

# SPDR® Smart Beta Dashboard

Insights  
Smart Beta

Q3 2020

- In Europe, SPDR is the second-largest Smart Beta ETF provider with \$5.27 billion in AUM and managing 25.4% of assets in dividend strategies<sup>1</sup>
- SPDR® is backed by the strength and access of the third-largest asset manager in the world, State Street Global Advisors, with \$2.7 trillion in AUM<sup>2</sup>

## Funds in Focus

**Dividend Stability** Smart Beta ETFs allow investors the opportunity, with a single trade, to introduce a factor exposure into their portfolio. In this challenging environment, we see factor investors beginning to position for the long term, when markets will resume trading on fundamentals. Flows in the last 12 months show that investors are using Quality and Dividend focused ETFs to stay long the market, but tilt the portfolio with strategies that have strong balance sheet exposure or provide a historically stable income stream.

The foundation of the Dividend Aristocrats stock selection methodology is a long-term dividend track record. For this reason, while the constituents of the Dividend Aristocrats strategies will not be immune from dividend cuts, it is as important as ever that investors recognise the value of dividend stability in the current market environment.

## Smart Beta Flows

Factor Category	European-listed Smart Beta Flows (€ Millions)				US-listed Smart Beta Flows (\$ Millions)			
	May 2020	Trailing 3 months	Year to Date	Last 12 months	May 2020	Trailing 3 months	Year to Date	Last 12 months
Dividend	-164	-48	57	1,939	-1,355	-3,321	-240	19,441
Low Volatility	-65	-723	53	-27	-588	-5,804	-3,600	8,373
Momentum	-158	-553	129	-33	-120	-1,549	-1,035	-1,131
Multifactor	-227	-517	-1,565	-1,497	-296	-2,921	-1,957	126
Quality	140	80	209	-207	1,330	3,285	4,813	10,947
Size	-187	68	242	358	-79	-3,494	-4,207	-3,419
Value	-215	-1,388	-1,775	265	-405	673	267	2,420
<b>Total</b>	<b>-875</b>	<b>-3,081</b>	<b>-2,651</b>	<b>798</b>	<b>-1,513</b>	<b>-13,131</b>	<b>-5,959</b>	<b>36,757</b>

■ Two highest flow figures in their respective column.

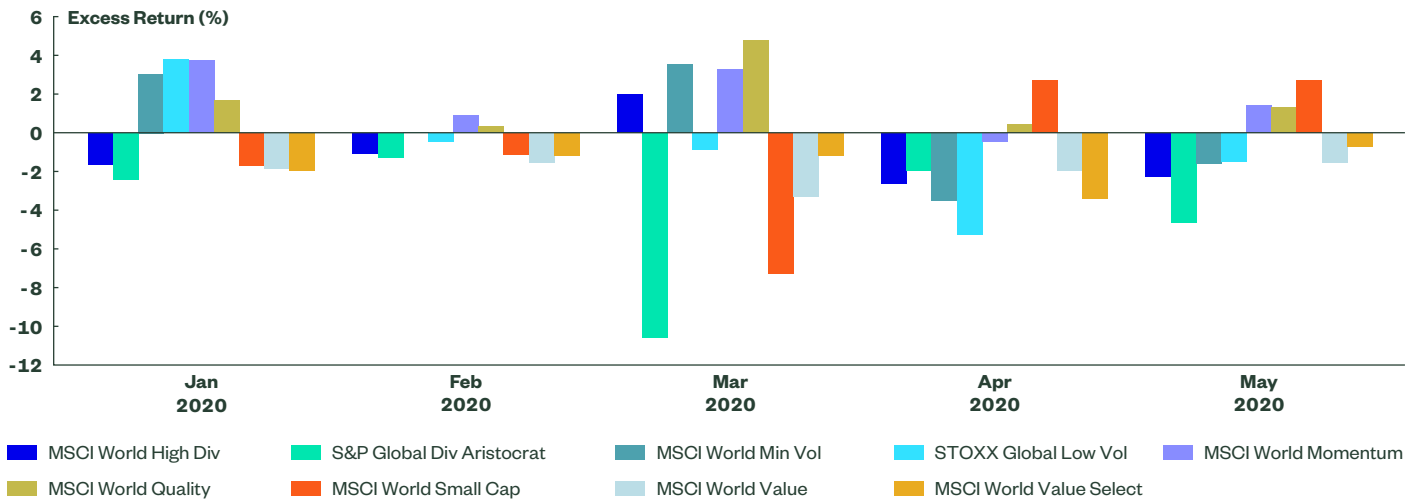
■ Two lowest flow figures in their respective column.

