STATE STREET GLOBAL ADVISORS

SPDR® ETFs Chart Pack
September 2020

IMPORTANT NOTIFICATION

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SPDR® ETFs Chart Pack

Key Charts to Help Navigate the Market

September 2020 Edition

Please see Appendix D for more information on investment terms used in this Chart Pack.

STATE STREET GLOBAL ADVISORS SPDR®
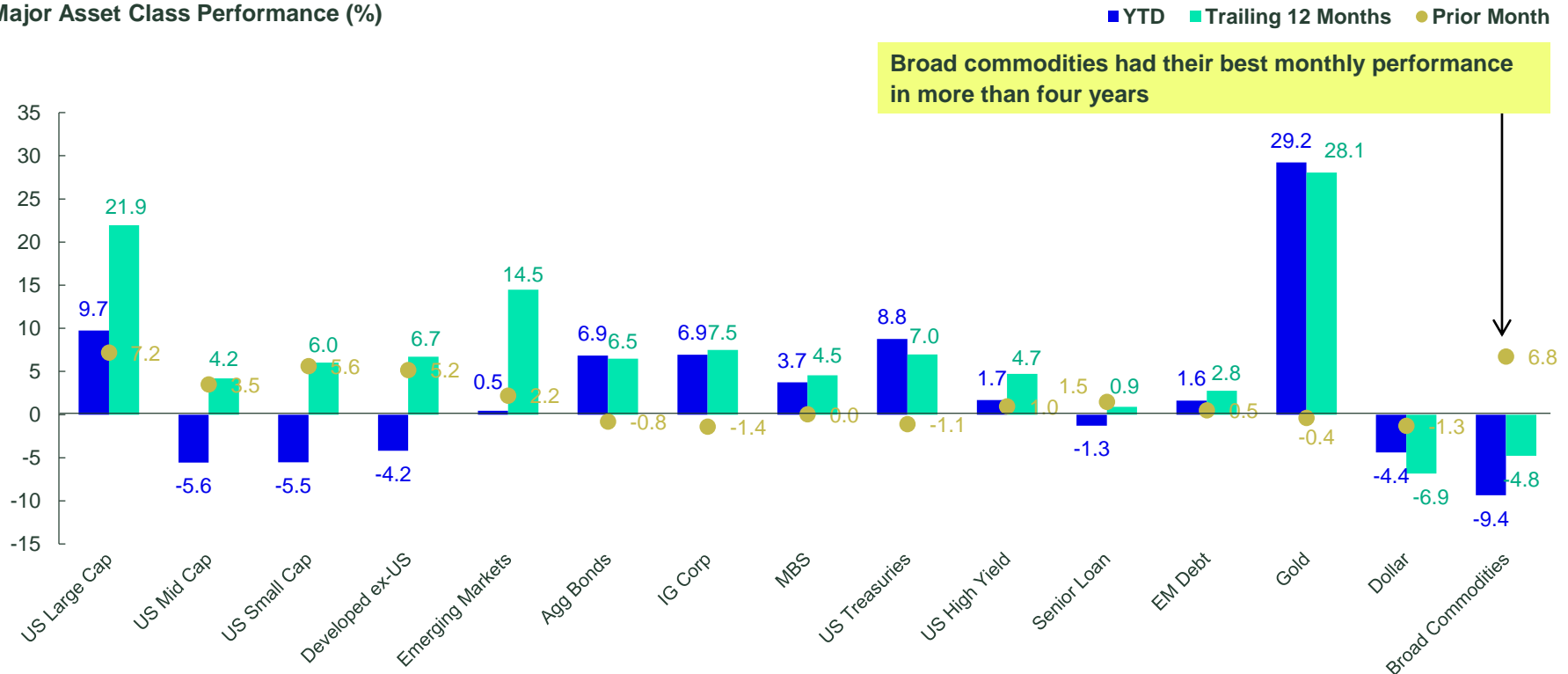
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1. Market Environment

Asset Class Performance

Despite no progress on another fiscal stimulus package, US large caps reached all-time highs and led risk asset performance across different periods.
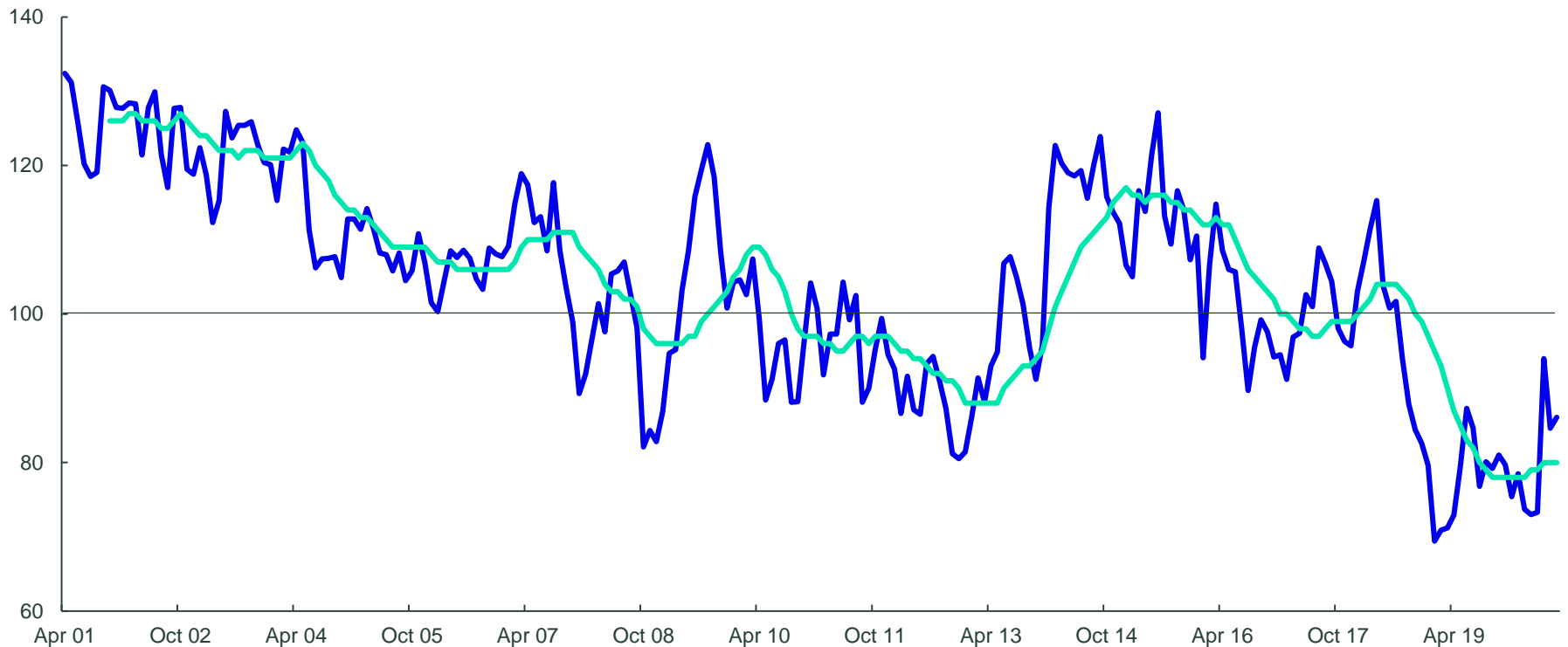
Major Asset Class Performance (%)

