



December 2023
Annual Reconstitution Update

State Street Tax-Sensitive Strategic Asset Allocation ETF Portfolios

Asset Allocation Overview

- The Tax-Sensitive Strategic Asset Allocation ETF Portfolio updates occur on an annual basis and reflect the Investment Solutions Group’s (ISG’s) long-term capital market assumptions and qualitative insights.
- Elevated interest rates propped up most long-term expected returns within fixed income — making many sectors of the bond market competitive with expected long-term equity returns.
- Long-term expected US equity returns have decreased due to slower real earnings growth expectations and more expensive valuations.

<p>INCREASE </p> <hr/> <table border="0"> <tr> <td>Municipal Bonds</td> <td style="text-align: right;">+2.0%</td> </tr> <tr> <td>Emerging Markets USD Bonds</td> <td style="text-align: right;">+1.5%</td> </tr> </table> <hr/>	Municipal Bonds	+2.0%	Emerging Markets USD Bonds	+1.5%	<p>DECREASE </p> <hr/> <table border="0"> <tr> <td>Short-Term US Treasuries</td> <td style="text-align: right;">-1.0%</td> </tr> <tr> <td>US Mid-Cap Equity</td> <td style="text-align: right;">-0.5%</td> </tr> <tr> <td>US Small-Cap Equity</td> <td style="text-align: right;">-0.5%</td> </tr> <tr> <td>International Small-Cap Equity</td> <td style="text-align: right;">-0.5%</td> </tr> <tr> <td>Developed ex-US Equity</td> <td style="text-align: right;">-0.5%</td> </tr> <tr> <td>Emerging Markets Equity</td> <td style="text-align: right;">-0.5%</td> </tr> </table> <hr/>	Short-Term US Treasuries	-1.0%	US Mid-Cap Equity	-0.5%	US Small-Cap Equity	-0.5%	International Small-Cap Equity	-0.5%	Developed ex-US Equity	-0.5%	Emerging Markets Equity	-0.5%
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Source: State Street Global Advisors as of 12/18/2023.

Portfolio Positioning

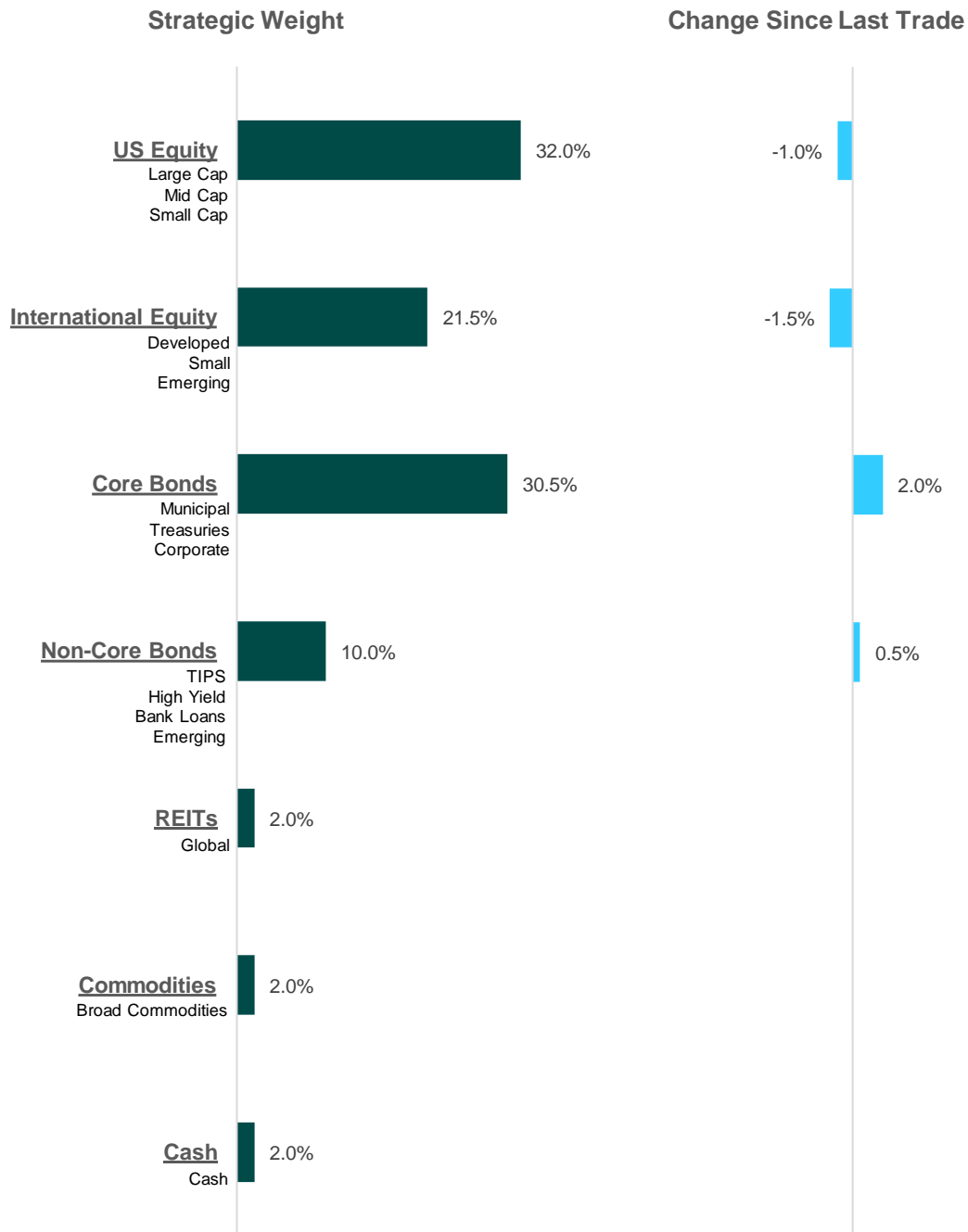
Within equities, we reduced our exposure to US mid and small caps, international small caps, non-US developed equities and emerging market equities. The broad-based reduction in equity exposure was made in response to lower expected returns (US equity) and higher anticipated risk (non-US equity) and to enhance the efficiency of the portfolios given a firm long-term outlook for bonds and hybrid fixed income assets. To that point, ISG chose to relax the growth asset¹ constraint within the models by 0.5%-2.5% (the larger changes occurred in the higher risk profiles). This decision reduced the portion of the risk budget dedicated to equities and allowed them to allocate to the more attractive fixed income asset classes.