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 31 May 2020. Flows are as of date indicated and shouldn't be relied thereafter.

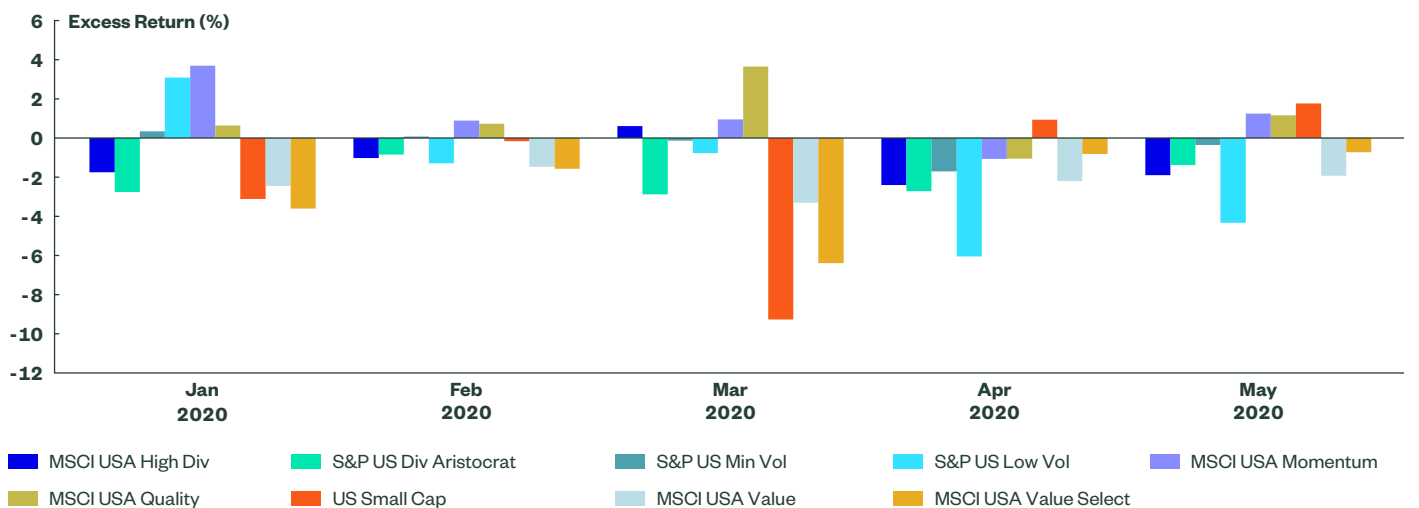
## Factor Performance

Most factor indices have underperformed the market cap weighted benchmarks in 2020, as investors would have benefited from broad-based diversification during this particular market pullback.