■ YTD   ■ Trailing 12 Months   ● Prior Month

Broad commodities had their best monthly performance in more than four years

Asset Class	YTD	Trailing 12 Months	Prior Month
US Large Cap	9.7	21.9	7.2
US Mid Cap	-5.6	4.2	3.5
US Small Cap	-5.5	6.0	5.6
Developed ex-US	-4.2	6.7	5.2
Emerging Markets	0.5	14.5	2.2
Agg Bonds	6.9	6.5	-0.8
IG Corp	6.9	7.5	-1.4
MBS	3.7	4.5	0.0
US Treasuries	8.8	7.0	-1.1
US High Yield	1.7	4.7	1.0
Senior Loan	-1.3	0.9	1.5
EM Debt	1.6	2.8	0.5
Gold	29.2	28.1	-0.4
Dollar	-4.4	-6.9	-1.3
Broad Commodities	-9.4	-4.8	6.8

Investor Confidence

While global risk appetite remained largely unchanged in August, Europe experienced a more pronounced uptick in investor sentiment.

State Street Confidence Index

━━ **State Street Investor Confidence Index**   ━━ **1-Year Moving Average**

Source: Bloomberg Finance, L.P. as of August 31, 2020. State Street Confidence Indexes Measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The results shown represent current results generated by State Street Investor Confidence Index. The results shown were achieved by means of a mathematical formula in addition to transactional market data, and are not indicative of actual future results which could differ substantially.

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Market Breadth

Although stock markets are at all-time highs, more than three-quarters of Russell 3000 stocks are still well below their 52-week highs.

**% of Russell 3000 Sector Constituents Within X% of 52-Week High**

■ < 3% ■ 3-5% ■ 5-10% ■ >10%
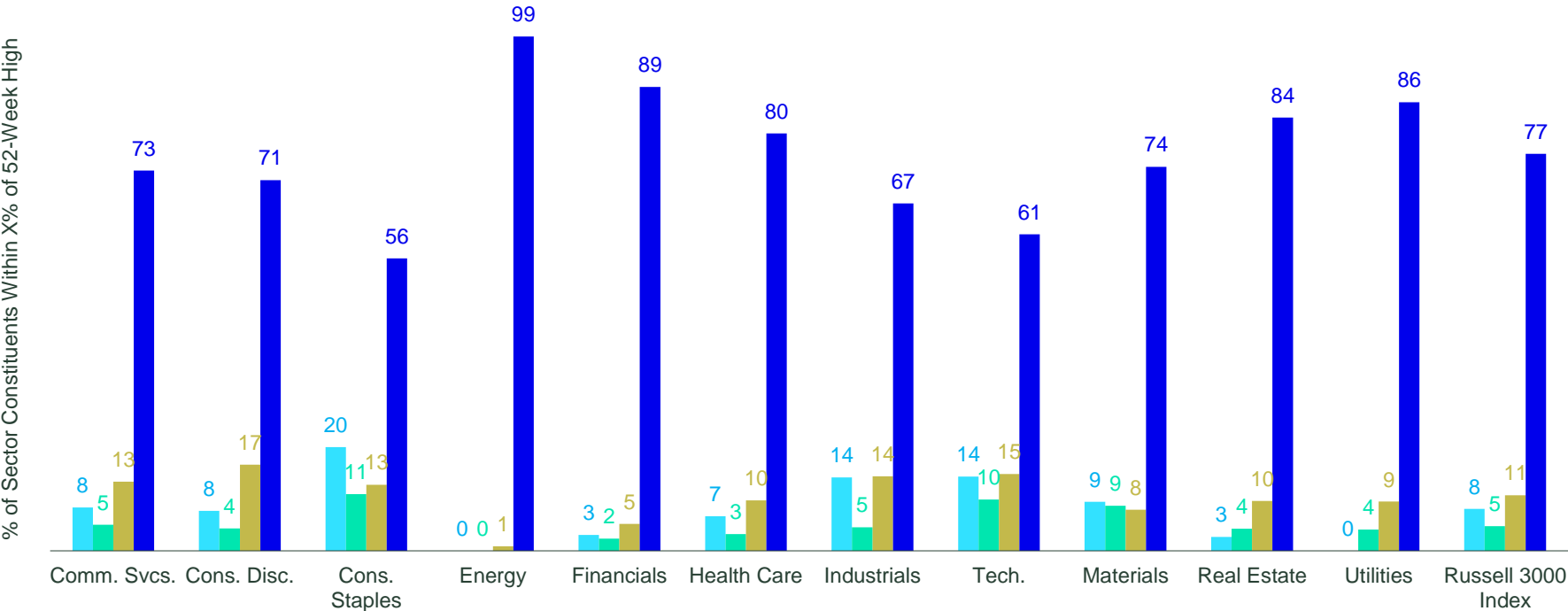
Source: Bloomberg Finance, L.P. as of August 28, 2020. **Past performance is not a guarantee of future results.**

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Market Breadth (Continued)

US equities account for 60% of global equity returns since the market bottom, while performance leadership in the US is concentrated within the top 10 contributors.

