

**Alternative collateral:** Collateral for a repurchase agreement that is NOT US Treasury debt instruments, US Agency debt instruments and US Agency mortgage backed securities. Alternative collateral securities include, but are not limited to, asset backed commercial paper, asset backed securities, bank obligations, collateralized loan obligations, commercial mortgage backed securities, commingled portfolios, convertible bonds, corporation obligations, covered bonds, equity securities, mortgage backed securities, or municipal obligations, and other securities or instruments that become accepted or available as collateral in the repurchase agreement market. The securities may be foreign or domestic. Used to enhance yield or access liquidity when traditional collateral is scarce. Typically subject to higher haircuts and stricter eligibility criteria due to increased risk and lower liquidity.

**Alternative repurchase agreement:** A repurchase agreement or reverse repurchase agreement collateralized by alternate collateral.

**Agency mortgage backed securities:** Debt securities backed by a pool of residential mortgages and issued or guaranteed by US government sponsored enterprises (GSEs) such as Fannie Mae, Freddie Mac, Ginne Mae. Agency MBS can be used for collateral in repo, or as an investment vehicle for cash funds depending on the guidelines. Agency MBS offer more prepayment and liquidity risk, so they generally trade cheaper than US Treasuries.

**Ameribor:** Credit-sensitive benchmark rate based on the actual overnight unsecured lending among US financial institutions on the American Financial Exchange (AFX). This benchmark is similar to SOFR, but not as widely adopted since it includes credit risk, unlike SOFR which is only tracking secured repos. It is still an active benchmark, especially for institutions looking to use a credit-sensitive alternative to SOFR, but it is not widely used.

**Amortized cost:** The original cost of a security or instrument plus the discount or premium from its face value amortized at a constant rate until maturity. The amortized cost may be different than the fair market value. Helps avoid NAV volatility from market price fluctuations.

**Asset Backed Commercial Paper (ABCP):** Commercial paper that is collateralized by a pool of financial assets issued by a financial institution, conduit or other issuer. Collateral includes credit card payments, auto loans, trade receivables, and residential mortgages. High quality and short duration ABCP are used in cash funds.

**Asset Backed Securities (ABS):** A security, other than a government security, issued by a special purpose entity backed by pools of income-generating assets. Assets include auto loans, credit card receivables, student loans, home equity loans, leases or other contractual cash flows. ABS are created through securitization where illiquid assets are pooled together and then converted into tradeable securities. They are structured into tranches with different risk and return profiles, but cash funds only invest in high quality and short duration ABS.

**Bloomberg short term bank yield index:** Credit-sensitive benchmark rate launched in 2021 by Bloomberg to serve as an alternative to LIBOR and supplement to SOFR. It represents an unsecured rates based on actual transactions of commercial paper, CDs, bank deposits, short-term corporate bonds. Unlike SOFR, which is risk free and secured, this index was designed to resemble LIBOR and provides a credit-sensitive view of funding costs. Preferred by some banks, but not widely used.

**Collateralized loan obligation:** A security or debt instrument issued by a special purpose vehicle that represents a right to payment from, and is secured by, a pool of loans. The special purpose vehicle may issue securities or instruments in several tranches each with different payment and credit characteristics.

**Commercial Mortgage Backed Securities (CMBS):**

Any security, debt instrument or offering collateralized primarily by a pool of commercial mortgages.

**Commingled funds:** Pooled assets that combined money from multiple clients or funds into one portfolio. Not publicly traded, but still adhere to investment guidelines agreed upon by clients and managers. Generally lower cost and used by institutional investors.

**Convertible bond:** A debt instrument that pays regular interest but gives the option to be converted into shares of equity at an agreed upon conversion ratio depending on the occurrence of certain pre-determined events. Convertible securities typically have a lower interest or coupon payment compared to other debt instruments of similar maturity and credit quality. Not commonly held in cash funds.

**Corporate obligations:** Corporate debt obligations including but not limited to commercial paper of US and nonUS companies, floating rate notes, master notes, medium-term notes or other corporate debt obligations. Used to finance operations, working capital or expansion. Higher credit risk than US government obligations, so offer higher yield.

**Coupon rate:** The interest rate stated for a bond or other instrument upon issuance, which may be fixed or floating, or determined by reference to some index, formula or rate. Commercial paper, discount notes and other short dated instruments may not have a stated coupon rate, but instead may be sold at a discount from the principal price.

**Covered bonds:** Bonds generally issued by banks or other credit institutions and backed by a pool of assets (the cover pool) typically comprising of mortgages or public sector loans originated and managed (that is, sold, replaced or substituted) by the covered bonds issuer or originator (an affiliate company of the issuer). Covered bonds seek to protect interest and principal by ringfencing the assets backing the bonds from other assets of the issuer, in an effort to make the assets in the cover pool available to bondholders on a priority basis and to insulate loss from any insolvency of the issuer. Typically, a covered bond will provide that bondholders have unsecured, full recourse claim bonds against the issuer's remaining, unsecured assets.