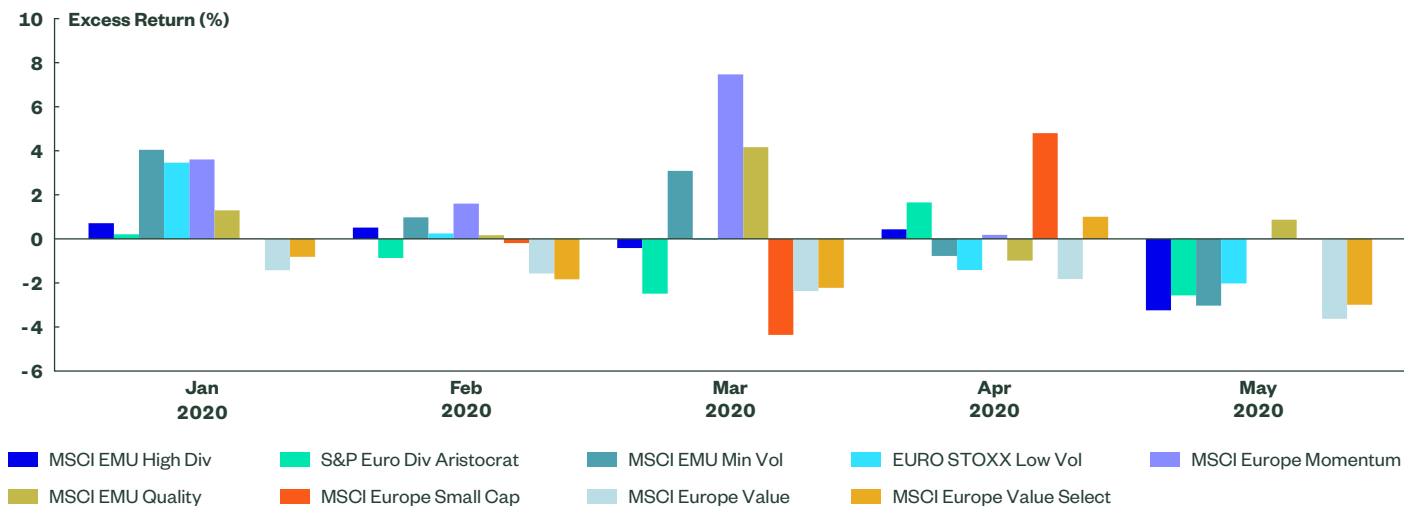
### Relative Performance vs. MSCI ACWI Index



### Relative Performance vs. S&P 500 Index



### Relative Performance vs. EURO STOXX Index



Source: State Street Global Advisors, Bloomberg Finance L.P., as of 29 May 2020. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

## Fundamental Factor Metrics

	Price-to-Earnings	Price-to-Book	EV-to-EBITDA	ROE	Dividend Yield
<b>World Factors</b>					
MSCI ACWI Index	20.93	2.13	12.78	9.52	2.38
MSCI World Index	22.17	2.29	13.30	7.35	2.33
MSCI World High Div	15.09	1.98	10.31	12.61	4.31
S&P Global Div Aristocrat	16.25	1.01	10.09	7.91	5.79
MSCI World Min Vol	20.73	2.21	8.61	8.98	2.87
STOXX Global Low Vol	28.68	2.49	11.69	6.66	2.41
MSCI World Momentum	25.69	5.08	15.70	21.17	1.35
MSCI World Quality	23.41	6.45	15.61	31.80	1.74
MSCI World Small Cap	32.60	0.97	15.03	18.39	1.92
MSCI World Value	16.89	1.36	10.05	5.57	3.70
<b>USA Factors</b>					
S&P 500 Index	24.36	3.34	15.09	14.43	1.94
MSCI USA Index	24.61	3.39	15.31	14.31	1.90
S&P US Div Aristocrat	18.86	2.04	12.08	8.08	3.55
S&P US Min Vol	22.82	3.15	13.86	13.99	2.33
S&P US Low Vol	20.69	3.84	13.64	18.77	2.08
MSCI USA Momentum	26.16	6.94	16.75	27.01	1.09
MSCI USA Quality	23.70	7.82	16.28	37.01	1.65
US Small Cap	77.71	1.80	17.13	238.98	1.20
MSCI USA Value	18.76	1.95	11.80	9.72	3.26
<b>Euro Factors</b>					
EURO STOXX Index	20.40	1.37	10.56	5.31	3.03
MSCI Europe Index	19.52	1.55	10.51	4.04	3.30
S&P Euro Div Aristocrat	16.90	1.38	9.44	8.63	4.56
MSCI EMU Min Vol	19.72	1.76	11.30	9.52	3.48
EURO STOXX Low Vol	18.02	1.40	11.25	8.62	4.08
MSCI Europe Momentum	24.63	3.37	15.22	12.65	2.27
MSCI Europe Small Cap	24.36	0.48	16.40	3.73	2.62
MSCI Europe Value	15.08	0.91	7.53	3.47	4.83

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 29 May 2020.