Within fixed income, ISG added emerging markets hard currency debt as a diversifying fixed income asset to sit alongside other “hybrid” fixed income assets such as emerging markets local currency debt, high yield bonds, and senior loans. ISG’s long-term return expectations look strong compared with many other fixed income and equity assets, and the asset class offers attractive carry coupled with lower volatility than other hybrid fixed income assets. ISG also added to municipal bonds while reducing shorter-term US Treasury exposure as they anticipate short-term interest rates to start to normalize into less restrictive territory as the Fed begins cutting interest rates in 2024. Elsewhere, ISG maintained existing allocations to the other risky debt assets (high yield, senior loans and emerging markets local currency debt).

¹ Growth assets include equities, REITs and commodities.

Positioning Update

State Street Tax-Sensitive Strategic Asset Allocation ETF Portfolio – Moderate



Source: State Street Global Advisors, as of 12/18/2023. Allocation changes are only shown for the Moderate Portfolio. Allocation changes and active weights may vary for other portfolios. Model portfolio positions are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The model portfolio positions presented above are representative of ISG's market views and our positioning for our active portfolio as of the date given. The results shown were achieved by means of a mathematical formula, and are not indicative of actual future results which could differ substantially. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Current Holdings

Ticker	Fund	Conservative (%) 20/80	Moderate Conservative (%) 40/60	Moderate (%) 60/40	Moderate Growth (%) 75/25	Growth (%) 90/10
	US Equity	9.5%	20.5%	32.0%	40.0%	48.0%
SPLG	SPDR® Portfolio S&P 500® ETF	7.5%	17.5%	27.0%	32.5%	39.0%
SPMD	SPDR® Portfolio S&P 400® Mid Cap ETF	1.0%	1.5%	2.5%	3.8%	4.5%
SPSM	SPDR® Portfolio S&P 600® Small Cap ETF	1.0%	1.5%	2.5%	3.8%	4.5%
	International Equity	6.0%	14.0%	21.5%	28.5%	34.5%
SPDW	SPDR® Portfolio Developed World ex-US ETF	4.0%	7.5%	13.0%	17.0%	20.5%
GWX	SPDR® S&P® International Small Cap ETF	0.0%	2.0%	2.0%	3.0%	3.5%
SPEM	SPDR® Portfolio Emerging Markets ETF	2.0%	4.5%	6.5%	8.5%	10.5%
	Fixed Income	78.5%	59.5%	40.5%	25.5%	10.5%
TFI	SPDR® Nuveen Bloomberg Municipal Bond ETF	47.0%	39.5%	27.5%	14.5%	5.0%
TIPX	SPDR® Bloomberg 1-10 Year TIPS ETF	6.0%	4.5%	2.0%	0.0%	0.0%
SPTS	SPDR® Portfolio Short Term Treasury ETF	5.0%	3.0%	0.0%	0.0%	0.0%
SPTL	SPDR® Portfolio Long Term Treasury ETF	0.0%	0.0%	3.0%	5.0%	5.5%
SPSB	SPDR® Portfolio Short Term Corporate Bond ETF	7.0%	2.0%	0.0%	0.0%	0.0%
SPHY	SPDR® Portfolio High Yield Bond ETF	4.0%	2.5%	2.0%	1.5%	0.0%
SRLN	SPDR® Blackstone Senior Loan ETF	2.5%	2.5%	1.5%	1.5%	0.0%
EMHC	SPDR® Bloomberg Emerging Markets USD Bond ETF	3.0%	2.0%	1.5%	1.5%	0.0%
EBND	SPDR® Bloomberg Emerging Markets Local Bond ETF	4.0%	3.5%	3.0%	1.5%	0.0%
	Real Assets	4.0%	4.0%	4.0%	4.0%	5.0%
PDBC	Invesco Optimum Yield Diversified Commodity Strategy ETF	2.0%	2.0%	2.0%	2.0%	2.0%
RWO	SPDR® Dow Jones® Global Real Estate ETF	2.0%	2.0%	2.0%	2.0%	3.0%
	Cash	2.0%	2.0%	2.0%	2.0%	2.0%
N/A	Cash	2.0%	2.0%	2.0%	2.0%	2.0%

Source: State Street Global Advisors as of 12/18/2023. Allocations may not sum to 100% due to rounding.

