STATE STREET GLOBAL ADVISORS SPDR®

A Guide to Strategic ETF Model Portfolios

Access to Institutional Quality Investment Solutions

Working Together to Help You Create More Value for Your Clients

Benefits of Model Portfolios Based on Industry Research

In a Global Survey conducted by our State Street Global Advisors Practice Management Team[1], we sought to better understand investors' perception of — and experience with — model portfolios.

Survey results revealed that clients with assets in model portfolios strongly support their use and report positive impacts. It seems that these investors see the big picture: using model portfolios frees their advisors to dedicate more time and energy to client relationships, resulting in a better understanding of each client's unique circumstances. What's more, investors are sophisticated enough to recognize specific benefits related to performance, risk and fees.

Consider State Street ETF Model Porfolios

You can offer your clients consistent, institutional quality investment insights — enabling you to spend less time managing money and more time building the valuable relationships that grow your business. State Street ETF Model Portfolios are designed for a range of investment outcomes and provide diversification opportunities across a variety of asset classes.

Each Investor is Unique, Just Like Everyone Else

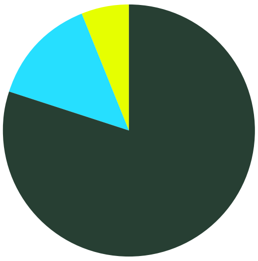
The truth is that in most instances your clients' individual investment goals can be grouped under common umbrellas. And as you build their portfolios, there are efficiencies to be gained by categorising these goals by risk tolerance and time horizon — and then investing in model portfolios.

Our Investment Strategy for Strategic Target Risk ETF Model Portfolios

The investment process for a strategic asset allocation begins with return and risk objectives. The portfolio construction process then uses long-term asset class return, risk and correlation forecasts to identify an asset allocation that efficiently balances these objectives. These allocations are then carefully refined and finalised by our experienced portfolio management team. The strategic ETF model portfolios highlighted here span the efficient frontier and can be utilised as core allocations to target a variety of return and risk objectives.

Three Strategic Target Risk ETF Model Portfolios

Conservative



- 80.1% Fixed Income
- 13.9% Equities
- 6.0% Alternatives

Moderate

- 39% Fixed Income
- 44.5% Equities
- 16.5% Alternatives

Aggressive

- 6.5% Fixed Income
- 76% Equities
- 17.5% Alternatives

Source: State Street Global Advisors, as of 1 December 2023. For illustrative purposes only.

Illustrative Asset Allocation

Tickers	Asset Classes	Conservative (%)	Moderate (%)	Aggressive (%)
	Fixed Income	**80.1**	**39.0**	**6.5**
SYB4 GY	3–5 Year Euro Government	19.5	7.5	0.0
GOVA NA	Euro Government	11.0	5.5	2.5
SYBD GY	0–3 Year Euro Corporate Bond	18.0	7.0	0.0
SYBC GY	Euro Corporate Bond	10.0	5.5	2.0
SPFE GY	Global Aggregate Bond EUR Hedged	19.0	11.0	2.0
USCE NA	US Corporate Bond ESG EUR Hedged	2.6	2.5	0.0
	Equities	**13.9**	**44.5**	**76.0**
SPPW GY	Global Developed	12.25	39.15	63.4
SPYM GY	Emerging	1.65	5.35	8.6
ZPRS GY	Global Small Cap	0.0	0.0	4.0
	Alternatives	**6.0**	**16.5**	**17.5**
ZPRI GY	Global Infrastructure	1.5	2.0	2.5
SPYJ GY	Global Real Estate	0.0	2.5	2.5
SYBJ GY	Euro High Yield Bond	2.0	2.5	3.0
SPPQ GY	US High Yield ESG Bond EUR Hedged	2.5	3.0	3.0
SYBM GY	Emerging Markets Local Bond	0.0	3.5	3.5
SPF1 GY	Convertible Bonds	0.0	3.0	3.0
Weighted TER bps		**15.8**	**18.7**	**19.6**
Portfolio (Asset Class Returns) Expected Return %		**3.97**	**4.94**	**5.65**
Portfolio (Asset Class Returns) Volatility %		**3.82**	**7.83**	**11.83**

The information provided above is an example for illustrative purposes only. Allocations are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.
Source: State Street Global Advisors, as of 1 December 2023. All asset allocation scenarios are for hypothetical purposes only and are not intended to represent a specific asset allocation strategy or recommend a particular allocation. Each investor's situation is unique and asset allocation decisions should be based on an investor's risk tolerance, time horizon and financial situation. References to specific securities should not be construed as recommendations or investment advice. Expected returns are based upon estimates and reflect subjective judgments and assumptions. These results were achieved by means of a mathematical formula and do not reflect the effect of unforeseen economic and market factors on decision-making. The Expected returns are not necessarily indicative of future performance, which could differ substantially.
Model Portfolio Allocations presented above are hypothetical and have been provided for illustrative purposes only. They do not reflect the results of the actual trading of any account or group of accounts and actual results could differ substantially.
A model portfolio is an allocation to a list of funds that are group together. Where a model portfolio is offered on an investment platform, investors who select it effectively instruct the platform operator to acquire units in the ETFs that comprise the model portfolio. The model portfolio described above has not yet been implemented by State Street, so the results are hypothetical.
The actual results of accounts managed by the Platform or Managed Accounts provider ("Provider") that receives access to the models may differ substantially from the hypothetical results for a variety of reasons including, but not limited to, the Provider's decision to exercise its discretion to implement a model in a way that differs from the information provided by State Street.
State Street cannot guarantee any payment of dividends, which is subject to the dividend payment policy of the individual issuers of the underlying ETFs and the Provider.
Model Portfolio Allocations shown are the "target" asset allocations used in the hypothetical State Street Risk-Based ETF Model Portfolio. The model portfolio "target" allocations will be reviewed every 12 months and reset on the last business day of each quarter, using State Street's strategic asset allocation process, and will be subject to change with market movements thereafter until the next calendar rebalancing.
The above targets are estimates based on certain assumptions and analysis made by SSGA/Third Party. There is no guarantee that the estimates will be achieved.

