

SPDR® S&P 500® ETF

Capital Markets Perspective

As the first US listed exchange traded fund (ETF), the SPDR S&P 500 ETF (SPY) seeks to offer investors liquid, inexpensive and transparent access to the S&P 500 in a single security that trades on an exchange. Over twenty five years later, SPY's leadership position remains intact. With \$423 billion in assets and an average of 84 million shares traded daily over the past 12 months, SPY is the largest and most heavily traded ETF.¹

Liquidity

One key factor to consider for investors is the size of the market in which the security is traded because volume is a key determinant of cost. SPY is the most heavily traded ETF, with a 12-month average daily notional trading volume that is approximately 19 times higher than the iShares Core S&P 500 ETF (IVV) and 22 times higher than the Vanguard S&P 500 ETF (VOO).²

Liquidity can be a source of cost advantage for investors because higher liquidity means tighter bid/ask spreads, which translates into lower trading costs for investors. Whether opening or closing a position, rebalancing, or tactically over/under weighting, trading SPY may be a leading choice.

Another element of liquidity for investors to consider is the volume on the bid and the ask for a security. With a 12-month average size on the bid and the ask that is approximately 1.3 times the size of IVV, and 1.3 times larger than VOO.³ SPY typically allows investors the ability to trade more shares at the quoted price on any given day.

SPY

Product Comparison
Core Equity

Q2 2023

12-Month Average Daily Notional Trading Volume

SPY	\$ 33,372,376,746	IVV	\$ 1,773,276,608	VOO	\$ 1,496,216,800
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Source: Bloomberg Finance L.P., State Street Global Advisors, as of 06/30/2023.

Bid/Ask Spread Comparison

	SPY	IVV	VOO
Share Price	443.28	445.71	407.28
Bid/Ask Spread (\$)	0.011	0.032	0.028
Bid/Ask Spread (bps)	0.26	0.74	0.72

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 06/30/2023. Bid/ask spreads are the average of the month of June 2023.

12-Month Average Bid/Ask Volume Comparison

	SPY	IVV	VOO
Bid Size	1,788	1,446	1,418
Ask Size	1,773	1,359	1,338

Source: New York Stock Exchange, State Street Global Advisors, as of 06/30/2023.

¹ Bloomberg Finance L.P., as of 06/30/2023.

² Bloomberg Finance L.P., State Street Global Advisors, as of 06/30/2023.

³ New York Stock Exchange, State Street Global Advisors, as of 06/30/2023.

Securities Lending Revenue

Securities lending revenue can potentially offset costs for investors. The average amount on loan of SPY shares from 03/31/2023 to 06/30/2023 was \$4.1 billion, compared to \$563 million for IVV and \$533 million for VOO.⁴ The securities lending revenue comes from lending shares of SPY, not the lending of the underlying securities in the trust itself.

4 Markit, State Street Global Advisors, as of 06/30/2023.

Securities Lending Revenue Comparison

	SPY	IVV	VOO
Average Total Balance (\$M)	4,054.7	562.7	533.4
Average Short Interest (\$M)	59,735.3	2,476.2	1,966.8

Source: Markit, Bloomberg Finance L.P., State Street Global Advisors, as of 06/30/2023.

The data included are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Average Total Balance is the daily average during Q2 2023 and Average Short Interest are the bi-weekly averages during Q2 2023.

Product Structure Comparison

	Investment Objective	Sec Registration	Portfolio Management	Dividend Reinvestment	Securities Lending Permitted	Use of Options/ Swaps/ Futures	Investment Advisor/ Trustee	Net Expense Ratio (%)	Gross Expense Ratio (%)
SPY Unit Investment Trust	SPY seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500 Index	Investment Company Act of 1940	Full Replication	Cannot Reinvest	No	No	Trustee	0.0945	0.0945
IVV Open End Fund	IVV seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Index	Investment Company Act of 1940	May sample/ Optimize	May Reinvest	Yes	Yes	Investment Adviser	0.03	0.03
VOO Open End Fund	VOO Invests in stocks in the S&P 500 Index with the goal to closely track the index's return, which is considered a gauge of overall US stock returns	Investment Company Act of 1940	Full Replication	May Reinvest	Yes	May Use Derivatives	Investment Adviser	0.03	0.03

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 06/30/2023. 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.

ssga.com

Information Classification: Limited Access

Investment professional use only.

Important Risk Information:

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor. All information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such. Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions. Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with

smaller market capitalizations.

There can be no assurance that a liquid market will be maintained for ETF shares. 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.

The funds presented herein have different investment objectives, costs and expenses. Each fund is managed by a different investment firm, and the performance of each fund will necessarily depend on the ability of their respective managers to select portfolio investments. These differences, among others, may result in significant disparity in the funds' portfolio assets and performance. For further information on the funds, please review their respective prospectuses. Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the collateral may decline in value and may at any point be worth less than the original cost of that investment. 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.

In general ETFs can be expected to move up or down in value with the value of the applicable

index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only. Please see the prospectus for more details. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs. Investing involves risk including the risk of loss of principal.

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May Lose Value**