

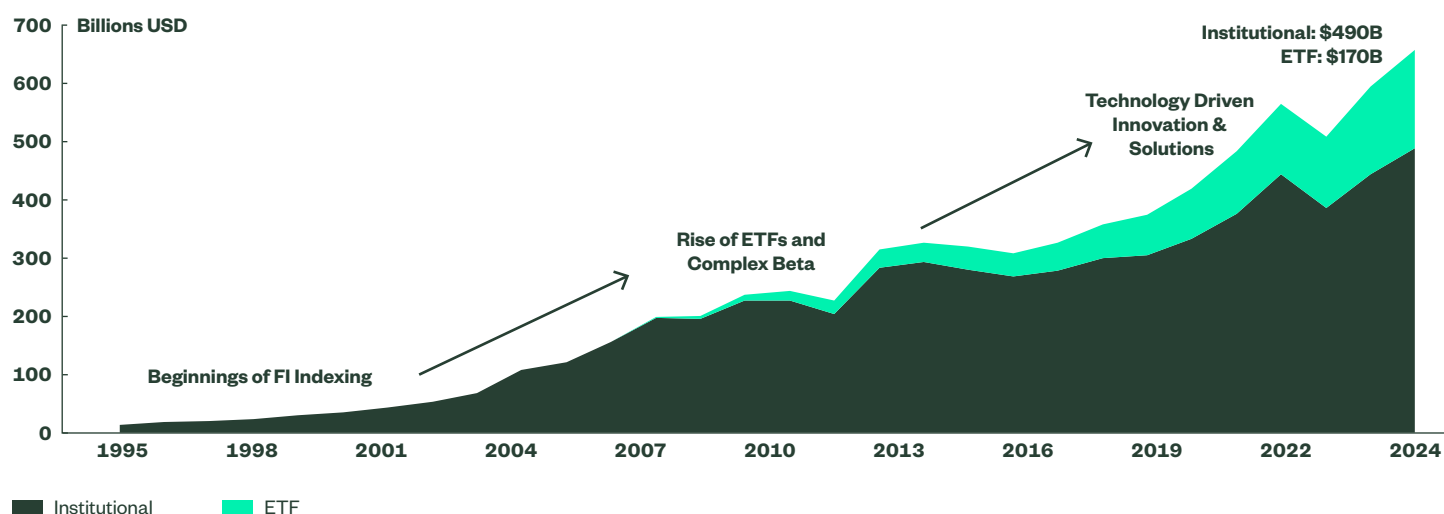
Indexed Leveraged Loans Capabilities

Deep Expertise in
Complex Beta

State Street is a pioneer in providing precise, transparent, and cost-effective index exposures in complex fixed income sectors. For more than two decades, we have refined and enhanced our ability to deliver reliable, efficient access to areas including investment grade credit, high yield bonds, and emerging market debt. We have focused on helping clients realize the possibilities presented by the modernization of the bond markets, in which the broad adoption of electronic trading has driven major improvements in transparency and efficiency.

Today State Street Global Advisors manages approximately \$40 billion in high yield and \$40 billion in emerging market debt. Investors capitalize on our investment strategies' relatively high liquidity and low costs, often using them to complement increasingly specialized active and private credit allocations or to replace traditional sources of fixed income alpha.

Harnessing the modernization of the bond markets, we have developed new techniques for providing similarly precise, transparent, and cost-effective exposure to the leveraged loans market — a valuable but historically hard-to-index segment. Until recently, it was challenging to gain efficient exposure to the asset class — but innovative approaches to indexing have enabled State Street Global Advisors to make the most of developments in market structures and technology, empowering us to create solutions that help clients capture more of the opportunity in leveraged loans.



| 1990s | 2000s | 2010s | 2020s |
|--------------------------------------|-------------------------------------|---------------------------------|-----------------------------------|
| US Aggregate Index Strategy | US High Yield Index Strategy | Emerging Markets Index Strategy | Enhanced High Yield Bond Strategy |
| US Aggregate Index Sub-Components | Launched ETF Business | Factor-Driven Strategies | Global High Yield Bond Strategy |
| World Government Bond Index Strategy | Socially Responsible Index Strategy | Climate Corporate Bond Strategy | Bloomberg SASB IG & HY ETFs |
| | Pan-Asia Index Strategy | Global Aggregate Bond Strategy | Systematic Active Fixed Income |
| | LDI-Focused Fixed Income Funds | | Bank Loan Index Strategy |

Source: State Street Global Advisors. As of December 31, 2024. 1995–2001 data includes active fixed income. AUM excludes custom solutions AUM from 2009–2012 (US Treasury TARP Assets).

