

# **SPDR S&P 500 ETF Trust (SPY)**

Delivering Unrivaled  
Liquidity to Investors

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# Liquid, Cost-Effective Exposure to the World's Largest Economy

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**SPDR® S&P 500® ETF Trust (SPY), the first US-listed ETF, was the spark that ignited the \$9.8 trillion global ETF market you know today.<sup>1</sup>**

Since its launch in 1993, SPY has established itself as a premier choice for investors looking for cost-effective, highly liquid exposure to the well-known S&P 500® Index. As a result, the fund provides reliable access to 500 of the largest publicly traded US firms,<sup>2</sup> spanning all major sectors.

SPY is also the most actively traded ETF globally — no other ETF even comes close — and boasts an extremely diverse investor base of large institutions, financial professionals, and individuals. Its unrivaled liquidity and exposure to one of the world's best-known indices make it a valuable tool for both long-term investors and active traders.

Discover how SPY has helped investors around the world access US equities, while bringing innovation and transparency to markets for three decades and counting.

## At a Glance

On October 19, 1987, a day known as “Black Monday,” markets around the world crashed and US stocks lost over 20% in a single day. In the aftermath, US regulators suggested the need for a trading vehicle to provide an additional layer of liquidity for US stocks. This was the impetus that led to the launch of SPY in 1993,<sup>3</sup> a collaboration between State Street Global Advisors, S&P Dow Jones Indices, and the American Stock Exchange.

\$397.9B

Assets Under Management<sup>4</sup>

\$34.4B

Average Daily Trading Volume<sup>5</sup>

0.003%

Average Bid-Ask Spread<sup>6</sup>

44.28%

Of ETF Options Volume<sup>7</sup>

## Why Investors Choose SPY

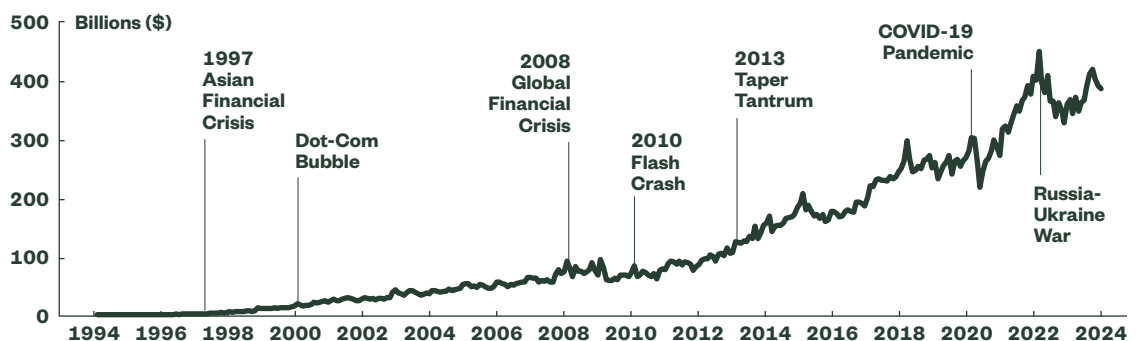
**Diversification in a Single Position** SPY touches nearly every corner of the US economy, giving investors broad exposure to the world’s largest market and many of its most recognized brand names in a single trade.

**Trusted Providers** SPY is managed by State Street Global Advisors, an ETF pioneer and one of the world’s largest asset managers, and benchmarked to the S&P 500 Index from S&P Dow Jones Indices, one of the most trusted index providers in the world.

**Unrivaled Liquidity** SPY — which trades \$34 billion a day, on average — gives investors the ability to tap into unmatched liquidity.<sup>8</sup>

SPY’s liquidity can be even more prevalent during volatile markets. In fact, SPY’s percentage of overall market volume tends to spike during days of elevated stress and trading. As the market began to witness steep declines during the onset of COVID-19, SPY became the first ETF to ever trade more than \$100 billion in a single day on February 28, 2020,<sup>9</sup> showing that investors gravitate to its deep pool of liquidity — particularly when it’s needed most.

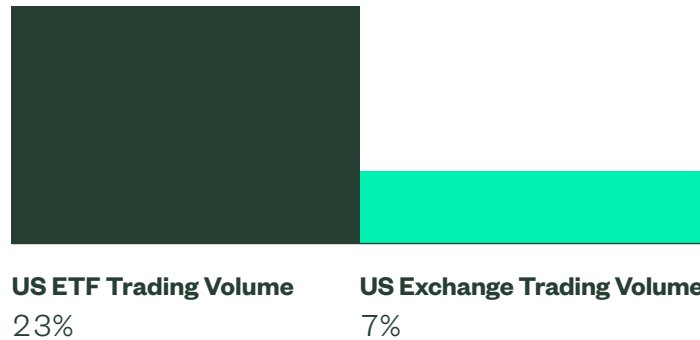
Figure 1  
**SPY Has Helped Investors Navigate Volatile Periods**  
SPY Assets Since 1993



Source: Bloomberg Finance L.P., as of October 31, 2023.

