

# State Street Global Equity Fund

Product Profile  
**Systematic Equity  
Active (SEA)**

**March 2024**

At our core we're active managers. We believe that human behavioural biases and market frictions create inefficiencies in stock prices. Our team seeks to exploit these inefficiencies by scouring the globe for the best investment opportunities.

Our benchmark unaware approach embraces the breadth of the market, allowing us to form well-diversified, high conviction equity portfolios to meet investor objectives regarding risk and return.

## Product Objective

Many investors today want to grow their wealth through exposure to equity markets but also want to manage the risks associated with market drawdowns.

The State Street Global Equity Fund is aligned to these objectives and aims to deliver strong total returns whilst also managing total risk.

The Fund aims to:

- Deliver higher returns relative to the MSCI World ex Australia Index
- Reduce the impact of market volatility and drawdowns
- Actively manage currency exposure by adjusting the hedge ratio for each currency in the portfolio according to our medium to long term assessment of that currency's economic value relative to the Australian dollar

## Fund Facts\*

<b>Benchmark</b>	MSCI World ex-Australia Index
<b>Inception</b>	31 January 2014
<b>Management Costs</b>	0.85% p.a. (capped) No performance fee
<b>Buy/Sell Spread</b>	0.08%/0.06%
<b>Minimum Initial Investment</b>	AUD 25,000
<b>Pricing</b>	Daily <sup>1</sup>
<b>Distribution Frequency</b>	Annual
<b>APIR Code</b>	SST0050AU
<b>ARSN Code</b>	162 547 784

\*As of 28 February 2024.

## Investment Philosophy



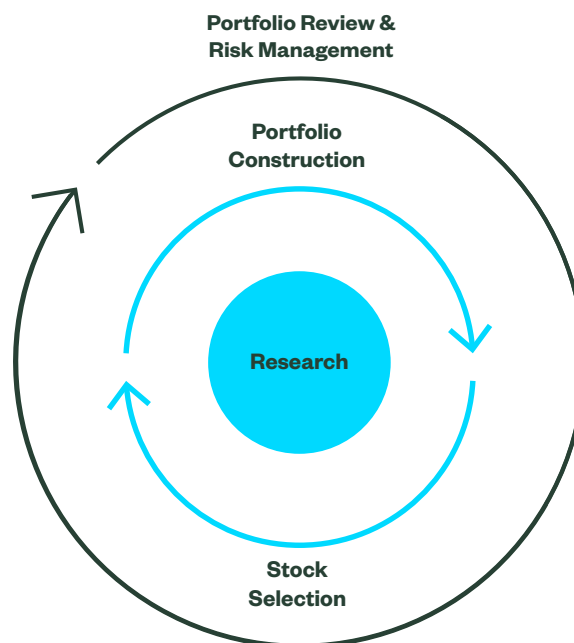
Source: State Street Global Advisors. The information contained above is for illustrative purposes only.

\* Based on State Street Global Advisors Systematic Equity Active Team's stock selection model.

<sup>^</sup> See glossary.

## Investment Process

The Fund utilises a systematic stock selection process, incorporating a range of security evaluation measures, to select a portfolio of stocks that aims to produce superior risk adjusted returns compared with the cap-weighted index.



<b>Research</b>	Innovation is critical to continual process improvement. We dedicate significant resources to finding and exploiting market inefficiencies.
<b>Stock Selection</b>	We forecast security returns by analysing company fundamentals and the actions of market participants — from both bottom-up and top-down perspectives.
<b>Portfolio Construction</b>	We balance return forecasts with expected risks and transaction costs to optimally reflect our investment insights in portfolio holdings.
<b>Portfolio Review &amp; Risk Management</b>	We regularly review the drivers of return and seek to take sufficient risk to achieve risk/return targets, without exposing investors to any unintended biases such as capitalisation, beta and style. Our funds have benefited from prudent risk limits at the security, sector and country levels.

Source: State Street Global Advisors. The information contained above is for illustrative purposes only.