Top 10 Contributors by Return Contribution to S&P 500 Yearly Performance

■ Top 10 Contributors by Return Contribution   ■ The Rest of S&P 500
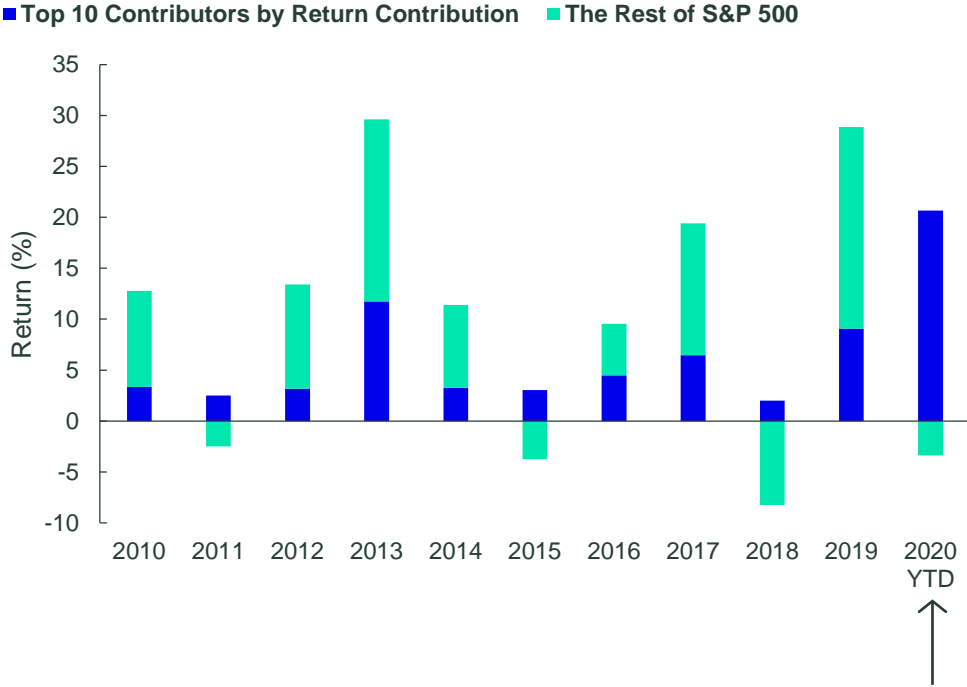
Top 10 contributors have been more influential this year in driving market performance than they have been in the past 10 years

Contribution to MSCI ACWI IMI Return Since March 20 Top 5 Countries
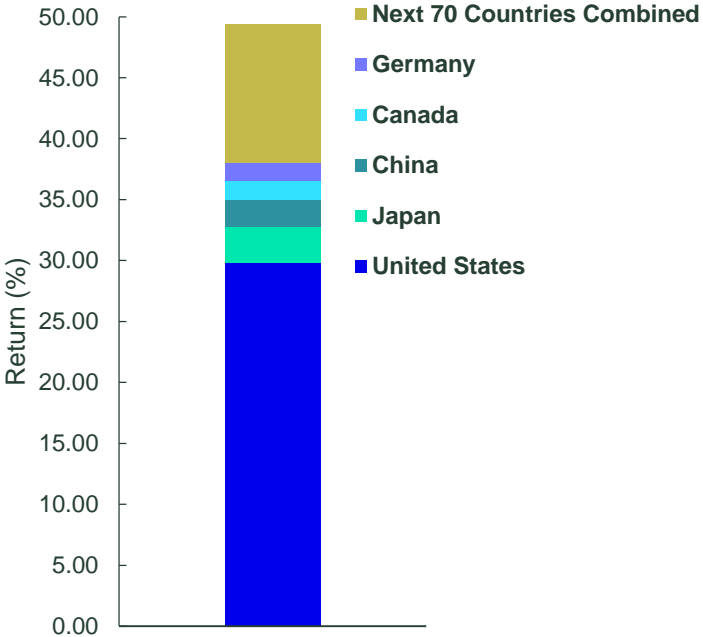
Legend:
■ Next 70 Countries Combined
■ Germany
■ Canada
■ China
■ Japan
■ United States

Source: Bloomberg Finance, L.P. as of August 31, 2020. **Past performance is not a guarantee of future results.**

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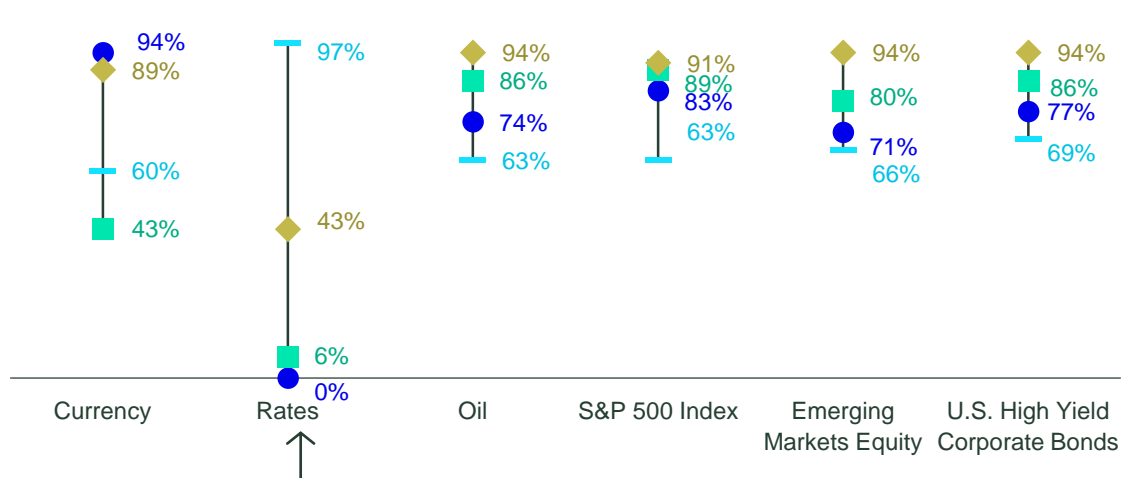
Cross-Asset Volatility

Risk-asset volatility continued to move lower, while currency implied volatility spiked to the top decile of the past three years.