## Factor Correlations

### Factor Correlation Coefficients (Trailing 1 Year)

World Factors		Correlation Coefficient	USA Factors		Correlation Coefficient	Europe Factors		Correlation Coefficient
Index	Small Cap	0.99	Index	Quality	0.99	Index	High Div	0.99
Index	Value	0.99	Index	Min Vol	0.99	Index	Quality	0.98
Index	Quality	0.98	Index	Value	0.98	Index	Value Select	0.98
Index	High Div	0.98	Index	High Div	0.98	Index	Div Aristocrat	0.98
Index	Value Select	0.97	Index	Div Aristocrat	0.98	Index	Min Vol	0.98
Index	Momentum	0.96	Index	Small Cap	0.97	Index	Small Cap	0.97
Index	Div Aristocrat	0.95	Index	Value Select	0.97	Index	Value	0.97
Index	Min Vol	0.94	Index	Momentum	0.96	Index	Momentum	0.97
Index	Low Vol	0.90	Index	Low Vol	0.90	Index	Low Vol	0.96

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 31 May 2020.

## Factor Pairs Correlation Coefficient of Excess Returns (Trailing 1 Year)

World Factors		Correlation Coefficient	USA Factors		Correlation Coefficient	Europe Factors		Correlation Coefficient
Min Vol	Low Vol	0.85	Div Aristocrat	Value	0.90	Min Vol	Low Vol	0.87
Div Aristocrat	Value	0.85	Value	Value Select	0.89	Value	Value Select	0.85
Min Vol	Momentum	0.78	Min Vol	Low Vol	0.82	Momentum	Quality	0.82
Value	Value Select	0.77	Small Cap	Value Select	0.82	High Div	Min Vol	0.67
Momentum	Quality	0.71	Div Aristocrat	Value Select	0.74	Min Vol	Momentum	0.63
Div Aristocrat	Small Cap	0.57	High Div	Div Aristocrat	0.58	Small Cap	Value Select	0.62
Low Vol	Momentum	0.57	High Div	Low Vol	0.54	Div Aristocrat	Value Select	0.59
Min Vol	Quality	0.56	Small Cap	Value	0.53	High Div	Low Vol	0.58
High Div	Value Select	0.52	Min Vol	Momentum	0.51	Div Aristocrat	Small Cap	0.56
High Div	Min Vol	0.49	High Div	Min Vol	0.49	High Div	Div Aristocrat	0.52
Div Aristocrat	Value Select	0.49	Low Vol	Momentum	0.48	Div Aristocrat	Value	0.47
Small Cap	Value	0.41	High Div	Value	0.45	Low Vol	Momentum	0.46
High Div	Low Vol	0.29	Div Aristocrat	Small Cap	0.40	High Div	Value	0.38
High Div	Quality	0.29	Momentum	Quality	0.37	High Div	Value Select	0.31
High Div	Value	0.21	Div Aristocrat	Low Vol	0.19	Small Cap	Value	0.28
Low Vol	Quality	0.13	Min Vol	Quality	0.15	Div Aristocrat	Low Vol	0.21
Div Aristocrat	Low Vol	0.02	Low Vol	Quality	0.14	Min Vol	Quality	0.19
Low Vol	Value	0.01	High Div	Quality	0.14	Low Vol	Quality	0.08
Small Cap	Value Select	0.00	Div Aristocrat	Min Vol	0.14	High Div	Momentum	0.04
Low Vol	Value Select	0.00	Low Vol	Value	0.07	Div Aristocrat	Min Vol	0.01
High Div	Momentum	-0.03	High Div	Value Select	0.07	High Div	Small Cap	-0.03
High Div	Div Aristocrat	-0.09	Min Vol	Value	0.01	Low Vol	Value	-0.03
Min Vol	Value Select	-0.21	High Div	Momentum	-0.26	Low Vol	Small Cap	-0.11
Quality	Value Select	-0.35	Low Vol	Value Select	-0.31	Low Vol	Value Select	-0.14
Low Vol	Small Cap	-0.35	Min Vol	Value Select	-0.33	Min Vol	Value	-0.15
Min Vol	Value	-0.36	Div Aristocrat	Quality	-0.36	Min Vol	Value Select	-0.21
Div Aristocrat	Min Vol	-0.42	Min Vol	Small Cap	-0.40	Div Aristocrat	Momentum	-0.30
Momentum	Small Cap	-0.50	Momentum	Small Cap	-0.44	Min Vol	Small Cap	-0.31
Momentum	Value Select	-0.64	High Div	Small Cap	-0.44	Momentum	Value	-0.41
Div Aristocrat	Momentum	-0.69	Low Vol	Small Cap	-0.51	High Div	Quality	-0.44
Quality	Small Cap	-0.72	Quality	Value	-0.52	Quality	Value	-0.47
Min Vol	Small Cap	-0.72	Div Aristocrat	Momentum	-0.60	Momentum	Value Select	-0.51
High Div	Small Cap	-0.73	Momentum	Value	-0.69	Div Aristocrat	Quality	-0.54
Quality	Value	-0.75	Quality	Value Select	-0.69	Momentum	Small Cap	-0.54
Momentum	Value	-0.75	Quality	Small Cap	-0.72	Quality	Value Select	-0.55
Div Aristocrat	Quality	-0.94	Momentum	Value Select	-0.73	Quality	Small Cap	-0.59