Our Approach

We seek to provide investors with reliable, cost-effective leveraged loans market exposure. To that end, we employ a sampling approach that seeks to efficiently align the portfolio with the benchmark along key risk dimensions including credit quality, industry, sector, and spread.

Our portfolio managers and traders use a stratified sampling approach to construct the portfolio. It enables them to provide efficient representation of index beta while minimizing transaction costs, which can be high in the loans market.

Liquidity historically has been an impediment to indexing leveraged loans. Settlement cycles in loans tend to be measured in weeks rather than days. Our solution includes focusing on broadly syndicated loans (those with tranches larger than \$500 million). These loans' larger size and high level of ownership by collateralized loan obligations support relatively high liquidity. To further mitigate liquidity challenges and contain transaction costs, our portfolio construction process is oriented toward recent new issues, which typically offer greater liquidity than off-the-run issues. In addition, the scale of our fixed income business often positions us to access dealers' short-settlement programs. To prevent mismatches between the strategies' liquidity and its exposures, we provide investors with liquidity monthly rather than on a daily basis. This approach enables our portfolio managers to manage for liquidity around dealing dates and to realign the portfolio as needed, while helping ensure a reasonably tight tracking-error range relative to the benchmark.

State Street is one of the largest managers of indexed fixed income assets in the world. Our scale, experience, and trading insights enable us to reduce transaction costs for our client portfolios. Our fixed income trading team has been at the forefront of the electronic trading revolution, including the development of platform and trading protocols, and has integrated these capabilities into our execution techniques. We pass along realized cost efficiencies directly to our clients across all our portfolios, including our loans strategy.

\$660B+ Indexed FI AUM 100+ Strategy Building Blocks

| Sovereigns \$299B | Multi-Sector \$166B | IG Corp \$95B | High Yield \$44B | EMD \$41B | Securitized \$15B | Sustainable \$147B |
|-----------------------|--|---------------------------------------|---------------------|---------------------|----------------------------|----------------------------------|
| Global Governments | Global Aggregate | Global Credit | Global HY | EM Local Currency | Mortgage Backed | ESG-Screened |
| US Treasuries, STRIPS | US, Euro, Sterling, Aggregate | US, Euro, Sterling Credit | US, Euro HY | EM Hard Currency | Asset Backed | Climate |
| Euro Governments | Asia Bond | US High Quality Corporate | Short HY | EM Corporate | Commercial Mortgage Backed | R-Factor |
| UK Gilts | Short, Intermediate, Long Duration Agg | US Long Duration Credit | Preferreds | EM Inflation | | Values-Based/ Client-Specific |
| Inflation Linked | LDI | Systematic Active Fixed Income (SAFI) | Convertibles | Enhanced EM (Local) | | |
| China Bond | | Municipals | Leveraged Loans | | | |
| | | | Enhanced High Yield | | | |
| New (since 2023) | | | | | | |

Source: State Street Global Advisors as of December 31, 2024. Sustainable assets not included in total AUM count.

Indexed Leveraged Loans Use Cases

Diversification: Leveraged loans historically have demonstrated low correlations to both equity and fixed income returns over market cycles.

Income: Leveraged loan returns are driven by high income. They offer high spreads, due to their relatively low quality, with a degree of cushion provided by their position at the top of the capital structure.

Liquidity: A well-designed indexed loans strategy typically holds relatively large, more liquid loans. As a result, it can offer investors reasonable liquidity compared to actively managed loans strategies and private credit, which often invest in smaller, more thinly traded loans.