Cross-Asset Implied Volatility

Percentile Rank of Daily Average, Three Year

● Aug-20   ■ Jul-20   ◆ May-20   — One Year Ago

Currency	Rates	Oil	S&P 500 Index

94% / 89% / 60% / 43% (Currency)
97% / 43% / 6% / 0% (Rates)
94% / 86% / 74% / 63% (Oil)
91% / 89% / 83% / 63% (S&P 500 Index)
94% / 80% / 71% / 66% (Emerging Markets Equity)
94% / 86% / 77% / 69% (U.S. High Yield Corporate Bonds)

Currency | Rates | Oil | S&P 500 Index | Emerging Markets Equity | U.S. High Yield Corporate Bonds

Rates implied volatility fell to its lowest level in three years, as the Fed's new policy framework anchored interest rates at zero

Cross-Asset Dispersion

Percentile Rank, Three Year

● Aug-20   ■ Jul-20   ◆ May-20   — One Year Ago
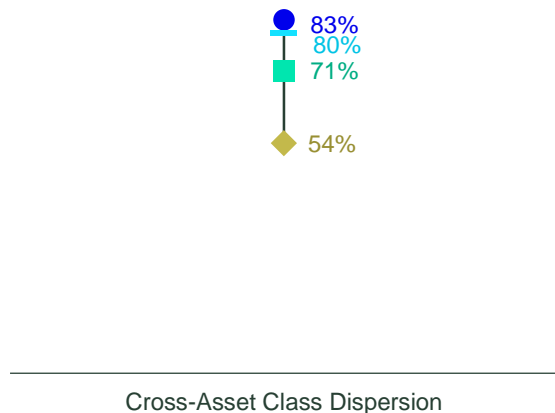
83% / 80% / 71% / 54%
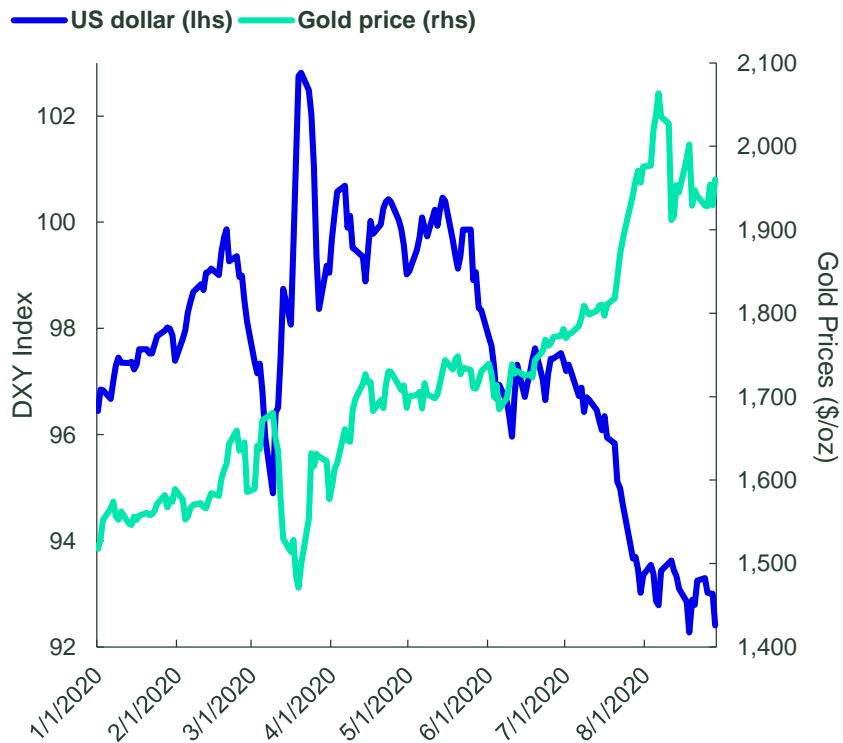
Cross-Asset Class Dispersion

Source: Bloomberg Finance, L.P. as of August 31, 2020. **Past performance is not a guarantee of future results.** Currency implied volatility is measured by the J.P. Morgan Global FX Volatility Index. Rates implied volatility is measured by the MOVE Index. Oil implied volatility is derived from oil future contracts. Emerging markets implied volatility is measured by the CBOE Emerging Markets ETF Volatility Index. High Yield bond implied volatility is measured by the CBOE High Yield Corporate Bond ETF Volatility Index. Cross-asset dispersion is measured by standard deviation of monthly returns of S&P 500, Russell 2000, Russell 3000 Growth, Russell 3000 Value, MSCI Emerging Markets, MSCI World ex-USA, Bloomberg Barclays US Aggregate, US Corporate High Yield, EM USD Aggregate, EM Local Currency Government, S&P/LSTA US Leveraged Loan 100, Bloomberg Commodity Indices, LBMA Gold Price PM.

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Gold

Inflationary pressures have sparked weakness in the US dollar, providing tailwinds for the spot price of gold outside of other macro forces.

Dovish Policies Continue to Deteriorate US Dollar While Gold Rallies

— US dollar (lhs) — Gold price (rhs)

Gold's Correlation to US Dollar

■ Full Cycle ■ Recession ■ Non-Recession

Average 12-Mth. Correlation

S&P 500 · US Treasury · US Dollar
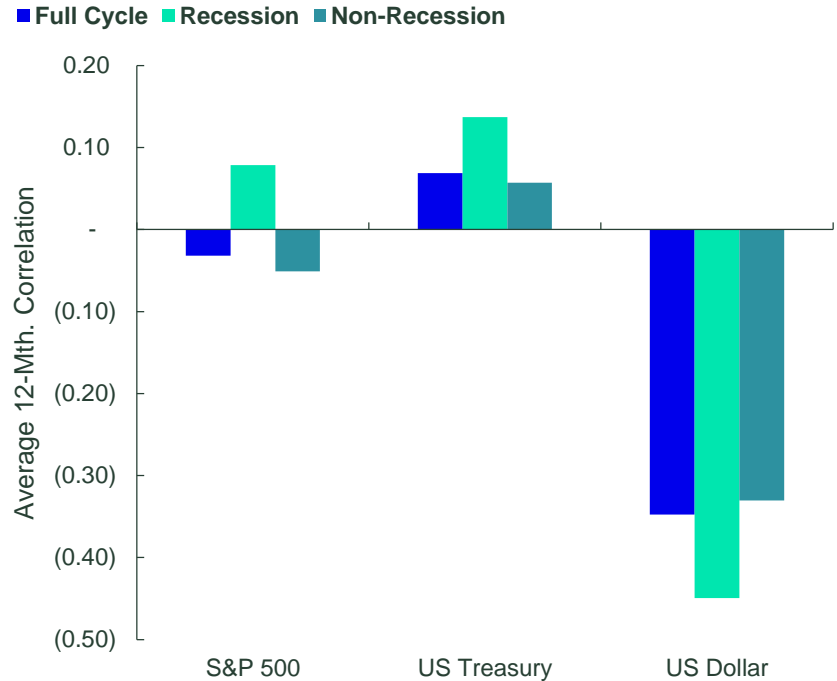
Gold's negative correlation to USD extends during US recessions

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US Dollar

Traders continue to add short positions in dollar futures, as the US dollar lost its yield advantage over other currencies on the back of a dovish Fed.