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 31 May 2020. Past performance is not a reliable indicator of future performance.

## Product List SPDR® ETF Smart Beta Range

Range	ETF	ISIN	AUM (\$mn)	TER	Primary Ticker (Xetra)	LSE (£)	LSE (€)	LSE (\$)	SIX (CHF)	Borsa Italiana (€)	Euronext (€)
Quality Dividend	SPDR S&P US Dividend Aristocrats UCITS ETF*	IE00B6YX5D40	2,432	0.35	SPYD	USDV		UDVD	USDV	USDV	
	SPDR S&P Euro Dividend Aristocrats UCITS ETF	IE00B5M1WJ87	1,409	0.30	SPYW	EUDV	EUDI		EUDV	EUDV	EUDV
	SPDR S&P Global Dividend Aristocrats UCITS ETF	IE00B9CQXS71	473	0.45	ZPRG	GBDV		GLDV	GLDV	GLDV	
	SPDR S&P Pan Asia Dividend Aristocrats UCITS ETF	IE00B9KNR336	194	0.55	ZPRA	PADV		ASDV	PADV	PADV	
	SPDR S&P UK Dividend Aristocrats UCITS ETF	IE00B6S2Z822	122	0.30	SPYG	UKDV			UKDV		
	SPDR S&P Emerging Markets Dividend Aristocrats UCITS ETF	IE00B6YX5B26	99	0.55	SPYV	EMDV		EDVD	EMDV	EMDV	
Low Volatility	SPDR S&P 500 Low Volatility UCITS ETF	IE00B802KR88	300	0.35	SPY1	USLV	ELOW	LOWV	ELOW	LOWV	LOWV
	SPDR EURO STOXX Low Volatility UCITS ETF	IE00BFTWP510	111	0.30	ZPRL				LOWV	ELOW	ELOW
Value	SPDR MSCI USA Small Cap Value Weighted UCITS ETF	IE00BSPLC413	32	0.30	ZPRV			USSC			
	SPDR MSCI Europe Value UCITS ETF	IE00BSPLC306	3	0.20	ZPRW	EVAL			EVAL		

Source: State Street Global Advisors, as of 31 May 2020.

\* Unhedged share class. The fund is also available in a EUR-hedged share class, from 17 June 2019. The SPDR S&P U.S. Dividend Aristocrats EUR Hdg UCITS ETF is listed on Xetra under the ticker SPPD GY and on the SIX under USDE SE (ISIN IE00B979GK47).

