March 31, 2021
Weekly Bulletin

SPDR Portfolio Mortgage Backed Bond ETF - SPMB

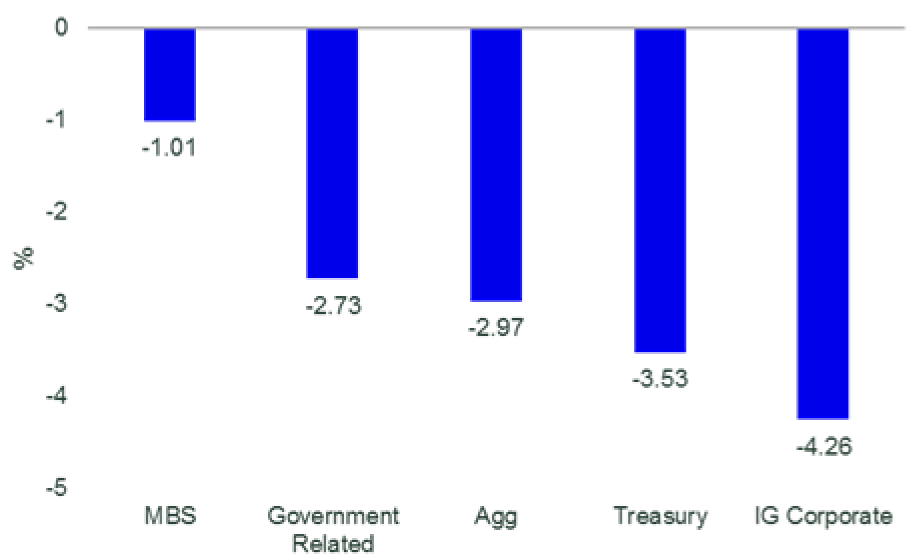
- As the economic recovery gathers steam, 10-year yields have jumped above 1.7% - their highest level since the pandemic, weighing on the performance of core bond exposures[1]
- Thanks to their historically lower duration and higher yield than the Agg, mortgage backed securities (MBS) have exhibited the highest yields per unit of volatility among all core bond segments, leading to their outperformance of 2.27% over the Agg so far this year[2]
- As yields have kept moving higher on the back of improving economic growth, MBS may extend their outperformance over other core bond segments, as shown in the scenario analysis below

The Takeaway

Fueled by accommodative monetary and fiscal policies and higher inflation expectations, better growth prospects may keep an upward pressure on rates, challenging the performance of rate-sensitive segments. To potentially temper interest rate risk in a core bond portfolio without taking on extra risk, investors may consider overweighting MBS in the core through allocating to the SPDR Portfolio Mortgage Backed Bond ETF (SPMB).

Chart of the Week

Hypothetical Return Impacts on a 50-basis point Increase in US 10-Year Yield



Source: Bloomberg Finance L.P. as of 02/28/2021. Based on a 50-basis point rise in the US 10-year yield over a 1-year time horizon according to the Bloomberg Fixed Income Risk Model and the underlying exposure of the Bloomberg Barclays US Aggregate Bond Index. For illustrative purposes and may differ from actual results. The tax-free and taxable yields are hypothetical and do not reflect the performance of any SSGA fund. No assurance can be made that a fund will attain any particular yield. **Past performance is not a reliable indicator of future performance.**

Standard Performance

			Annualized						
Ticker	**Name**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Since Inception**	**Inception Date**	**Gross Expense Ratio (%)**
SPMB (NAV)	SPDR® Portfolio Mortgage Backed Bond ETF	-1.42%	-0.03%	3.66%	2.25%	2.62%	3.07%	01/15/2009	0.06
SPMB (MKT)	SPDR® Portfolio Mortgage Backed Bond ETF	-1.42%	-0.03%	3.65%	2.20%	2.61%	3.07%		

Source: ssga.com/etfs as of 03/31/2021. **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] Source: Bloomberg Finance L.P., as of 3/31/2021.

[2] Source: Bloomberg Finance L.P., as of 3/31/2021.

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Important Risk Information
Investing involves risk including the risk of loss of principal.

Investments in **mortgage securities** are subject to prepayment risk, which can limit the potential for gain during a declining interest rate environment and increase the potential for loss in a rising interest rate environment. The mortgage industry can also be significantly affected by regulatory changes, interest rate movements, home mortgage demand, refinancing activity, and residential delinquency trends.
Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss
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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