

October 12, 2020
Weekly Bulletin

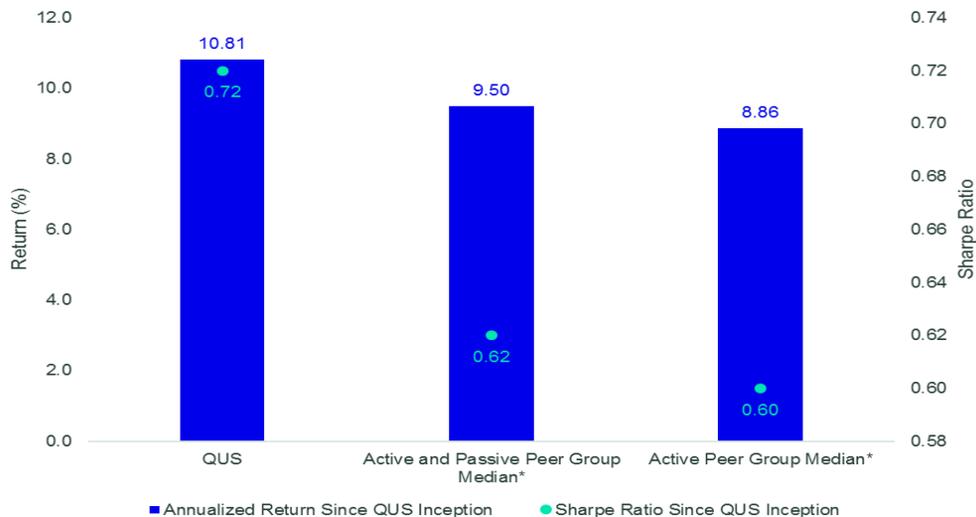
SPDR® MSCI USA StrategicFactorsSM ETF- QUS

- Equity market volatility has crept up since September, as diminished prospects for additional fiscal stimulus, rising COVID-19 cases, and election uncertainty have weighed on investor sentiment
- Given the potential for a disputed election, VIX futures are pricing in higher volatility in both November and December¹
- Factor reversals witnessed in September (Momentum fell, Value and Minimum Volatility rallied) remind investors of the importance of having a diversified factor exposure for core allocations – a notion that might be further on display as we get closer to the election

The Takeaway

After a historic market runup over the summer, it may be time for investors to take stock of risks surrounding the election. A StrategicFactors approach of seeking firms with high-quality balance sheets trading at inexpensive valuations, all within a low-volatility strategy, may potentially help investors navigate uncertainty by de-risking their equity allocation while not sacrificing on upside participation. SPDR® MSCI USA StrategicFactorsSM ETF (QUS) has historically shown less volatility and improved risk-adjusted performance than traditional market-cap-weighted exposures have.² It has also outperformed 86% of actively managed US large-cap blend funds since its inception by an average of 2% on an annualized basis,³ speaking to its power of combining low volatility, quality and value in one portfolio.

Chart of the Week:
Since-Inception
Performance of
QUS vs. Peers'
Performance



Source: Morningstar, as of 9/30/2020. QUS inception is 4/15/2015. *Peer group defined as all US-Listed ETFs and mutual funds (oldest share class) in the Large Blend Morningstar Category. **Performance quoted represents past performance, which is no guarantee of future results.**

Standard Performance

Ticker	Name	YTD	1 Year	Annualized			Since Inception	Inception Date	Gross Expense Ratio (%)
				3 Year	5 Year	10 Year			
QUS (NAV)	SPDR® MSCI USA StrategicFactors SM ETF	0.68%	8.60%	11.32%	13.25%	-	10.78%	04/15/2015	0.15
QUS (MKT)	SPDR® MSCI USA StrategicFactors SM ETF	0.69%	8.54%	11.29%	13.22%	-	10.97%	04/19/2015	

Source: ssga.com/etfs as of 09/30/2020. **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/etfs 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.

¹ Bloomberg Finance L.P. as of 10/8/2020.

² FactSet, as of 9/30/2020.

³ Morningstar, as of 9/30/2020.

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Important Risk Information

Investing involves risk including the risk of loss of principal.

Funds investing in a single sector may be subject to more volatility than funds investing in a diverse group of sectors. Because of their narrow focus, sector funds tend to be more volatile than broadly diversified funds and generally result in greater price fluctuations than the overall market.

A "value" style of investing emphasizes undervalued companies with characteristics for improved valuations. This style of investing is subject to the risk that the valuations never improve or that the returns on "value" equity securities are less than returns on other styles of investing or the overall stock market.

Although subject to the risks of common stocks, **low volatility** stocks are seen as having a lower risk profile than the overall markets. However, a

fund that invests in low volatility stocks may not produce investment exposure that has lower variability to changes in such stocks' price levels.

A "quality" style of investing emphasizes companies with high returns, stable earnings, and low financial leverage. This style of investing is subject to the risk that the past performance of these companies does not continue or that the returns on "quality" equity securities are less than returns on other styles of investing or the overall stock market.

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.

Passively managed 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. While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of market stress.

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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