Another example of SPY's deep liquidity is the size of the options market traded on the ETF. SPY has notional options open interest of \$956.3 billion, representing 44.28% of ETF open notional interest.<sup>10</sup> And even though SPY only represents 6% of ETF AUM, the fund accounts for more than 23% of all ETF trading in the US and 7% of all US exchange volumes — revealing its deep user base.<sup>11</sup>

Figure 2  
**SPY Percentage of  
 Total Trading Volume**



Source: Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.

### Liquidity Lowers Execution Costs While Improving Execution Flexibility

The total cost of owning an ETF is more than just its expense ratio. Liquidity can also impact trading costs such as bid-ask spreads. For investors moving large amounts of money or trading frequently, ETF liquidity and bid-ask spreads are even more important for determining costs.

#### Benefits of SPY's Immense Volume

- Lower Trading Costs** The average bid-ask spread of the two next-largest US-listed S&P 500® ETFs is more than two times that of SPY's bid-ask spread.<sup>12</sup> And the differences in bid-ask spreads between SPY and competitor ETFs tend to be more pronounced in times of market stress.
- Reduced Trade Execution Risk** In addition to providing tighter spreads and lower market impact costs for retail investors executing electronically on the secondary market, SPY's depth of liquidity across market makers means large-sized orders can be executed with minimal market impact. SPY's overall robust liquidity profile provides cost benefits relative to its competitors, regardless of the execution strategy implemented.

Figure 3  
**SPY Execution Costs vs. S&P 500 ETF Competitors<sup>13</sup>**

	SPY	US-Listed S&P 500 ETF	
		iShares Core S&P 500 ETF (IVV)	Vanguard 500 Index Fund ETF (VOO)
12-month Average Daily Notional Trading Volume	\$34,428,000,000	\$1,798,000,000	\$1,530,000,000
Current Share Price	\$416.43	\$418.40	\$382.78
Average Bid-ask Spread (\$)	\$0.01	\$0.03	\$0.03
Average Bid-ask Spread (bps)	0.29	0.73	0.72

Source: Bloomberg Finance L.P., as of October 31, 2023.

The funds presented herein have different investment objectives, costs and expenses. Each fund is managed by a different investment firm, and the performance of each fund will necessarily depend on the ability of their respective managers to select portfolio investments. These differences, among others, may result in significant disparity in the funds' portfolio assets and performance. For further information on the funds, please review their respective prospectuses.

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## A Cost-Effective, Flexible Tool from an ETF Pioneer

SPY, which is part of the SPDR ETFs family, is backed by the resources of State Street Global Advisors — an ETF pioneer and one of the world's largest asset managers.

**About SPDR Exchange Traded Funds** SPDR ETFs are designed to be portfolio building blocks, span an array of asset classes, and provide investors with the flexibility to select investments that align with their investment strategy. The comprehensive family of SPDR ETFs is sponsored by affiliates of State Street Global Advisors.

**About State Street Global Advisors** For 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, we build from a breadth of index and active strategies to create cost-effective solutions. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest.

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1st

Creator of the  
World's First ETFs<sup>14</sup>

\$3.69T

AUM Managed  
Globally<sup>15</sup>

40+ yrs

Indexing and Portfolio  
Experience<sup>16</sup>

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## What Can You Do With SPY?

For more information on how to use the fund in your portfolio, contact SPDR ETFs Capital Markets and Sales Execution Teams.



[Visit our website](#)

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## Endnotes

- 1 Morningstar, as of October 31, 2023.
- 2 Bloomberg Finance L.P., as of October 31, 2023.
- 3 Bloomberg Finance L.P., as of December 12, 2022.
- 4 Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.
- 5 Bloomberg Finance, L.P., as of October 31, 2023.
- 6 Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.
- 7 Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.
- 8 Bloomberg Finance L.P., as of October 31, 2023. Calculated using average 12-month notional dollar trading volume.
- 9 Bloomberg Finance L.P., as of October 31, 2023.
- 10 Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.
- 11 Bloomberg Finance L.P., State Street Global Advisors, as of October 31, 2023.
- 12 Bloomberg Finance, L.P., as of October 31, 2023.
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- 14 ETFs managed by State Street Global Advisors have the oldest inception dates within the US, Australia, and Singapore. State Street Global Advisors launched the first ETF in the US on January 22, 1993; launched the first ETF in Hong Kong on November 11, 1999; launched the first ETF in Australia on August 24, 2001; and launched the first ETF in Singapore on April 11, 2002.
- 15 State Street Corporation, as of September 30, 2023. The figure includes approximately \$58.13 billion USD of 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.
- 16 State Street Corporation, as of October 31, 2023.



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