

STATE STREET SPOTLIGHT

Limit volatility, not income - STOT

The lead

- Recent geopolitical escalation in the Middle East has renewed concerns about energy-driven inflation risk, increasing volatility across both equity and bond markets and complicating the Federal Reserve's path for interest-rate policy.
- In response, markets have scaled back expectations for additional rate cuts in 2026,¹ reinforcing the view that rates may remain range-bound—suggesting future bond returns may be driven more by income than duration.
- Against this backdrop, active short-duration bond strategies may offer attractive income with reduced interest rate sensitivity and volatility, helping investors maintain income while navigating ongoing macroeconomic uncertainty.

The takeaway

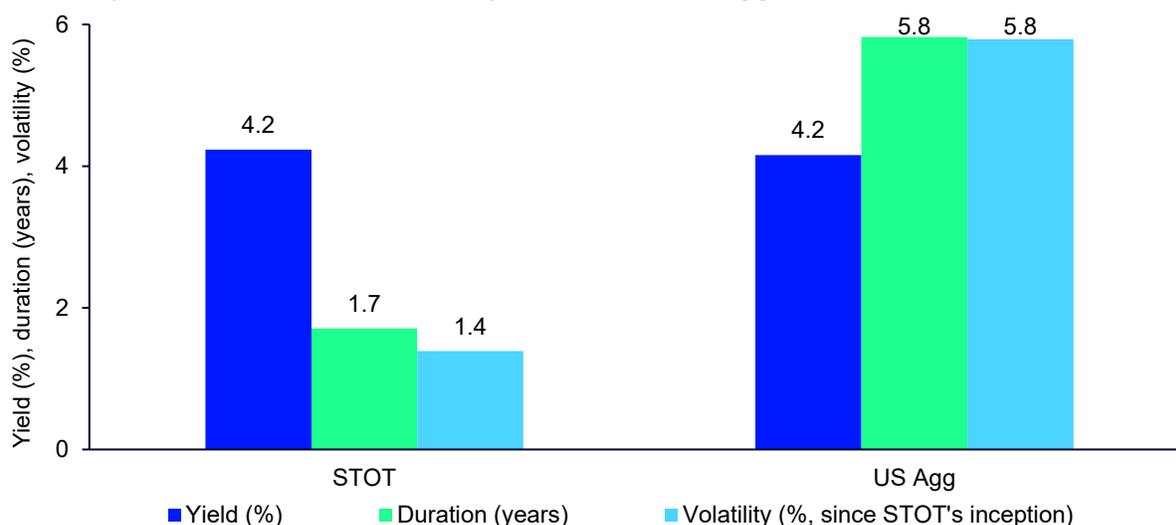
The [State Street® DoubleLine® Short Duration Total Return Tactical ETF \(STOT\)](#) is an actively managed short-duration strategy targeting high-quality income. It blends traditional rate-sensitive sectors with non-traditional credit exposures to enhance yield, while actively managing interest rate and credit risk.

Driven by DoubleLine's active management expertise and an expanded opportunity set, STOT has delivered a standout risk-adjusted income profile, ranking in the top 3rd percentile of peers² and generating income more efficiently than core bonds.

As shown below, STOT offers comparable yield to the US Agg, but with 76% lower volatility and less than one-third the duration,³ making it a compelling bond allocation in today's evolving market environment.

Chart of the week:

STOT's yield, duration, and volatility versus the US Agg



Source: State Street Investment Management, Morningstar, as of 2/28/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** US Agg = Bloomberg US Aggregate Bond Index. Yield = Yield-to-maturity. Duration = Modified adjusted duration. Volatility = Annualized standard deviation of total returns (NAV used for STOT) since STOT's inception (4/13/2016).

Standard Performance

Ticker	Name	QTD (%)	YTD (%)	Annualized					Inception Date	Gross Expense Ratio (%)
				1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception (%)		
STOT (NAV)	State Street® DoubleLine® Short Duration Total Return Tactical ETF	0.37	0.37	5.45	5.4	2.65	-	2.46	4/13/2016	0.45
STOT (MKT)	State Street® DoubleLine® Short Duration Total Return Tactical ETF	0.34	0.34	5.66	5.39	2.64	-	2.47	-	-

Source: State Street Investment Management, as of 12/31/2025. **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 for most recent month-end performance.** Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD. 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.

Footnotes

1 – Bloomberg Finance L.P., as of 3/5/2026. Fed funds futures moved from pricing 60 basis points of Federal Reserve rate cuts in 2026 on 2/27/2026, to just 40 basis points by 3/5/2026.

2 – Morningstar, as of 2/28/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** Based on yield-per-unit-of volatility. Yield = 12-month yield. Volatility = 3-year standard deviation of total NAV returns (annualized). Peer group defined as all US-domiciled ETFs and mutual funds in the Short-Term Bond Morningstar Category (oldest share class). Percentile ranks are scored from 1 to 100, where lower is better.

