

# State Street<sup>®</sup> Short Duration IG Public & Private Credit ETF



Commentary  
Q1 2026

## Portfolio manager insights

- The Fund outperformed its benchmark, the Bloomberg U.S. Aggregate Bond 1–3 Year Index, by 28 basis points (bps) after fees in the first quarter of 2026.
- Outperformance was primarily driven by the Fund’s overweight to the AOS\* credit asset allocation.
- The Fund maintained a cautious allocation stance amid tight credit spreads, favoring asset-based finance (ABF) over high-grade corporates, with continued emphasis on residential credit and hard-asset asset-backed securities (ABS) where fundamentals remain strong.

**AOS investments:** In Q1, the Fund maintained its approximately 20% allocation to private credit, overweight its benchmark, but slightly below its 25% strategic asset allocation target due to cyclically tight credit spreads and late-cycle economic signals. The Fund’s AOS investments favored ABF vs high-grade capital market solutions due to relative value and a more robust primary and secondary supply pipeline. Within ABF, the Fund continues to diversify across residential real estate, commercial real estate collateralized loan obligations (CLOs), broadly syndicated loan CLOs, and consumer and commercial ABS, including a core holding in securitized aircraft loans and railcars. The high-grade capital market solutions sectors favored by the Fund include semiconductor manufacturing, aircraft, and energy credit exposures with brand name issuers. In our base case, where cyclically tight credit

spreads continue to reflect the “soft-landing” narrative, we anticipate maintaining an AOS investment allocation equal to or less than the Fund’s 25% strategic asset allocation target. In this environment, we expect to continue to see relative value and supply favor an allocation to ABF vs high-grade capital market solutions. The Fund will continue to look for relative value within ABF with a preference for hard asset ABS and non-agency residential real estate exposure given our view that housing credit fundamentals are uniquely strong this cycle with homeowners having built-up significant equity since the Global Financial Crisis—a dynamic that could see residential assets outperform corporate credit in an economic downturn.

**Non-AOS investments:** In Q1, the Fund maintained its approximately 80% allocation to public securities, underweight its benchmark, largely due to a significant underweight to government securities. The Fund continued to hold its largest public securities overweight in public securitized exposures (public securitized has a much lower weighting in Bloomberg U.S. Aggregate Bond 1–3 Year Index, as compared to the U.S. Aggregate Index), with an equal weighting to agency mortgage-backed securities (MBS) and AAA-rated non-agency residential real estate. Public corporates are the Fund’s second largest overweight. Within corporates, the Fund heavily favored the Industrial sector with an emphasis in Communications Services, Energy, and Technology that offer high quality spread.

\* An AOS investment is an investment that is sourced directly by Apollo. These investments may, but not necessarily, also be originated and structured by an Apollo affiliated entity. At this time, all the private credit investments in PRSD are AOS investments and all AOS investments held by PRSD are private credit investments. Accordingly, these terms currently serve to identify which investments are Apollo sourced as well as which investments are private credit instruments.

**Duration:** In Q1, the Fund continued to have a modest overweight duration allocation vs its benchmark in a fixed income market that reacted to the effects of the Iran conflict that served to challenge the “soft-landing” narrative.

### Portfolio allocation

#### Apollo sourced (“AOS”) Investments vs. Non-AOS Investments

Fund asset breakdown as of March 31, 2026



Asset Breakdown	Weight (%)
Non-AOS	80.3
AOS asset-backed finance	12.0
AOS corporate finance	7.6

Please note that “Apollo” refers to Apollo Global Securities, LLC.

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State Street Global Advisors (SSGA) is now State Street Investment Management. Please go to <https://statestreet.com/investment-management> for more information.

**Important Information for PRSD:** Apollo Global Securities, LLC (“Apollo”) is not a sponsor, distributor, promoter, or investment adviser to the Fund. Apollo has entered into a contractual agreement with the Fund whereby it is obligated to provide intraday, firm, executable bids on Fund holdings sourced by Apollo (each an “AOS Investment”) to the Fund on a daily basis at certain intervals and is required to repurchase AOS Investments that the Fund has purchased at the firm bid price offered by Apollo, subject to, but not limited to, contractual levels designed to cover the estimated seven-day stress redemption rate as of the date hereof. The sale of AOS Investments to Apollo is not exclusive and the Fund may seek to sell AOS Investments to other counterparties.

