default rate expectations³ and tight credit spreads (31% below their average)⁴ present challenges to total returns due to potentially weaker price returns, an actively managed strategy that combines top-down asset allocation across high yield credit segments and bottom-up security selection may deliver high income potential with lesser volatility and downside risks

The Takeaway

Since its inception, the [SPDR® Blackstone High Income ETF \(HYBL\)](#) outperformed 81% of its peers and did so with lower volatility and higher yields⁵ as shown in the chart below. It also ranks in the top decile based on the risk-adjusted yield with a 1.5 ratio versus a peer median ratio of 0.81⁶. These present the fund as an attractive option for investors seeking a high-income strategy with lower volatility.

Chart of the Week

HYBL ranks in the 1st quintile in terms of performance, volatility since inception, and 1-year yield among its peers



Source: Morningstar, January 31, 2024. Peer group defined as US Domiciled passive and active ETFs and MFs in Morningstar High Yield Bond category. **Past performance is not a reliable indicator of future performance.**

Standard
Performance

Ticker	Name	YTD (%)	Annualized				Since Inception (%)	Inception Date	Gross Expense Ratio (%)
			1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)			
HYBL (NAV)	SPDR Blackstone High Income ETF	12.38	12.38	-	-	-	3.59	02/16/2022	0.70
HYBL (MKT)	SPDR Blackstone High Income ETF	11.85	11.85	-	-	-	3.59	-	-

Source: ssga.com, as of 12/31/2023.

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. All results are historical and assume the reinvestment of dividends and capital gains. For SPDR ETFs, visit [ssga.com](https://www.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.

Footnotes

¹ Bloomberg Finance L.P., as of 2/22/2024. ICE BofA MOVE Index

² Morningstar, as of 1/31/2024. LSTA US Leveraged Loan Index, Bloomberg High Yield Index

³ S&P Global, as of 1/31/2024, U.S. Corporate Credit Outlook 2024: A Bumpy Ride To A Soft Landing

⁴ Bloomberg Finance L.P., period 12/31/2010 - 2/22/2024, based on the Bloomberg US High Yield Corporate Bond Index option-adjusted-spread

⁵ Morningstar, as of 1/31/2024. Peer group defined as US Domiciled passive and active ETFs and MFs in Morningstar High Yield Bond category

⁶ Morningstar, period: 2/17/2022 – 1/31/2024. Risk adjusted yield is measured by yield to volatility ratio. Peer group defined as US Domiciled passive and active ETFs and MFs in Morningstar High Yield Bond category.

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