**Dynamic Strategic Hedge Currency Overlay** In this global portfolio, we manage currency risk using State Street Global Advisors' Dynamic Strategic Hedging programme ("DSH"). Rather than choosing the Fund to be unhedged or fully hedged, we adjust the hedge ratio for each currency in the portfolio according to our medium to long term assessment of that currency's economic value relative to the Australian dollar.

## Portfolio Construction

We employ a portfolio construction technique that balances exposure to return opportunities whilst also managing risk and transaction costs. The result is a cost effective portfolio that aims to maximise expected returns, manage risk and is diversified across stocks and sectors.

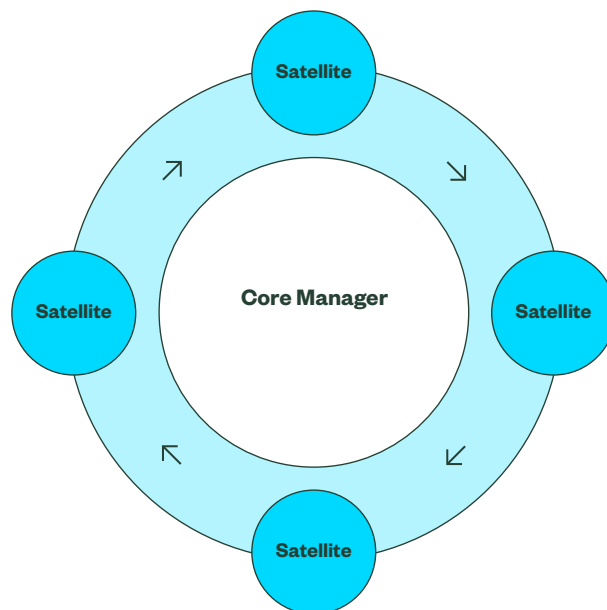
## Our State Street Global Equity Fund Offering

<b>Core Active Exposure</b>	A potential core equity exposure for investors as part of a fully diversified portfolio*.
<b>Benchmark Unaware, High Conviction</b>	The Fund explores the market's full opportunity set, constructing a high conviction, benchmark unaware portfolio that balances return and risk.
<b>Active Stock Selection</b>	Our stock selection approach employs three core themes: quality, value, and sentiment.
<b>Focus on Reducing Total Volatility</b>	Explicit focus on risk management at multiple stages in the investment process aims to help cushion the portfolio from market declines.
<b>Human Led, Research Tested</b>	Only our best investment ideas survive the rigorous research of our investment team.
<b>Currency Risk Management</b>	Our Dynamic Strategic Hedging programme ("DSH") adjusts the hedge ratio for each currency in the portfolio according to our medium to long term assessment of that currency's economic value relative to the Australian dollar.

## How Can the Fund Be Used?

The Fund is designed to support investors who seek long term capital growth, with a lower risk profile than the broader global equity market index. The Fund could be used as a core or satellite\* within various portfolio construction approaches:

- 1 The Fund's ability to invest anywhere in the MSCI World ex-Australia Index.
- 2 It is a benchmark-unaware Fund.
- 3 Its cost effective Global Equity exposure.



Source: State Street Global Advisors. The information contained above is for illustrative purposes only.

\* Please refer to the Target Market Determination available at [ssga.com/au](https://www.ssga.com/au).

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## Meet the Managers



### Alejandro E Gaba

Head of Quantitative Research



### Toby Warburton, CFA, Ph.D.

Head of Portfolio Management

Systematic Equity Active

Responsible for portfolio management, research and development globally.



### Bruce Apted

Head of Portfolio Management, Australia

Systematic Equity Active

Responsible for managing Australian equity portfolios and conducting research into the strategies.



### Chee Ooi

Senior Portfolio Manager

Responsible for managing global equity portfolios and conducting research.

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## Risk Management

All investments carry risk. It is important to understand that the level of returns will vary and future returns may differ from past returns. Investment returns are never guaranteed. Examples of certain risk factors that may influence the performance of the Fund include:

**Market Risk** is the risk that the value of the Fund's investment portfolio will fluctuate as a result of changes in market prices.