Interest Rate Differentials Between the USD and the MSCI World ex-US Currency Basket

Legend: Interest Rate Differentials — 20-Year Avg.
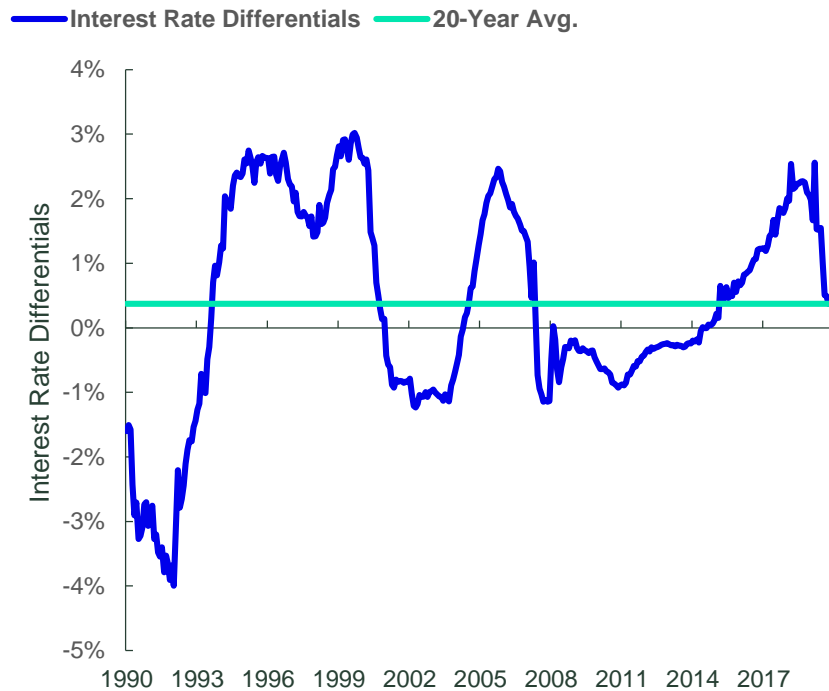
US Dollar Futures Positioning

Legend: USD Net Long - Short Positions — DXY Index — 200-Day Moving Average (DXY) — 50-Day Moving Average (DXY)
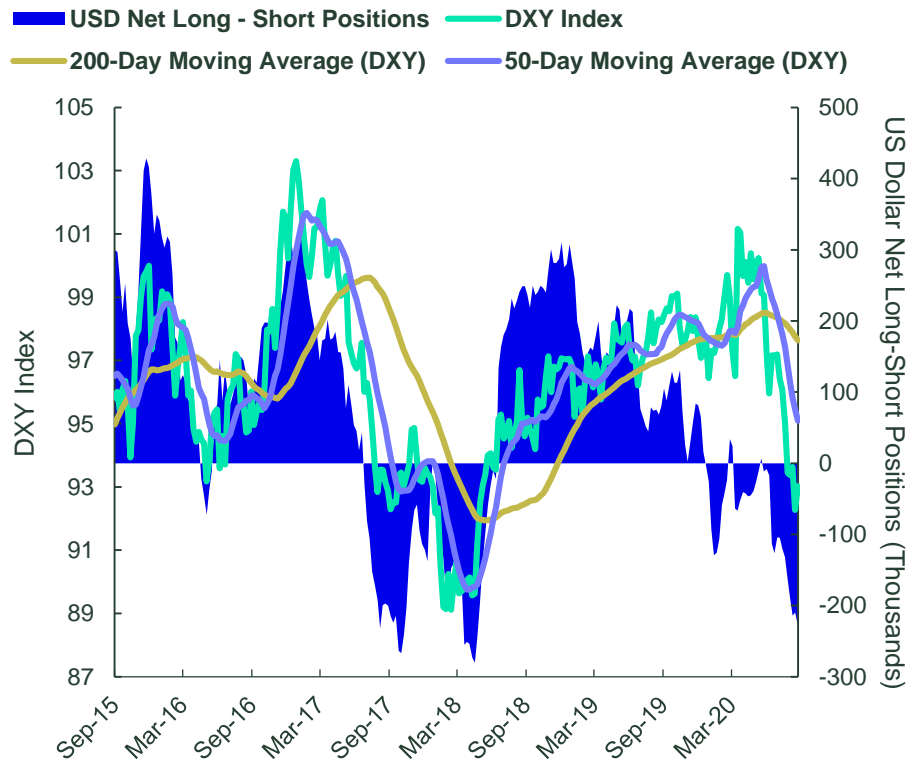
Short positions are at their highest level since April 2018

Source: Bloomberg Finance, L.P. State Street Global Advisors, as of August 31, 2020.

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Election Trends

On the heels of slower increases in confirmed COVID-19 cases, Biden's lead over Trump in polls narrowed nationally and in swing states in August.

COVID-19 Cases Vs. Polling

— 5-Day Changes to Confirmed COVID-19 Cases
— Biden vs. Trump National Avg. Poll Differences

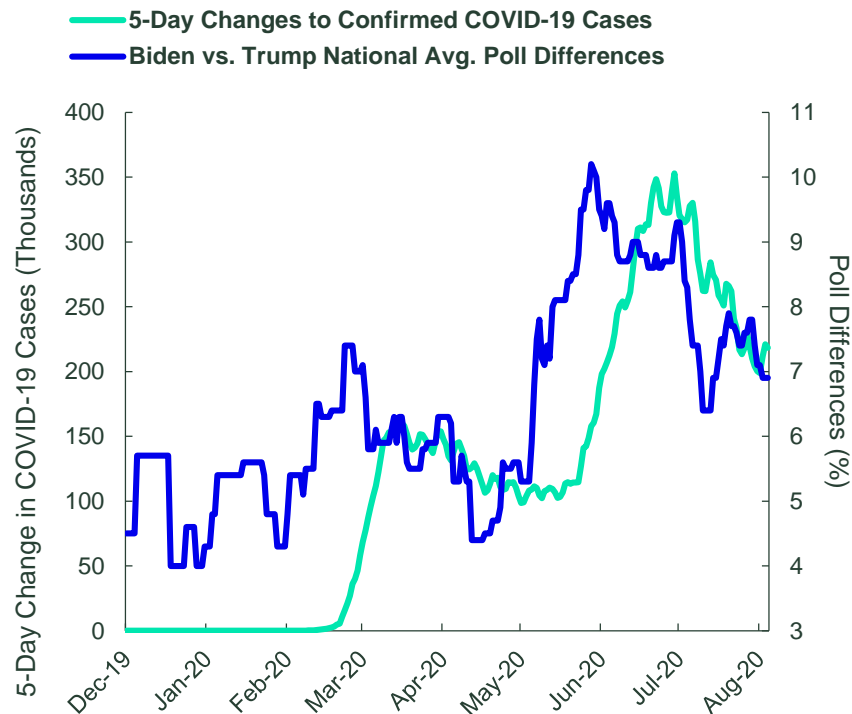**Although there are still hundreds of thousands of new cases every day, the new-case rate has slowed since June.**

Biden vs. Trump Poll Avg. Differences in Swing States

■ 7/31/2020 ■ 8/31/2020

	MI	PA	WI	FL	AZ	NC
7/31/2020	8.0	6.2	5.0	7.2	3.2	3.4
8/31/2020	2.6	4.7	3.5	3.7	2.2	0.3

Source: Bloomberg Finance, L.P; RealClearPolitics as of August 31, 2020.