Complementary to Private Assets: A well designed indexed loans strategy can complement less-liquid private credit allocations. An indexed strategy typically holds larger, more liquid loans, whereas private credit often invests in smaller, more thinly traded loans.

Investment Options

Our initial strategy, launched in April 2024, is managed to a custom index of equal-weighted BB/B-rated loans with a minimum of \$500 million outstanding.

We have the ability to design custom loan benchmarks to support clients’ specific investment objectives and constraints, such as liquidity, quality, and loans accessibility.

| | Custom BB/B Equal Weight 500M+ | Broadly Syndicated Loan (BSL) 500M+ Universe | Broad Loans Universe | Multi-Sector |
|----------------------------|--|---|---|--|
| Objective | Track the performance of an equal-weight BB/B Senior Loan benchmark. | Track the performance of a custom index mirroring market credit ratings in loans \$500M+ (broadly syndicated loans) | Track performance of broad loans universe | Certain client constraints may best be served by combining sectors such as high yield and loans. |
| Performance Benchmark | Custom Morningstar LSTA US Lev Loan B/BB Equal Weight Index | Custom Morningstar LSTA US Lev Loan 500M+ Index | Morningstar LSTA US Lev Loan Index | |
| Tracking Error Expectation | 20–40 bps | 25–50 bps | 50–80 bps | |
| Notes | Highest quality beta (50% BB) | 70/25/5 B/BB/CCC (below) | Increased tracking due to <\$500M | |

**Chief Investment Officer
Matthew Steinaway, CFA**



\$1.3T Assets Under Management

140 Investment Professionals

19 Years Average Experience

9 Years Average Tenure

10 Investment Centers



13 Fixed Income Strategists & Specialists

13 Investment & Liquidity Risk¹

14 ESG Professionals & Asset Stewardship¹

20 Credit & Loans Research Analysts

8 Quant Research Analysts¹

49 Investment Professionals

17 Years Average Experience

Stephen Yeats, CFA
Global Head of
Fixed Income Beta Solutions

- Indexing
- Enhanced Indexing
- Systematic
- Liability Driven Investment
- Buy & Maintain

26 Investment Professionals

22 Years Average Experience

Matthew Nest, CFA
Global Head of
Active Fixed Income

Active Rates and Credit
Multi-Sector Fixed Income
Ultra-Short
Structured Credit
Currency Solutions

15 Investment Professionals

22 Years Average Experience

Pia McCusker
Global Head of Cash Management

- Sovereign Rates
- Secured/Structured Credit
- Traditional/Non-Traditional Repo
- Securities Lending
- Enhanced Cash

16 Investment Professionals

19 Years Average Experience

Maile Robichaud
Head of FI Trading Boston

Sharon Ruffles
Head of FI Trading London

\$1.03T traded in 2024
24 hr Trading
4 Trading Hubs

As of December 31, 2024.

* Fixed Income, Cash, and Currency. ¹ Cross asset-class team/team member — not included in total count. CFA® is a trademark of the CFA Institute.

About State Street Global Advisors

For over four decades, State Street Global Advisors has served the world's governments, institutions, and financial advisors. With a rigorous, risk-aware approach built on research, analysis, and market-tested experience, and as pioneers in index and ETF investing, we are always inventing new ways to invest. As a result, we have become the world's fourth-largest asset manager* with US \$4.72 trillion† under our care.

* Pensions & Investments Research Center, as of December 31, 2023.

†This figure is presented as of December 31, 2024 and includes ETF AUM of \$1,577.74 billion USD of which approximately \$82.19 billion USD in gold 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. Please note all AUM is unaudited.

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**Investing involves risk including the risk of loss of principal.
For institutional/professional investors use only.**

State Street Global Advisors Worldwide Entities

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prior to maturity may be subject to a substantial gain or loss.

Investing in high yield fixed income securities, otherwise known as "junk bonds", is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Diversification does not ensure a profit or guarantee against loss.

There can be no assurance that a liquid market will be maintained for ETF shares.

The views expressed in this material are the views of SSGA's Fixed Income, Cash & Currency team through the period ended December 31, 2024, 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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