

SPDR Spotlight

## Be An Opportunist in Bonds – OBND

### The Lead

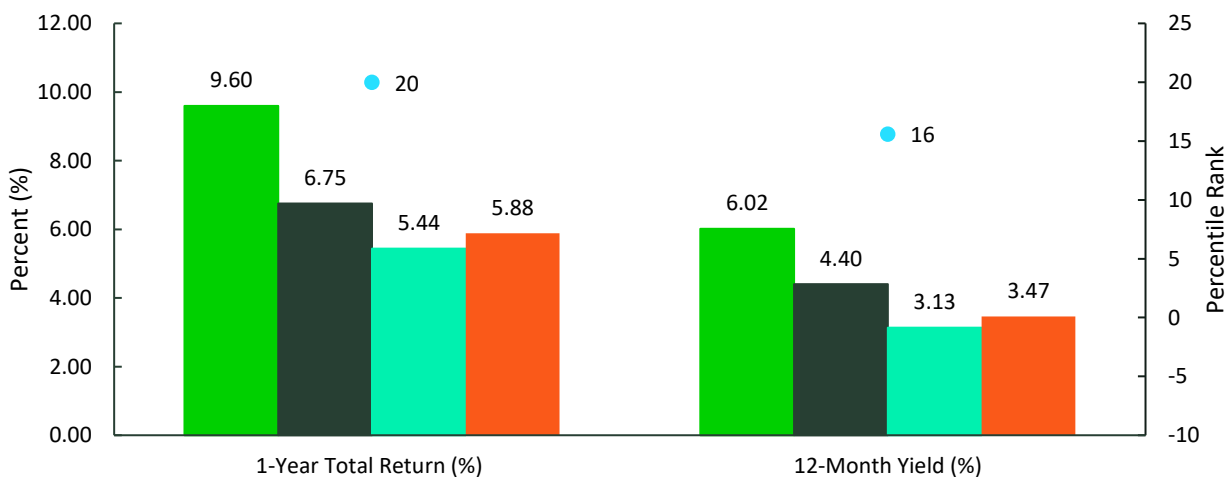
- After narrowly posting gains in 2023, the range of outcomes for core bonds is equally as wide in 2024; driven by an ambiguous monetary policy outlook (number and starting point of rate cuts), frenetic geopolitical headlines (wars, elections), unconstructive credit valuations (tight spreads), and persistently high implied rate volatility (82<sup>nd</sup> percentile)<sup>1</sup>
- Expanding a portfolios remit and improving the ability to more opportunistically manage duration, yield curve exposures and sector allocations may help better defend against those challenges while also seeking to capitalize on market shifts
- The [SPDR® Loomis Sayles Opportunistic Bond ETF \(OBND\)](#) fits that profile, as it is an actively managed multi-asset credit strategy with the ability to allocate across global bond sectors, including bank loans and securitized credit instruments, up-and-down the credit spectrum and throughout the curve while employing tactical beta and idiosyncratic security selection strategies to potentially exploit market inefficiencies and generate opportunistic alpha

### The Takeaway

Core bond markets have been challenged over the past few years, evidenced by the Bloomberg US Aggregate Bond Index (the Agg) uneven performance and elevated levels of realized volatility in 2023 (the Agg’s realized volatility was in the 90<sup>th</sup> percentile every day last year).<sup>2</sup> Those challenges, however, are unlikely to lessen as we head deeper into 2024. Incorporating a strategy with a broader remit may help navigate potential risks while seeking opportunistic alpha and income opportunities. And last year, OBND’s more flexible approach led to 400 basis points for alpha versus the Agg,<sup>3</sup> and a top quintile performance rank within its non-traditional bond peer group<sup>4</sup> as well as a higher return and yield relative to other bond strategy types as shown below.

### Chart of the Week

**OBND Performance and Yield vs. Broad Categories**



■ SPDR® Loomis Sayles Opportunistic Bond ETF (OBND)
 ■ Nontraditional Bond (Median)
 ■ Intermediate Core Bond (Median)
 ■ Intermediate Core-Plus Bond (Median)
 ● OBND Percentile Rank (Nontraditional Bond Category)

Source: Morningstar, Period: 1/1/2023 - 12/31/2023. **Past performance is not a reliable indicator of future performance.**

## Standard Performance

Ticker	Name	1 Mo (%)	YTD (%)	Annualized					Inception Date	Gross Exp Ratio
				1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)		
OBND (NAV)	SPDR <sup>®</sup> Loomis Sayles Opportunistic Bond ETF	3.84	9.60	9.60	-	-	-	-1.17	9/27/2021	0.55
OBND (MKT)	SPDR <sup>®</sup> Loomis Sayles Opportunistic Bond ETF	3.63	9.47	9.47	-	-	-	-1.13	-	0.55

Source: ssga.com, as of 12/31/2023. **Performance returns for periods of less than one year are not annualized. Past performance is not a reliable indicator of future performance. 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.

## Footnotes

1 - Source: Bloomberg Finance L.P. as of January 26, 2024 based on a 10-year lookback for the ICE BoFA MOVE Index

2 - Source: Bloomberg Finance L.P. as of January 26, 2024 based on the rolling 90-day standard deviation of returns for the Bloomberg US Aggregate Bond Index from 1990-2024.

3 - Source: Morningstar, Period: 1/1/2023 - 12/31/2023. **Past performance is not a reliable indicator of future performance.** The Agg = Bloomberg US Aggregate Bond Index.

4 - Source: Morningstar, as of 12/31/2023. **Past performance is not a reliable indicator of future performance.** Peer group defined as Non-traditional Bond category.

[ssga.com](http://ssga.com)

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Expiration Date: 04/30/2024  
1973422.297.1.GBL.INST

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