## Standard Performance

Range	Name	1 Mth	3 Mth	6 Mth	YTD	1 Yr	3 Yr	5 Yr	Since Inception	Inception Date
Quality Dividend	SPDR S&P US Dividend Aristocrats UCITS ETF*	3.32	-3.61	-13.17	-14.88	-2.75	3.88	6.66	10.48	14/10/2011
	S&P High Yield Dividend Aristocrats Index	3.29	-3.75	-13.34	-15.05	-2.95	3.79	6.61	10.42	
	<b>Difference</b>	<b>0.03</b>	<b>0.14</b>	<b>0.17</b>	<b>0.17</b>	<b>0.20</b>	<b>0.09</b>	<b>0.05</b>	<b>0.06</b>	
	SPDR S&P Euro Dividend Aristocrats UCITS ETF	2.72	-10.12	-18.27	-19.27	-10.67	-3.83	1.12	6.71	28/02/2012
	S&P Euro High Yield Dividend Aristocrats Index	2.64	-10.48	-18.58	-19.54	-11.06	-4.25	0.78	6.36	
	<b>Difference</b>	<b>0.08</b>	<b>0.36</b>	<b>0.31</b>	<b>0.27</b>	<b>0.39</b>	<b>0.42</b>	<b>0.34</b>	<b>0.35</b>	
	SPDR S&P Global Dividend Aristocrats UCITS ETF	-0.16	-17.42	-23.37	-26.48	-15.96	-4.31	-0.89	1.53	15/05/2013
	S&P Global Dividend Aristocrats Quality Income Index**	-0.28	-17.68	-23.49	-26.61	-16.17	-4.33	-0.85	1.62	
	<b>Difference</b>	<b>0.12</b>	<b>0.26</b>	<b>0.12</b>	<b>0.13</b>	<b>0.21</b>	<b>0.02</b>	<b>-0.04</b>	<b>-0.09</b>	
	SPDR S&P Pan Asia Dividend Aristocrats UCITS ETF	-0.71	-9.31	-13.76	-17.57	-7.00	1.05	1.93	2.88	15/05/2013
S&P Pan Asia Dividend Aristocrats Index	-0.70	-9.26	-13.54	-17.42	-6.50	1.62	2.49	3.42		
<b>Difference</b>	<b>-0.01</b>	<b>-0.05</b>	<b>-0.22</b>	<b>-0.15</b>	<b>-0.50</b>	<b>-0.57</b>	<b>-0.56</b>	<b>-0.54</b>		
SPDR S&P UK Dividend Aristocrats UCITS ETF	2.75	-10.30	-14.90	-19.85	-2.55	-5.58	-1.25	4.09	28/02/2012	
S&P UK High Yield Dividend Aristocrats Index	2.60	-10.45	-14.96	-19.95	-2.23	-5.16	-0.79	4.55		
<b>Difference</b>	<b>0.15</b>	<b>0.15</b>	<b>0.06</b>	<b>0.10</b>	<b>-0.32</b>	<b>-0.42</b>	<b>-0.46</b>	<b>-0.46</b>		

