

# State Street IUT Global 4Good Enhanced Equity Fund

## Website disclosure for an Article 8 fund



### A. Summary

The State Street IUT Global 4 Good Enhanced Equity Fund ("**Fund**") is an active fund seeking to outperform the performance of the FTSE4Good Global Index ex selected securities ("**Index**"). The Index has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. The Index is designed to measure the performance of companies demonstrating specific ESG practices according to FTSE Russell ESG Ratings and excluding companies based on the FTSE4Good Index Series Ground Rules and certain business activities. The criteria include environmental, human rights, supply chain labour standards, countering bribery and climate change factors.

The Fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

The environmental and social characteristics promoted by the Fund is the Index designated by the Fund.

The investment objective of the Fund is to provide a return in excess of the performance of global developed equity markets.. The investment policy of the Fund is to outperform the Index (or any other index determined by the Directors from time to time to represent substantially the same market as the Index) over the medium and long term. Securities in the Fund are selected primarily from the constituents of the Index, while the Index provider applies the Environmental, Social and Governance (ESG) ratings and exclusion criteria on all of the Index constituents.

The Investment Manager employs a binding ESG methodology which aims to build a portfolio where at least 90% of the Fund's assets are invested in securities which are aligned with environmental and social characteristics promoted by the Fund. The remaining portion (<10%) of the portfolio, consisting of cash as well as cash equivalents, including financial derivative instruments employed for efficient portfolio management or hedging purposes, in place held at the Investment Manager's discretion, will not be aligned with the promoted environmental and social characteristics. To the extent that the Fund may use financial derivative instruments, these will not be used to attain the environmental or social characteristics promoted by the Fund.

The Fund does not commit to making sustainable investments within the meaning of the SFDR or the Taxonomy Regulation.

The proportion of the Fund's portfolio invested in securities included in the Index will constitute sustainability indicator used to measure the attainment of each of the environmental or social characteristics promoted by the Fund.

The link to the Index methodology which captures the environmental or social characteristics promoted by the Fund is made available in the Relevant Supplement and is included below.

The data sources used to attain the relevant environmental or social characteristics are detailed in the Index methodology.

There is a risk that the index provider may make errors, such as incorrect assessment of the screen criteria described in the Investment Policy and/or include incorrect/exclude correct constituents in the screening process. ESG data may be based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. Given the developing and innovative nature of data models, methodologies and assumptions and the inherent uncertainty in predicting forward-looking events, it cannot be guaranteed that the ESG data is always accurate or correct or that the ESG data will satisfy the aims or requirements of any specific client or investor. Furthermore, there may be data that cannot be sourced due to the lack of availability of data sources.

SSGA oversees external vendors, including index providers, in line with its third party risk management programme. SSGA engages with index providers regularly for service level reviews and also undertakes targeted reviews of index providers' processes, systems & systems controls, data, quality controls & IT security.

SSGA's engagement policies are not directly embedded into the Fund's investment strategy. However, SSGA's Asset Stewardship programme consolidates all voting and engagement activities across asset classes, irrespective of investment strategy or geographic region, including for the Fund.

The Fund has designated the Index for the purpose of attaining environmental and social characteristics promoted by the Fund.

The Index is reviewed and rebalanced semi-annually, with the changes implemented after the close of business on the third Friday of June and December. at which time the securities in the Index are reviewed by FTSE Russell using the index eligibility criteria.

For information on the methodologies used in the construction of the Index and further information on the exclusion criteria and data sources, please refer to FTSE Russell's index methodology description which can be found at the following link

[FTSE4Good Custom Developed Exclusions Index Ground Rules.pdf \(ftserussell.com\)](https://www.ftserussell.com/FTSE4GoodCustomDevelopedExclusionsIndexGroundRules.pdf)

**For further information and details please refer to the relevant sections below, the Prospectus and Relevant Supplement.**



## **B. No sustainable investment objective**

The Fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



### C. Environmental or social characteristics of the financial product

The State Street IUT Global 4 Good Enhanced Equity Fund is an active fund seeking to outperform the performance of the FTSE4Good Global Index ex selected securities ("Index"). The Index has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. The Index is designed to measure the performance of companies demonstrating specific ESG practices according to FTSE Russell ESG Ratings and excluding companies based on the FTSE4Good Index Series Ground Rules and certain business activities. The criteria include UNGC Principles relating to environmental, human rights, supply chain labour standards, countering bribery as well as companies associated with thermal coal extraction, oil and gas (including oil sands) production, tobacco and controversial weapons.



### D. Investment Strategy

The investment objective of the Fund is to provide a return in excess of the performance of global developed equity markets. The investment policy of the Fund is to outperform the Index (or any other index determined by the Directors from time to time to represent substantially the same market as the Index) over the medium and long term.

Securities in the Fund are selected primarily from the constituents of the Index. The Fund through its investments in the constituents of the Index applies the EU Paris-aligned Benchmark exclusions. The Index measures the performance of global developed equity securities demonstrating specific ESG practices as defined by FTSE Russell using FTSE ESG ratings and excluding companies based on the FTSE4Good Index Series Ground Rules and certain business activities.