3 – State Street Investment Management, Morningstar, as of 2/28/2026. **The performance data quoted represents past performance. Past performance does not guarantee future results.** US Agg = Bloomberg US Aggregate Bond Index. Yield = Yield-to-maturity. Duration = Modified adjusted duration. Volatility = Annualized standard deviation of total returns (NAV used for STOT) since STOT's inception (4/13/2016).

Important Risk Information

For Investment Professional Use Only/For Qualified Investor Use Only

State Street Global Advisors (SSGA) is now State Street Investment Management. Please click [here](#) for more information.

Investing involves risk including the risk of loss of principal.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

The views expressed in this material are the views of the Americas ETF Research team through the period ending March 6, 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.

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 State Street Global Advisors 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.

Diversification does not ensure a profit or guarantee against loss.

Actively managed funds do not seek to replicate the performance of a specified index. An actively managed fund may underperform its benchmark. An investment in the fund is not appropriate for all investors and is not intended to be a complete investment program. Investing in the fund involves risks, including the risk that investors may receive little or no return on the investment or that investors may lose part or even all of the investment

Investments in **asset backed** and **mortgage backed securities** are subject to prepayment risk which can limit the potential for gain during a declining interest rate environment and increases the potential for loss in a rising interest rate environment.

Floating rate securities are often lower quality debt securities and may involve greater risk of price changes and greater risk of default on interest and principal payments. The market for floating rate bank loans is largely unregulated and these assets usually do not trade on an organized exchange. As a result, floating rate bank loans can be relatively illiquid and hard to value. Bank Loans are subject to credit, interest rate, income and prepayment risks. The fund may invest in secured and unsecured participations in bank loans. Participation loans are loans made by multiple lenders to a single borrower, e.g., several banks participate in one large loan with one of the banks taking the role of the lead bank. The lead bank recruits other banks to participate and share in the risks and profits. There is also the risk that the collateral may be difficult to liquidate or that a majority of the collateral may be illiquid. In participation the fund assumes the credit risk of the lender selling the participation in addition to the credit risk of the borrower.

Foreign (non-U.S.) Securities may be subject to greater political, economic, environmental, credit and information risks. Foreign securities may be subject to higher volatility than U.S. securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in **emerging markets**.

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.

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 information contained in this communication is not a research recommendation or 'investment research' and is classified as a 'Marketing Communication' in accordance with the applicable regional regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication is directed at professional clients (this includes eligible counterparties as defined by the "appropriate EU regulator") who are deemed both knowledgeable and experienced in matters relating to investments. The products and services to which this communication relates are only available to such persons and persons of any other description (including retail clients) should not rely on this communication.

No action has been taken or will be taken in Israel that would permit a public offering of the Securities or distribution of this sales brochure to the public in Israel. This sales brochure has not been approved by the Israel Securities Authority (the 'ISA').

Accordingly, the Securities shall only be sold in Israel to an investor of the type listed in the First Schedule to the Israeli Securities Law, 1978, which has confirmed in writing that it falls within one of the categories listed therein (accompanied by external confirmation where this is required under ISA guidelines), that it is aware of the implications of being considered such an investor and consents thereto, and further that the Securities are being purchased for its own account and not for the purpose of re-sale or distribution.

This sales brochure may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Nothing in this sales brochure should be considered investment advice or investment marketing as defined in the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 ("the Investment Advice Law"). Investors are encouraged to seek competent investment advice from a locally licensed investment advisor prior to making any investment. State Street is not licensed under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder.

This sales brochure does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Securities offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

United Kingdom: State Street Global Advisors Limited. Authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 2509928. VAT No. 5776591 81. Registered office: 20 Churchill Place, Canary Wharf, London, E14 5HJ. T: 020 3395 6000. F: 020 3395 6350.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

Intellectual Property Information: The S&P 500® Index is a product of S&P Dow Jones Indices LLC or its affiliates ("S&P DJI") and have

been licensed for use by State Street Global Advisors. S&P®, SPDR®, S&P 500®, US 500 and the 500 are trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and has been licensed for use by S&P Dow Jones Indices; and these trademarks have been licensed for use by S&P DJI and sublicensed for certain purposes by State Street Global Advisors. The fund is not sponsored, endorsed, sold or promoted by S&P DJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of these indices.

Distributor: State Street Global Advisors Funds Distributors, LLC, member [FINRA](#), [SIPC](#), an indirect wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

State Street Global Advisors Funds Distributors, LLC is the distributor for some registered products on behalf of the adviser. SSGA Funds Management, Inc. has retained DoubleLine Capital LP as the respective sub-adviser. State Street Global Advisors Funds Distributors, LLC is not affiliated with DoubleLine Capital LP.

Prospectuses for the State Street funds discussed are available [here](#). For non-electronic (i.e., print) delivery of this material where the link is not active, delivery of the prospectus for any fund discussed must accompany or precede this material. Before investing, consider the funds' investment objectives, risks, charges and expenses.

To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or visit www.statestreet.com/im. Read it carefully.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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

©2026 State Street Corporation. All Rights Reserved.

Expiration Date : 4/30/2026

AdTrax 1973422.405.1.GBL.INST