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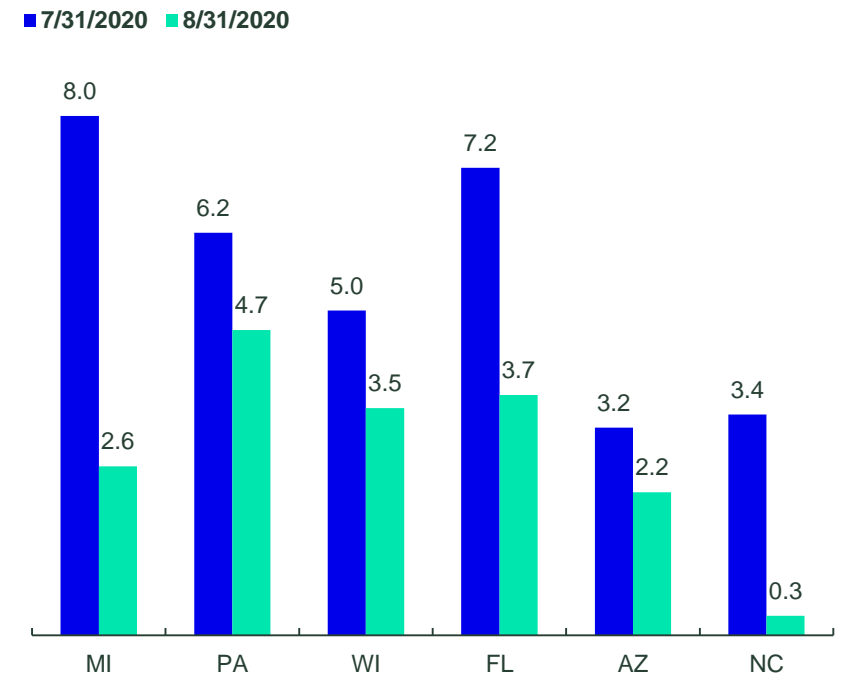
Election Trends (continued)

Current probabilities showcase the potential for partisan gridlock (i.e., status quo) once again in Congress, as neither party is predicted (as of now) to control both houses.

PredictIt Probability for Balance of Power in Congress

— Dem Senate   — Dem House   — GOP House   — GOP Senate
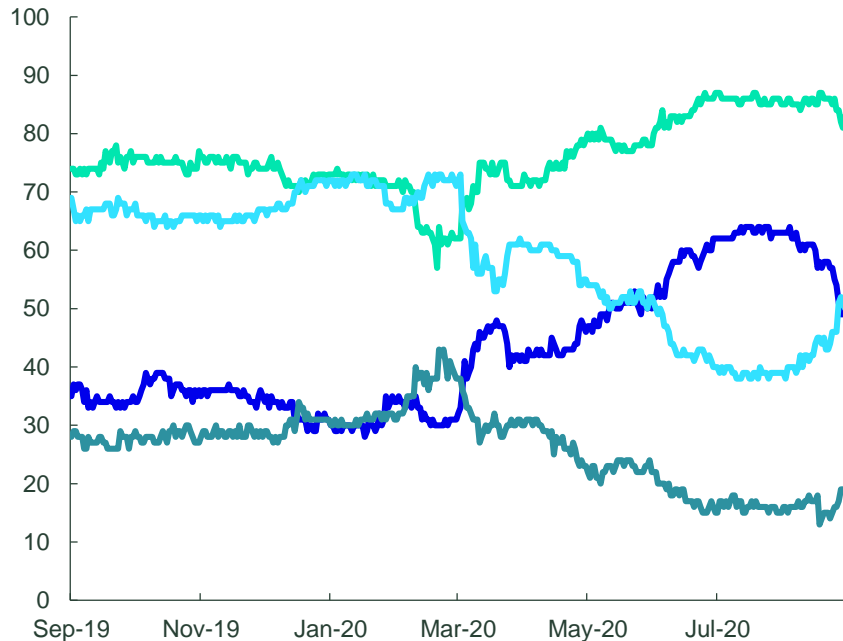
The probability of a Democratic-controlled Congress has decreased, as the GOP odds of Senate control have increased

CBOE Volatility Index (VIX) Futures Curve

— CBOE Volatility Index 8/31/2020   — CBOE Volatility Index 7/31/2020

As depicted by the implied volatility of the VIX curve, election-related volatility expectations have increased from an already high starting point

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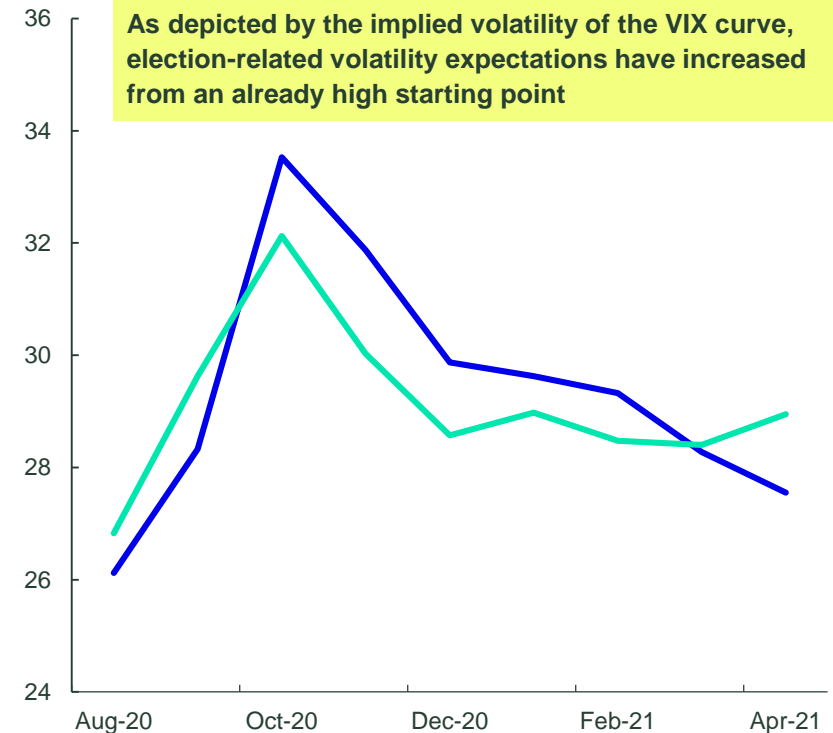
State Street Current Positioning

State Street further trimmed overall equity allocations, while favoring US large caps within equities and credit over government bonds.