Why Use State Street ETF Model Portfolios

Designed as long-term holdings, strategic model portfolios employ global diversification across a wide variety of asset classes. The option of conservative, moderate, and aggressive asset mixes offers investors an array of choices across the risk spectrum. Following a strategic model portfolio's buy, hold and rebalance strategy rather than attempting to time the market — either with individual securities or asset classes — may result in better investment outcomes. That's because model portfolios reflect the diversification and discipline central to successful investing. Based on long-term asset class forecasts of risk and return, model portfolios have a targeted risk profile, asset allocation and fund selection. This standardisation increases your efficiency by reducing time spent on investment research, portfolio management, and performance reporting.

State Street Global Advisors AUM & Advisement in ETF Model Portfolios

$3.7B	+	$4.0B	=	$7.7B
AUA in Q3 2023		AUM in Q3 2023		Total in Q3 2023

Source: State Street Global Advisors, as of 30 September 2023. Past performance is not a reliable indicator of future performance. Diversification does not ensure a profit or guarantee against loss.

A Win for You And Your Clients

With less time spent on investment research, portfolio management and performance reporting, you have more time to cultivate client relationships and grow your practice. In addition to benefitting from more of your attention, your clients gain:

- Access to institutional-quality investment solutions
- Discipline to curtail potentially harmful emotional reactions to market volatility
- Cost-effective[2] portfolios matched to their goals, risk tolerance and time horizon

Why SPDR ETFs? Effective Model Portfolio Building Blocks

The potential benefits of using ETFs in model portfolios include:

Transparency

Easy and straightforward way to build exposure to each market by tracking an index. The result is high level transparency and low expenses and management fees.

Diversification

ETFs hold a diverse group of securities, delivering the potential benefit of broad exposure to a single asset class or category.

UCITS Compliant

All SPDR ETFs proposed in the portfolios are UCITS compliant.

Precision

ETFs are available in many asset classes, market capitalisations, and investment styles.

Our suite of SPDR ETFs provides you with a wide variety of asset classes to choose from across a range of geographies, sectors and styles, in order to build effective asset allocation solutions. In utilising SPDR ETFs, you can use our core exposures in equities and fixed income for broad market, or 'beta', exposures. Our more focused exposures, such as sector equities, also provide a means for building efficient strategies.

A Partnership that Works

The Potential Benefits of Working With State Street Global Advisors

With a heritage dating back more than two centuries, State Street Global Advisors is entrusted with $3.7 trillion in assets under management (AUM).[3] As the pioneer and one of the leaders of the exchange traded fund (ETF) industry since creating the first US ETF in 1993, State Street Global Advisors has grown to $1.12 trillion in global ETF AUM.[4]

With an established team of over 150 dedicated investment strategists and portfolio managers, the State Street Global Advisors Investment Solutions Group (ISG)[5] designs, develops, and manages portfolios of SPDR ETFs on both a strategic and tactical basis in line with a client's objectives.

Endnotes

1 Source: State Street Global Advisors' Practice Management Global Study, *Advisor Productivity: Embracing Asset Allocation Models*, 2019.

2 Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

3 This figure is presented as of September 30, 2023 and includes approximately $58.13 billions 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. As of 30 September 2023.

4 Source: Morningstar Direct as of period end 29 September 2023 for North America, EMEA, Latin America and APAC. This figure is presented as of 29 September 2023 and includes approximately $58.3 billions 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.

5 As of 30 June 2023. Total ISG AUM $392.63Bn. Derivatives based exposure management AUM represents the notional value of exposure managed. Assets Under Advisory/Consulting includes mandates for which the firm provides advisory or consulting services supporting an investment management process that does not include the responsibility to arrange or effect the purchase or sale of securities and/or funds. AUA is based on estimates. In 2015, ISG revised the AUM and AUAC calculation methodology and account categorization process. All figures in USD.

About State Street Global Advisors

State Street Global Advisors serves governments, institutions and financial advisors with a rigorous approach, breadth of capabilities and belief that good stewardship is good investing for the long term. Pioneers in index, ETF, and ESG investing and the world's fourth-largest asset manager*, we are always inventing new ways to invest.

* Pensions & Investments Research Center, as of December 31, 2022.

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Investing involves risk including the risk of loss of principal.

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Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

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ETFs trade like stocks, are subject to investment risk and will fluctuate in market value. The investment return and principal value of an investment will fluctuate in value, so that when shares are sold or redeemed, they may be worth more or less than when they were purchased. Although shares may be bought or sold on an exchange through any brokerage account, shares are not individually redeemable from the fund. Investors may acquire shares and tender them for redemption through the fund in large aggregations known as "creation units." Please see the fund's prospectus for more details.

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.

International Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

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The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Investments in small-sized companies may involve greater risks than in those of larger, better known companies.

Diversification does not ensure a profit or guarantee against loss.

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