The assessment of good governance practices is implemented through the ESG ratings and negative screening utilised by the Index. Companies are rated on the company's management of governance-related themes including tax transparency, risk management, corporate governance and anti-corruption as part of the FTSE ESG Ratings used in the Index construction. In addition, companies identified by FTSE Russell's Controversy Monitoring are excluded from the Index. The resulting companies included in the Index are therefore considered to exhibit good governance.



### E. Proportion of investments

The Investment Manager employs a binding ESG methodology which aims to build a portfolio where at least 90% of the Fund's assets are invested in securities which are aligned with environmental and social characteristics promoted by the Fund. The remaining portion (<10%) of the portfolio, consisting

of cash as well as cash equivalents, including financial derivative instruments employed for efficient portfolio management or hedging purposes, in place held at the Investment Manager's discretion, will not be aligned with the promoted environmental and social characteristics.

To the extent that the Fund may use financial derivative instruments, these will not be used to attain the environmental or social characteristics promoted by the Fund.

The Fund does not commit to making sustainable investments within the meaning of the SFDR or the Taxonomy Regulation.



## **F. Monitoring of environmental or social characteristics**

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Fund are the ESG ratings and exclusions produced by the Index provider and incorporated into the index construction methodology.

The Fund rebalances on a semi-annual basis, in line with the Index rebalancing frequency.



## **G. Methodologies**

The link to the Index methodology which captures the environmental or social characteristics promoted by the Fund is made available in the Relevant Supplement and in Section L below.



## **H. Data sources and processing**

The data sources used to attain the relevant environmental or social characteristics are detailed in the Index methodology.



## **I. Limitations to methodologies and data**

There is a risk that the index provider may make errors, such as incorrect assessment of the screen criteria described in the Investment Policy and/or include incorrect/exclude correct constituents in the screening process. ESG scoring and screening is subject to inherent methodological limits. Any assessment of ESG criteria by an Index is based on the data provided by third parties. Such

assessments are dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause incorrect assessment of a company's ESG performance. In particular there may be potential inconsistencies, inaccuracy or a lack of availability of required ESG data, particularly where this is issued by external data providers. These limitations may include but are not limited to issues relating to:

- missing or incomplete data from companies (for example, relating to their capacity to manage their Sustainability Risks) which have been used as input for any scoring model;
- the identification of relevant factors for the ESG analysis; and
- the quantity and quality of ESG data to be processed.

ESG data may be based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. To assess company involvement in different activities and to estimate revenue shares as accurately as possible, data providers strive to obtain information directly from companies and issuers. Sources of data include annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Given the developing and innovative nature of data models, methodologies and assumptions and the inherent uncertainty in predicting forward-looking events, it cannot be guaranteed that the ESG data is always accurate or correct or that the ESG data will satisfy the aims or requirements of any specific client or investor. Furthermore, there may be data that cannot be sourced due to the lack of availability of data sources.



## J. Due diligence

SSGA oversees external vendors, including index providers, in line with its third party risk management programme. SSGA engages with index providers regularly for service level reviews and also undertakes targeted reviews of index providers' processes, systems & systems controls, data, quality controls & IT security.

The investment objective of the Fund is to provide a return in excess of the performance of global developed equity markets. The investment policy of the Fund is to outperform the Index (or any other index determined by the Directors from time to time to represent substantially the same market as the Index) over the medium and long term.

. Securities in the Fund are selected primarily from the constituents of the Index.



## K. Engagement policies

**Is engagement part of the environmental or social investment strategy?**

☐ Yes

☒ No

While SSGA engagement policies are not directly embedded into the Fund's investment strategy, for SSGA the informed exercise of voting rights coupled with targeted and value-driven engagement is the most effective mechanism of creating value and managing Sustainability Risk for the investors. SSGA's Asset Stewardship programme consolidates all voting and engagement activities across asset classes, irrespective of investment strategy or geographic region. The engagement strategy is built on SSGA's ability to prioritise and allocate resources to companies and issues that have the greatest potential impact. SSGA's Asset Stewardship programme is underpinned by 3 separate pillars, that is, (i) providing information and guidance to investee companies on the development of ESG practices across key issues, (ii) engaging with portfolio companies to encourage transparent, accountable, high performing boards and companies, and (iii) by exercising voting rights in a manner that reflects long term investment objectives for the purpose of influencing the activity or behaviour of the issuers. To support this process, SSGA has developed proprietary in-house tools to help identify companies for active engagement based on various financial and ESG indicators.



## L. Reference benchmark

**Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the Fund?**

- ☒ Yes  
☐ No

The Fund is an active fund seeking to outperform the performance of the FTSE 4Good Global Index ex select securities Index. The Index has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. The Index is designed to measure the performance of companies demonstrating specific ESG practices as defined by FTSE Russell and excluding companies based on the FTSE4Good Index Series Ground Rules and certain business activities.

The Index is reviewed and rebalanced semi-annually, with the changes implemented after the close of business on the third Friday of June and December. at which time the securities in the Index are reviewed by FTSE Russell using the index eligibility criteria.

For information on the methodologies used in the construction of the Index and further information on the exclusion criteria and data sources, please refer to FTSE Russell's index methodology description which can be found at the following link

[FTSE4Good Custom Developed Exclusions Index Ground Rules.pdf \(ftserussell.com\)](https://www.ftserussell.com/FTSE4Good_Custom_Developed_Exclusions_Index_Ground_Rules.pdf)

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