

STATE STREET ETF SPOTLIGHT

Float with rising rates – FLRN

The lead

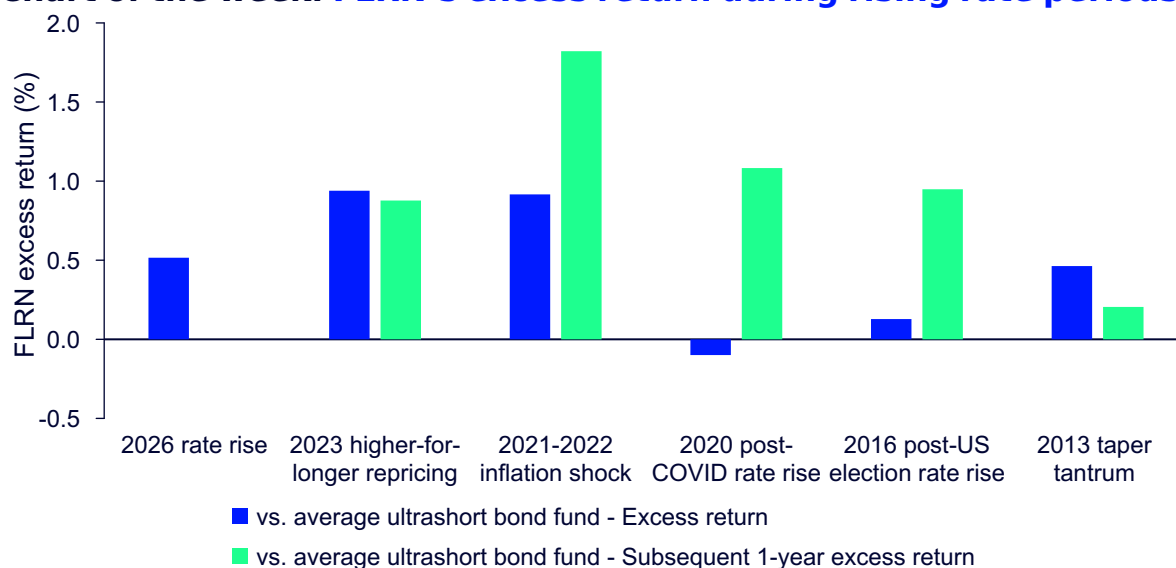
- The Federal Reserve (“Fed”) raised rates by 25 bps in September, and their updated projections signal one more hike this year with the potential for rates to remain elevated through 2027.¹
- Floating rate notes can benefit from higher short-term rates as their coupons reset, providing rising income potential alongside possible rate resilient return streams from their ultrashort duration
- The State Street® SPDR® Bloomberg Investment Grade Floating Rate ETF (FLRN), provides diversified exposure to investment-grade floating-rate notes, combining high credit quality income potential with limited rate sensitivity – illustrated by its SEC yield of 4% and duration of 0.03 years²

The takeaway

With rates rising, FLRN has outperformed the Bloomberg US Aggregate Bond Index by 5.57%, and the Bloomberg 1-3 Yr US Treasury Index by 2.76% so far this year.³ FLRN has also generated positive average excess returns of 2.0% versus the average ultrashort bond fund across the six most recent rising rate periods, with that advantage persisting over the subsequent 12 months (see chart of the week).⁴

FLRN’s performance over both the short and long term periods screens as competitive versus peers as well, as it ranks in the top decile this year, as well as over the last one- and five-year periods alongside sitting in the top quartile over the last three years too.⁵ It is also a 4-star Morningstar overall rated fund, with AUM over \$3 billion and available at an expense ratio of just 15 bps.⁶

Chart of the week: FLRN’s excess return during rising rate periods



Source: Morningstar as of September 21, 2026. Calculations by Global ETF Research. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Average ultrashort fund return defined by the average return of funds in the Morningstar category of US Fund Ultrashort Bond, domiciled in US and including the oldest share class. 2026 rate rise (2/28/26 to 9/21/26); 2023 higher for longer (4/7/23 to 10/19/23); 2021-22 inflation shock (8/2/21 to 6/14/22); 2020 COVID Rate rise (8/4/20 to 3/31/21); 2016 post US election (11/5/16 to 12/15/16); 2013 taper tantrum (5/3/13 to 12/31/13)

Standard Performance

Ticker	Name	QTD (%)	YTD (%)	Annualized					Inception Date	Gross Expense Ratio (%)
				1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception (%)		
FLRN (NAV)	State Street® SPDR® Bloomberg Investment Grade Floating Rate ETF	0.70	2.83	4.47	5.44	4.37	3.08	2.50	Nov 30 2011	0.15%
FLRN (MKT)	State Street® SPDR® Bloomberg Investment Grade Floating Rate ETF	0.73	2.88	4.58	5.45	4.38	3.09	2.50	-	-
	Benchmark: Bloomberg U.S. Dollar Floating Rate Note <5 Years Index	0.71	2.90	4.56	5.52	4.49	3.27	2.70	-	-
	Reference Benchmark: Bloomberg U.S. Aggregate Bond Index	-0.92	-0.31	1.89	4.08	-0.29	1.40	2.08	-	-
	Reference Benchmark: Bloomberg 1-3 Year U.S. Treasury Index	0.39	1.03	2.49	4.26	1.95	1.73	1.51	-	-

Source: State Street Investment Management, Morningstar as of 06/30/2026. **The performance data quoted represents past performance. Past performance does not guarantee 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. All results are historical and assume the reinvestment of dividends and capital gains. Visit www.statestreet.com/im for most recent month-end performance.** Performance returns for periods of less than one year are not annualized. Performance is shown net of fees. 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. 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 returns may differ. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

Footnotes

1 Bloomberg Finance L.P., as of Sep 24, 2026.

2 State Street Investment Management, as of Sep 24, 2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.**

3 Bloomberg Finance L.P., as of Sep 25, 2026 for the period 12/31/2025 to 09/25/2026. Calculations by Global ETF Research. **The performance data quoted represents past performance. Past performance does not guarantee future results.**

4 Morningstar as of Sep 21, 2026 for the period 12/31/2012 to 09/21/2026. Calculations by Global ETF Research. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Average ultrashort fund return defined by the average return of funds in the Morningstar category of US Fund Ultrashort Bond, domiciled in US and including the oldest share class.

5 Morningstar as of Sep 21, 2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Category defined as Morningstar category of US Fund Ultrashort Bond, domiciled in US and including the oldest share class.

6 Morningstar, State Street Investment Management as of Aug 31, 2026.

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State Street Investment Management, One Congress Street, Boston, MA 02114

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