**Individual Company or Security Risk** is the risk that individual assets of the Fund may fluctuate in value due to specific circumstances.

**Investment Strategy Risk** is the risk that the Fund's investment strategy will fail to perform as expected in which case the Investment Manager's investment objective for the Fund may not be achieved.

**Currency Risk** the Fund's assets will be invested in foreign securities, and our approach of dynamic strategic hedging means there will not be a constant full hedge of currency risks. Currency movements relative to the Australian dollar can cause changes in the value of your investments. Currency losses are possible.

Please refer to the PDS for more potential risks linked to the Fund.

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## Contact

If our Managed Fund Sales team can assist please call +1300 382 689 or email [managedfunds@ssga.com](mailto:managedfunds@ssga.com).

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## Endnote

- 1 In unusual circumstances, we may calculate unit prices more than once on any business day, or less frequently as permitted by the Fund's constitution.

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## About State Street Global Advisors

Our clients are the world's governments, institutions and financial advisors. To help them achieve their financial goals we live our guiding principles each and every day:

- Start with rigor
- Build from breadth
- Invest as stewards
- Invent the future

For four decades, these principles have helped us be the quiet power in a tumultuous investing world. Helping millions of people secure their financial futures. This takes each of our employees in 29 offices around the world, and a firm-wide conviction that we can always do it better. As a result, we are the world's fourth-largest asset manager\* with US \$4.13 trillion<sup>†</sup> under our care.

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\* Pensions & Investments Research Center, as of December 31, 2022.

<sup>†</sup> This figure is presented as of December 31, 2023 and includes approximately \$64.44 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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### ssga.com

#### Glossary

**Drawdown** A drawdown is the decline, from the highest peak to the lowest trough, of an investment during a specific period.

**Sharpe Ratio** A measure of risk-adjusted return. It is calculated by dividing the fund's excess return above the risk-free rate by its standard deviation. The higher a fund's sharpe ratio the better its returns relative to the amount of overall investment risk it has taken.

**Tracking Error** Also known as active risk, tracking error is a standard deviation based metric which indicates how closely a portfolio follows the index to which it is benchmarked. A tracking error of x% means that two thirds of the time over a one year period a fund should be within +/- x% of the benchmark return.

**Volatility** A statistical measure of the fluctuations of a security's price. Generally high volatility can be an indication of higher risk.

**Issued by State Street Global Advisors, Australia Services Limited** (AFSL Number 274900, ABN 16 108 671 441) ("SSGA, ASL").

Registered office: Level 14, 420 George Street, Sydney, NSW 2000, Australia. T: 612 9240 7600. State Street Global Advisors, Australia, Limited (AFSL Number 238276, ABN 42 003 914 225) ("SSGA Australia") is the Investment Manager. References to the State Street Global Equity Fund ("the Fund") in this document are references to the managed investment scheme domiciled in Australia, promoted by SSGA Australia, in respect of which SSGA, ASL is the Responsible Entity.

This general information has been prepared without taking into account your individual objectives, financial situation or needs and you should consider whether it is appropriate for you. You should seek professional advice and consider the product disclosure statement, available at [ssga.com/au](https://ssga.com/au), before deciding whether to acquire or continue to hold units in the Funds. The Target Market Determination is also available at [ssga.com/au](https://ssga.com/au).

Investing involves risk including the risk of loss of principal. Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions. Investments in issuers in different countries are often denominated in different

currencies. Changes in the values of those currencies relative to the Fund's base currency may have a positive or negative effect on the values of the Portfolio's investments denominated in those currencies.

The Fund may, but will not necessarily, invest in currency exchange contracts or other currency-related transactions (including derivatives transactions) to reduce exposure to different currencies. These contracts may reduce, take or eliminate some or all of the benefit that the Fund may experience from favourable currency fluctuations. Actively managed funds do not seek to replicate the performance of a specified index. The fund is actively managed and may underperform its benchmarks. An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment programme. 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.

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Exp. Date: 31/03/2025