SPDR SSGA Global Allocation ETF [GAL] Current & Strategic Exposures (%)

■ 8/31/2020 ■ Change ● Investment Solutions Group Strategic Weights

Category	8/31/2020	Change	ISG Strategic Weight
US Equity	33	3	26
Developed ex-US Markets Equity	16	-4	22
Emerging Markets Equity	8	0	6
Global Real Estate	0	0	6
High Yield	14	3	6
Investment Grade Bonds	19	-1	25
Inflation Linked Bonds	5	0	7
Commodities	4	0	0
Cash	2	0	2
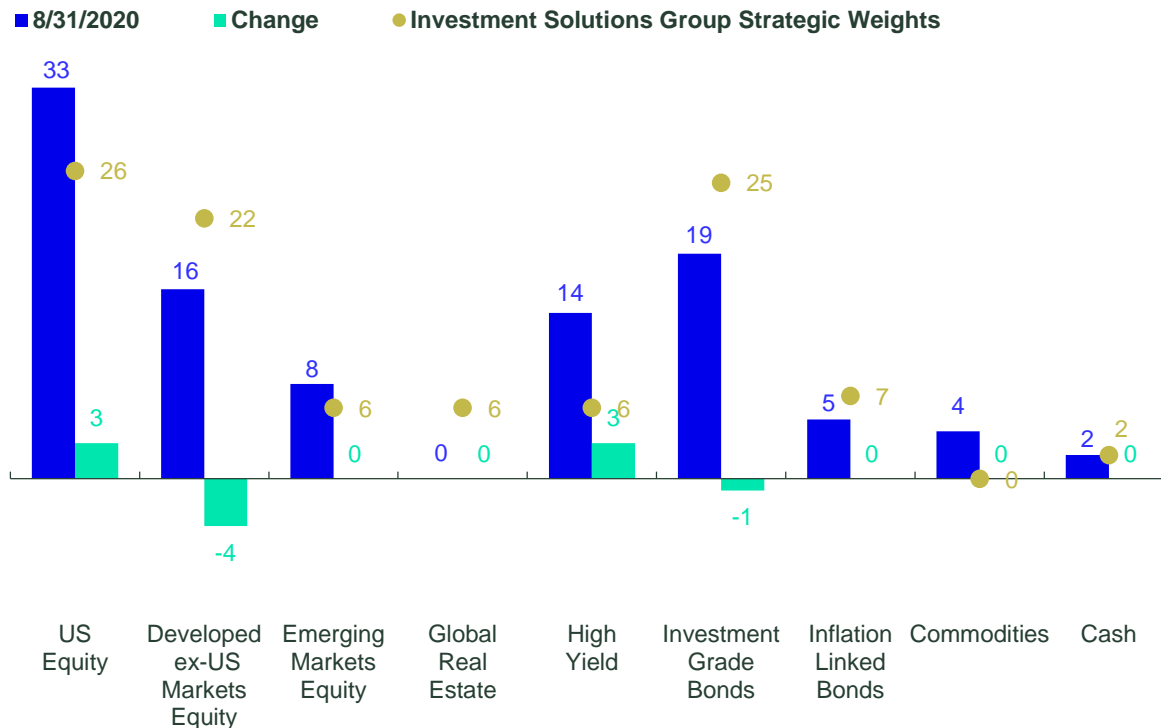
Tactical Rebalance Trades: August

Sold	• Developed ex-US
Bought	• US Equity • High Yield Bonds

Sector Rotation Trades

US Equity Allocation Total: 6%
Sectors are included based on their relative valuation, momentum and earnings sentiment

July	Tech.	Cons. Disc.	Cons. Stap.
	2%	2%	2%

Aug.	Tech.	Cons. Disc.	Cons. Stap.
	2%	2%	2%

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2. Flows, Fundamentals & Factors

Flow Trends

Equity ETF flows remain constrained, below their 5-year median figure, while bond ETFs saw inflows broadly, with only government related segment having outflows.

Flows by Equity Regions

- ■ **Aug.**
- ● **Month to Date (% of Start-of-Month AUM)**
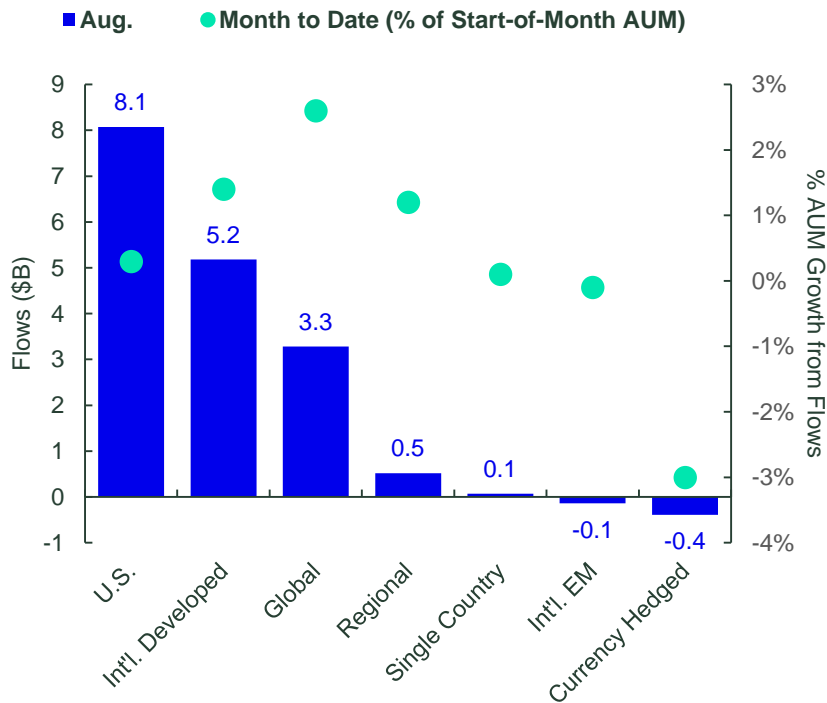
Fixed Income Top and Bottom 3 Sectors by Flow