Investing involves risk including the risk of loss of principal.

### Fund performance

	NAV (%)	Market value (%)	Benchmark Bloomberg U.S. Aggregate 1-3 Year Bond Index (%)
QTD	0.60	0.43	0.32
YTD	0.60	0.43	0.32
1 Year	—	—	4.03
3 Year	—	—	4.40
5 Year	—	—	2.06
10 Year	—	—	2.01
Since Inception (Sep 9, 2025)	2.08	2.01	1.61

Source: State Street Investment Management, as of March 31, 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 quotes. All results are historical and assume the reinvestment of dividends and capital gains. Visit [ssga.com](https://www.ssga.com) for most recent month-end performance.** The gross expense ratio is the fund’s total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements. Performance returns for periods of less than one year are not annualized. 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. 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. Index performance is not meant to represent that of any particular fund.

Gross Expense Ratio: 0.45%, Net Expense Ratio: 0.45%.

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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.

The views expressed in this material are the views of Portfolio Management Team at State Street Investment Management through the period ended March 31, 2026 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

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The value of the debt securities may increase or decrease as a result of the following: market fluctuations, increases in interest rates, inability of issuers to repay principal and interest or illiquidity in the debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. This may result in a reduction in income from debt securities income.

Investing in high yield fixed income securities, otherwise known as "junk bonds", is considered speculative and involves greater risk of default than investing in investment grade fixed income securities. Issuers of high yield debt securities may have substantially greater risk of insolvency or bankruptcy than issuers of higher-quality debt securities.

**Privately-issued securities** are securities that have not been registered under the Securities Act and as a result are subject to legal restrictions on resale. Privately-issued securities are not traded on established markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent the Fund from disposing of them promptly at reasonable prices.

**Private credit** can range in credit quality depending on a variety of factors, including total leverage, amount of leverage senior to the security in question, variability in the issuer's cash flows, the size of the issuer, the quality of assets securing debt and the degree to which such assets cover the subject company's debt obligations. In addition, there can be no assurance that the Adviser will be able to secure all of the investment opportunities that it identifies for the Fund, or that the size of an investment opportunity available to the Fund will be as large as the Adviser would desire, on account of general economic conditions, specific market developments, or other circumstances outside of the Adviser's control.

**Liquidity Risk:** Lack of a ready market, stressed market conditions, restrictions on resale, or certain market environments may limit the ability of the Fund to sell an investment at an advantageous time or price or at all. Illiquid investments may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. If the liquidity of the Fund's holdings deteriorates, it may lead to differences between the market price of Fund Shares and the net asset value of Fund Shares, and could result in the Fund Shares being less liquid. Illiquidity of the Fund's holdings may also limit the ability of the Fund to obtain cash to meet redemptions on a timely basis. In addition, the Fund, due to limitations on investments in any illiquid investments and/or the difficulty in purchasing and selling such investments, may be unable to achieve its desired level of exposure to a certain market or sector. Further, if counterparties are unwilling to purchase AOS Investments, AOS Investments that were deemed liquid by the Adviser may become illiquid.

**Counterparty Risk:** The Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into derivatives contracts, repurchase agreements, reverse repurchase agreements, and other transactions. If a counterparty fails to meet its contractual obligations, the Fund may be unable to terminate or realize any gain on the investment or transaction, or to recover collateral posted to the counterparty, resulting in a loss to the Fund. If the Fund holds collateral posted by its

counterparty, it may be delayed or prevented from realizing on the collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty.

**Valuation Risk:** Some portfolio holdings, potentially a large portion of the Fund's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time.

The Fund may hold **securities that have not been registered for sale to the public under the U.S. federal securities laws**. There can be no assurance that a trading market will exist at any time for any particular restricted security.

Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent the Fund from disposing of them promptly at reasonable prices. The Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility.

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