## Standard Performance (Cont'd)

Range	Name	1 Mth	3 Mth	6 Mth	YTD	1 Yr	3 Yr	5 Yr	Since Inception	Inception Date
Quality Dividend (Cont.)	SPDR S&P Emerging Markets Dividend Aristocrats UCITS ETF	-0.66	-11.30	-19.95	-24.04	-19.20	-3.19	-2.86	-3.27	14/10/2011
	S&P Emerging Markets High Yield Dividend Aristocrats Index***	-0.67	-11.20	-19.79	-23.91	-18.63	-2.21	-1.71	-2.23	
	<b>Difference</b>	<b>0.01</b>	<b>-0.10</b>	<b>-0.16</b>	<b>-0.13</b>	<b>-0.57</b>	<b>-0.98</b>	<b>-1.15</b>	<b>-1.04</b>	
Low Volatility	SPDR S&P 500 Low Volatility UCITS ETF	0.30	-7.10	-12.04	-13.48	-4.15	5.43	7.81	9.66	03/10/2012
	S&P 500 Low Volatility Index	0.31	-7.12	-12.04	-13.49	-4.12	5.47	7.85	9.69	
	<b>Difference</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.00</b>	<b>0.01</b>	<b>-0.03</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.03</b>	
	SPDR EURO STOXX Low Volatility UCITS ETF	3.25	-9.76	-15.08	-15.13	-7.32	-1.48	2.10	6.07	24/03/2014
	EUROSTOXX Low Risk Weighted 100 Index	3.18	-9.92	-15.23	-15.28	-7.55	-1.77	1.88	5.83	
<b>Difference</b>	<b>0.07</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>0.23</b>	<b>0.29</b>	<b>0.22</b>	<b>0.24</b>		
Value	SPDR MSCI USA Value UCITS ETF	3.99	-5.41	-15.41	-17.85	0.39	1.35	3.74	3.65	18/02/2015
	MSCI USA Value Exposure Select Index****	3.96	-5.56	-15.62	-18.06	0.12	1.18	3.61	3.52	
	<b>Difference</b>	<b>0.03</b>	<b>0.15</b>	<b>0.21</b>	<b>0.21</b>	<b>0.27</b>	<b>0.17</b>	<b>0.13</b>	<b>0.13</b>	
	SPDR MSCI Europe Value UCITS ETF	2.23	-10.92	-19.42	-21.57	-8.82	-5.37	-2.81	-1.62	18/02/2015
	MSCI Europe Value Exposure Select Index*****	2.21	-11.10	-19.61	-21.78	-8.89	-5.59	-3.03	-1.86	
<b>Difference</b>	<b>0.02</b>	<b>0.18</b>	<b>0.19</b>	<b>0.21</b>	<b>0.07</b>	<b>0.22</b>	<b>0.22</b>	<b>0.24</b>		

Source: State Street Global Advisors, as of 31 May 2020. **Performance is net of all fees. Performance quoted represents past performance, which is no guarantee of 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. The performance data do not take account of the commissions and costs incurred on the issue and redemption, or purchases and sale, of units. Visit [ssga.com](http://ssga.com) for most recent month-end performance.** Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Performance returns for periods of less than one year are not annualised. **Some of the products are not available to investors in certain jurisdictions. Please contact your relationship manager in regards to availability.**

\* Returns are for the unhedged share class. The fund is also available in a EUR-hedged share class (launched on 17 June 2019).

\*\* Index returns reflect the S&P Global Dividend Aristocrats Index prior to 31 January 2020, when the fund changed to tracking current benchmark.

\*\*\* Index returns reflect the S&P Emerging Markets Dividend Opportunities Index prior to 7 February 2020, when the fund changed to tracking current benchmark.

\*\*\*\* Index returns reflect the MSCI USA Value Weighted Index prior to 11 July 2018, when the fund changed to tracking current benchmark.

\*\*\*\*\* Index returns reflect the MSCI Europe Value Weighted Index prior to 11 July 2018, when the fund changed to tracking current benchmark.

## Contributors

**Ryan Reardon**  
Senior Smart Beta Strategist

## Endnotes

- 1 Source: State Street Global Advisors, Bloomberg Finance, L.P. as of 29 May 2020.
- 2 Source: State Street Corporation as of 31 March 2020.

For more information, please contact your local SPDR representative, or visit our website: [ssga.com](http://ssga.com)  
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The momentum style of investing that emphasises investing in securities that have had higher recent price performance compared to other securities, which is subject to the risk that these securities may be more volatile and can turn quickly and

cause significant variation from other types of investments.

A "quality" style of investing emphasises companies with high returns, stable earnings, and low financial leverage. This style of investing is subject to the risk that the past performance of these companies does not continue or that the returns on "quality" equity securities are less than returns on other styles of investing or the overall stock market.

The value style of investing that emphasises undervalued companies with characteristics for improved valuations, which may never improve and may actually have lower returns than other styles of investing or the overall stock market.

Low volatility funds/stocks can exhibit relative low volatility and excess returns compared to the Index over the long-term; both portfolio investments and returns may differ from those of the Index. The fund may not experience lower volatility or provide returns in excess of the Index and may provide lower returns in periods of a rapidly rising market. Active stock selection may lead to added risk in exchange for the potential outperformance relative to the Index.

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ID246303-2719356.11.EMEA.INST 0720  
Exp. Date: 31/10/2020