**Domicile of fund:** The legal jurisdiction under which an investment fund is established and is primarily regulated and distributed.

**Domicile of issuer:** The legal jurisdiction or country where the issuing entity is established and legally registered. It determines the laws, regulations, and tax requirements that apply to the issuer.

**Domicile of risk:** The legal jurisdiction or country where the primary economic risk of an investment or issuer is located, regardless of the domicile of the fund or issuer. Helps determine the ultimate credit worthiness and financial stability of an investment.

**Equity securities:** Ownership stake in a company in the form of a common stock or preferred stock. Shareholders have a claim to residual assets and earnings after all debts and obligations are paid. No maturity dates, no fixed payments guaranteed, and higher risk than bonds. Money market funds do not invest in equity securities.

**Expected maturity:** Date upon which the principal amount from a debt instrument will be repaid to the investor. This is different from final maturity because it considers any embedded options and the stated maturity. Example an amortizing ABS may have a maturity of two years, but the expected maturity might be six months due to scheduled principal paydowns.

**Fair market value:** The value at which both a buyer and seller would agree to exchange security with full information available. This is the most objective estimate of an asset's value in the market. This can be used for valuations and could help to ensure an accurate NAV calculation.

**Federal funds effective rate:** The effective federal funds rate is the weighted average interest rate at which banks lend to each other for overnight, uncollateralized loans to meet their reserve requirements. Also known as the federal funds rate. The target rate and range is set by the Federal Open Market Committee and influences lending rates throughout the economy.

**Final maturity:** The date when the principal amount of security must be repaid to the investor.

**Floating rate:** An interest rate on a financial instrument that resets periodically based on a reference benchmark such as SOFR, plus a fixed spread. Formally, LIBOR was used for floating rates, but SOFR now is the more widely accepted measurement. This is contrasted with a fixed rate, which stays constant for the duration of the term of bond, security or agreement paying interest notwithstanding market conditions.

**Fund Net Asset Value (NAV):** The share value of a mutual fund or money market fund. In the context of open-end mutual funds, the NAV per share is typically computed once a day based on the closing market prices of the securities in the fund's portfolio or, in the case of illiquid securities, the fair market value as determined by its board of directors or trustees pursuant to established policies.

**Fund weighted average life:** A weighted average of the final or expected maturity, as applicable, of all securities held in a fund, weighted by each security's percentage of net assets. A fund's weighted average life is a way to measure the fund's sensitivity to potential credit spread changes and to measure credit and liquidity risk. A shorter WAL indicates lower credit and liquidity risk.

**Instrument type:** A specific category of short-term financial security in which the fund is invested. Instrument type determines the risk profile, liquidity, and yield of the fund.

**Interest Rate On Excess Reserves (IOER):** The interest paid on excess reserves that banks, or depository institutions (DI), hold at the fed beyond their required minimum. Paying a set IOER reduces the incentive for DIs to lend at rates below IOER, providing the Federal Reserve additional control over the federal funds effective rate as a floor.

**Liquidity coverage ratio:** The liquidity coverage ratio is a regulatory standard for large financial institutions to hold a certain amount of high-quality liquid assets (HQLA) to cover net cash outflows over a 30-day stress period. This stress test measures if financial institutions have the necessary assets to withstand short-term liquidity disruptions. MMFs are not subject to LCR, but banks/ dealers who they interact with are subject to the standard. LCR compliance drives demand for HQLA (like UST) which can influence prices and rates.

**Mark-to-market:** Accounting method that values assets based on their current market price rather than their purchase price or book value. This is used to ensure that the fund's NAV accurately reflects the current value of its holdings. The mark-to-market may differ from the fair market value that can actually be obtained for a security or instrument in a market transaction.

**Market value:** The current price at which an asset can be bought or sold in the open market reflecting the willing buyer and willing seller price points in normal conditions. Market value is used to determine the fair value of the fund's holdings. The fair market value of a security or instrument may be different from the amount paid on maturity or its face value or par and can change over time due to changes in interest rate environment, credit quality of issuer, sovereign risk and other factors. The fair market value may be different than the amortized cost.

**Mortgage Backed Securities (MBS):** Securities backed by pools of US or non-US mortgage loans issued by (i) governmental, government-related and private organizations (Agency MBS) and (ii) securities issued by special purpose entities sponsored or associated with private organizations (Non-Agency MBS).

**Non-agency MBS:** Mortgage backed securities that are issued by private institutions such as banks, investment firms or homebuilders. They are not guaranteed by government-sponsored enterprises.

**Municipal obligations:** A debt security issued by a city, state, a local and/or regional government to finance public projects like schools, highways, or water systems. Generally used by tax-exempt money market funds.

**Net interest margin:** This margin is a measure of the difference between the interest income generated by financial institutions and the amount of interest paid out to their lenders, relative to the amount of their interest-earning assets. Can be used when analyzing fund performance or comparing fund managers—not as common as yield or total return.