Important Disclosure: The model portfolios primarily utilize ETFs that make payments to SSGA Funds Management, Inc. or its affiliates (collectively "SSGA") for advisory or other services, which presents a conflict of interest for SSGA. Income earned by SSGA would be lower, and the returns generated by implementing one or more model portfolios might be higher, if the model portfolios were to be constructed using ETFs or other investments that do not pay fees to SSGA.

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Glossary

Commodities Basic goods used in commerce that are interchangeable, or “fungible,” with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. For example, crude oil is a commodity that is used to make motor fuels, and heating oil and lubricants.

Emerging Markets Developing countries where the characteristics of mature economies, such as political stability, market liquidity and accounting transparency, are beginning to manifest. Emerging market investments are generally expected to achieve higher returns than developed markets but are also accompanied by greater risk, decreasing their correlation to investments in developed markets.

High Yield A company or bond that is rated ‘BB’ or lower is known as junk grade or high yield, in which case the probability that the company will repay its issued debt is deemed to be speculative.

Real Assets Physical or tangible assets that have value and often are investable. Real assets include precious metals, commodities, real estate, agricultural land and oil, and their inclusion in most diversified portfolios is considered appropriate.

TIPS or Treasury Inflation

Protected Securities Treasury securities that are indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are backed by the US government and are thus

considered an extremely low-risk investment. The par value of TIPS rises with inflation, as measured by the Consumer Price Index, while the interest rate remains fixed.

Developed Markets Refers to countries or market areas with relatively high levels of economic growth, market liquidity and transparency as well as political stability, rule of law and safety.

Treasuries The debt obligations of a national government. Also known as “government securities,” Treasuries are backed by the credit and taxing power of a country, and are thus regarded as having relatively little or no risk of default.

Small Cap Stocks Stocks with a relatively small market capitalizations—generally companies with market values of between \$300 million and \$2 billion. Small-cap stocks are more volatile than mid- or large-cap stocks, but tend to deliver higher returns over longer time periods.

Bond A debt investment in which an investor loans money to an entity—typically a corporate or governmental entity—that borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer.

Real Estate Investment Trusts (REITs) Companies that own or finance income-producing real estate across a range of property sectors. These real estate companies have to meet a number

of requirements to qualify as REITs. Most REITs trade on major stock exchanges, and they offer a number of benefits to investors.

Senior Loans Floating-rate debt issued by corporations and backed by collateral such as real estate or other assets.

Important Information

The views expressed are those of SSGA’s Investment Solutions Group (ISG) as of December 18, 2023 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.

Past performance is not a guarantee of future results.

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Expiration Date: 1/31/2025