

SPDR Spotlight

Get Real in 2024

The Lead

- The stronger than expected December CPI print highlights the stubbornness in prices and the Federal Reserve’s (“the Fed”) challenge in fully taming inflation¹
- Resolute inflation trends alongside sustained aggregate demand (reflected by still positive global growth expectations in 2024 and 2025²), supportive infrastructure spending – such as through the Inflation Reduction Act in the US – and forecasts by the IEA of increased oil demand³ offer pockets of tactical opportunities within real assets
- To navigate these pockets, investors may want to rely on the actively managed SPDR SSGA Multi-Asset Real Return ETF [RLY] – a tactical multi-asset portfolio allocating to multiple inflation-sensitive markets beyond commodities, as seen in the chart of the week

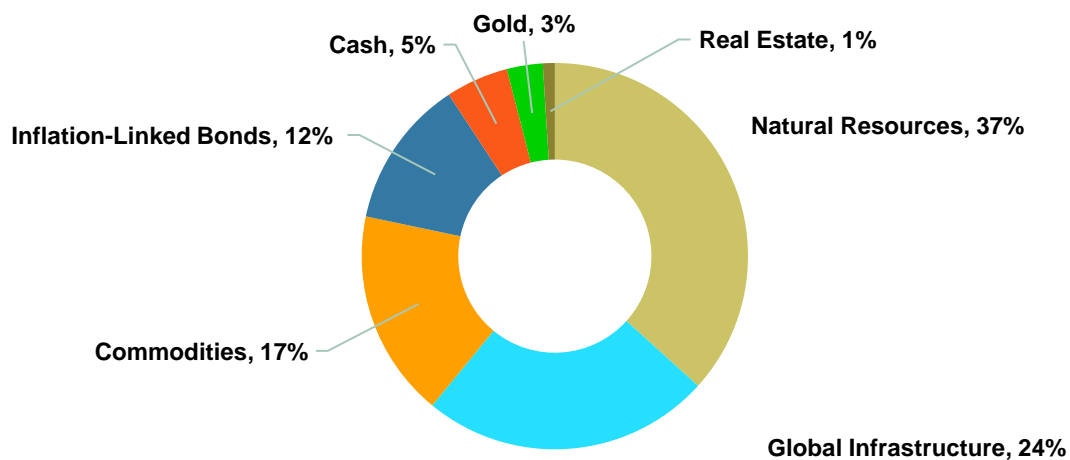
The Takeaway

Consumers expect prices to climb at annual rate of 2.9% over the next year, per the Univ. Michigan consumer survey⁴. This is slightly lower than the prior months reading, but still well-above the Fed’s threshold – illustrating the challenge policy makers have in front of them. In the same report, consumer confidence spiked to a two-year high⁵. And this spike in confidence has the potential to sustain demand and keep the economy on its expansion path – an environment conducive to real assets given their relationship to both growth and inflation.

Beyond the opportunistic motivations right now, there are strategic reasons to add real assets to a portfolio as well. Namely, most current investor portfolios are likely overweight mega-cap growth equities (given the return concentration in 2023) as well as nominal assets like bonds that can be challenged on a real return basis given the current growth and inflation backdrop. Therefore, overlaying a tactical real asset sector rotation strategy may offer potential diversification alongside exposure to macro driven assets with supportive macro trends.

Chart of the Week

SPDR SSGA Multi-Asset Real Return ETF Allocations



Source: SSGA.com as of January 22, 2024. Characteristics are as of the data indicated and are subject to change.

Standard Performance

Ticker	Name	YTD (%)	Annualized					Inception Date	Gross Expense Ratio
			1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)		
RLY (NAV)	SPDR® SSGA Multi-Asset Real Return ETF	2.73	2.73	10.80	9.22	3.06	2.68	04/25/2012	0.50
RLY (MKT)	SPDR® SSGA Multi-Asset Real Return ETF	2.64	2.64	10.82	9.68	3.06	2.68	-	-

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. 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. 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 January 22, 2024.
- 2 - Bloomberg Finance L.P. as of January 22, 2024.
- 3 - IEA - Oil Market Report - January 2024
- 4 - University of Michigan - Survey of Consumers - January 19, 2024
- 5 - University of Michigan - Survey of Consumers - January 19, 2024

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Marketing Communication

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