**Formula:**

$$\text{Net interest margin} = \frac{(\text{interest income} - \text{interest expense})}{\text{average earning assets}}$$

**Net stable funding ratio:** The ratio measures the amount of longer-term, stable funding by an institution relative to the liquidity profiles of the assets funded. The minimum amount of funding that is expected to be stable over a one-year time period is based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures. This impacts counterparties and influences demand for MMF investments.

**Par value:** The face value of a security or instrument—the amount the issuer agrees to repay the holder at maturity. A security or instrument may trade at a premium or a discount to its par value depending on various factors including the prevailing interest rates and issuer credit.

**Qualified interest income:** Specific interest-related dividends paid by the US RICs (regulated investment companies) such as mutual funds and money market funds, that may be exempt from U.S. withholding tax to designate a portion of distributions paid to non-U.S. investors.

**Repurchase agreement (repo):** An agreement to sell a security with a simultaneous commitment by the seller (usually the dealer) to buy back the same security from the purchaser (usually the customer) at a specified price at a designated future date. A repo is usually short term (i.e., no longer than one year) and may be overnight.

### A repo transaction



**Reverse repo:** Buy-side of a repo transaction. An agreement to buy a security with a simultaneous commitment by the buyer (usually the customer) to sell back the same security to the seller (usually the dealer) at a specified price at a designated future date. A reverse repo is usually short term (i.e., no longer than one year) and may be overnight.

**Sector:** A classification made by the Investment Manager grouping issuers or their securities or instruments that share common market, regulatory, geographic or industry characteristics or risks.

**Secured Overnight Financing Rate (SOFR):** Benchmark interest rate that reflects the cost of borrowing cash overnight, collateralized by U.S. treasury securities in the repo market. Calculated and published daily by the Federal Reserve Bank of New York. MMFs use SOFR as a benchmark for pricing short-term instruments with floating rates. Based on secured transactions and considered almost risk-free. Replaced LIBOR for US dollar-denominated instruments in 2023.

**Sovereign obligations:** Obligations issued or guaranteed by sovereign governments, their agencies, subdivisions or sponsored entities. These obligations represent a promise by the government to repay borrowed funds with interest over a specific period.

**Special Purpose Entity (SPE):** SPE means a trust, corporation, partnership or other entity organized for the purpose of issuing securities that entitle its holders to receive payments that depend primarily on the cash flow from pools of collateralized loans, securities or receivables. They are designed to be bankruptcy-remote, meaning their financial health is insulated from the parent company.

**Supplemental leverage ratio:** This is the US implementation of the Basel III Tier 1 leverage ratio, which banks calculate the amount of common equity capital they must hold relative to their total leverage exposure. Designed to limit excessive leverage and ensure banks maintain a minimum capital buffer. This impacts supply and demand dynamics for short term MMF instruments.

**Supranational obligations:** Obligations issued or guaranteed by an entity that is formed by two or more central governments or institutions.

**Treasury Inflation Protected Securities (TIPS):** Debt instruments issued with a principal value that changes based on the consumer price index (CPI) and interest paid on the inflation-adjusted principal. Not generally held in MMFs since duration is generally longer.

**US agency:** Agencies of the United States that issue US Agency debt instruments which are backed by the full faith of the US government. Agencies include but not limited to Fannie Mae (FNMA), Federal Home Loan Bank (FHLBs), Freddie Mac (FHLMC).

**US agency debt instruments:** Debt securities of varying maturities paying a fixed or floating interest rate issued or guaranteed by a US Agency, including senior debt securities, short-dated (less than 360 days) discount notes, pass-through certificates, participation certificates, CMOs and REMICs.

**US treasury:** The US Treasury is the department of the federal government that is responsible for issuing debt in the form of Treasury bonds, bills and notes.

**US treasury debt instruments:** Debt obligations of varying maturities paying a fixed or floating interest rate that are issued by the United States. They are backed by the full faith and credit of the U.S. Government. These may include bills, notes, bonds, treasury inflation protected securities.

**Weighted Average Life (WAL):** Time to principal repayment only. As applied to ABS, CMBS or MBS, the average time to receipt of principal, weighted by the amount of principal at the assumed payment rate, or according to the specified payment schedule. It reflects the timing of cash flows and is measured in years. Under SEC rule 2a-7, MMFs must maintain a WAL of 120 or less. Shorter WAL means fund's principal is returned more quickly and reduces sensitivity to market volatility. As applied to a fund, see fund weighted average life.

**Weighted Average Maturity (WAM):** Time to interest and principal payments. As applied to a fund, WAM is computed by multiplying the days to maturity of each eligible Investment by its remaining balance, adding the products and dividing the result by the remaining balance. When calculating WAM, the investment manager is permitted to use the days-to- interest rate reset date, rather than a security's stated final maturity. The 2a-7 requires a 60-day max WAM for registered MMFs.

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\* This figure is presented as of June 30, 2025 and includes ETF AUM of \$1,689.83 billion USD of which approximately \$116.05 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 Investment Management are affiliated. Please note all AUM is unaudited.

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