- ■ **Aug.**
- ● **Month to Date (% of Start of Month AUM)**
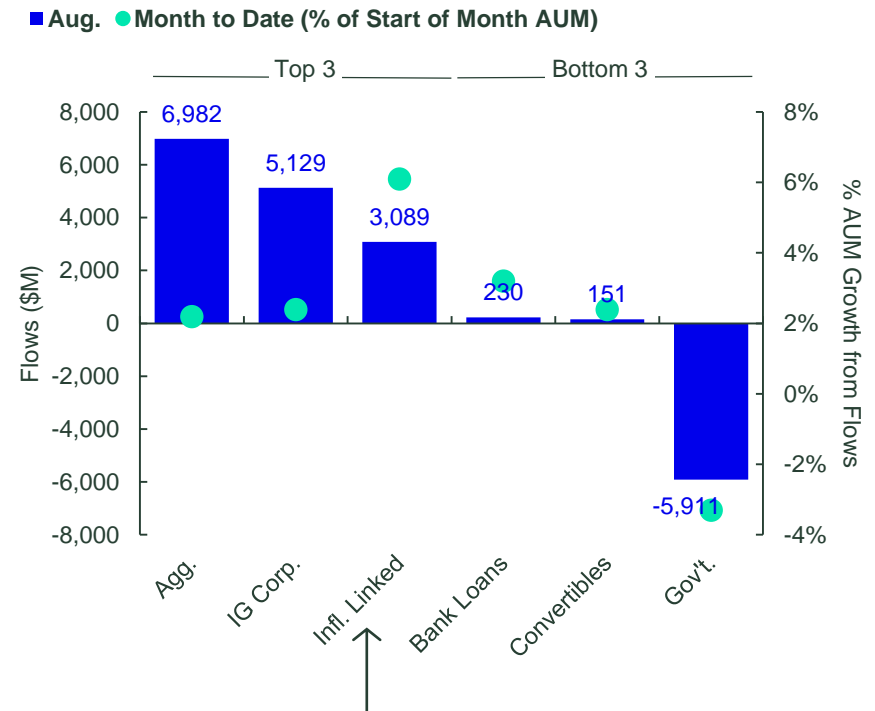
TIPS ETFs are back in favor, as inflation-protected securities outperformed nominal Treasuries for five straight months

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Flow Trends (Continued)

Investors have started to look overseas for equity exposures, while flows into high yield and IG corporates are at record highs for 2020.

Non-US Minus US Rolling 2-Month Fund Flows
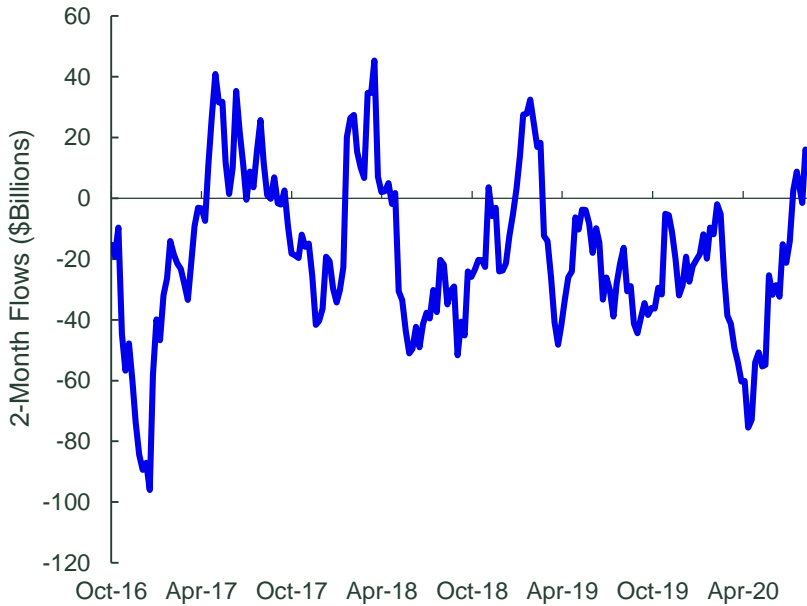
High Yield and Investment-Grade Annual Flows

■ IG Corporate ■ High Yield ● Combined % of all FI ETF Flows
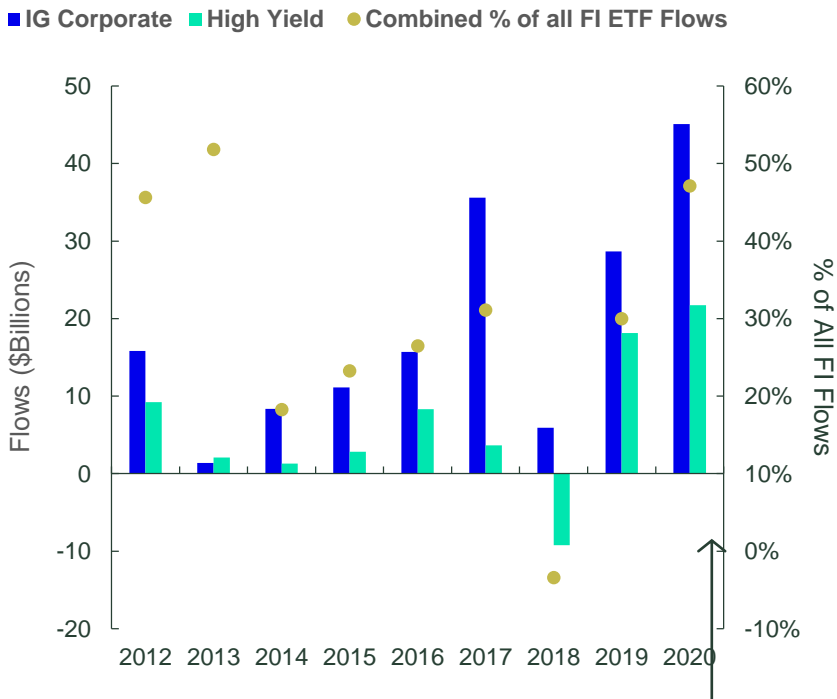
The combined flows into IG and high yield corporates account for nearly 50% of all bond ETF flows

Source: State Street Global Advisors, Bloomberg Finance, L.P. as of August 31, 2020. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

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Global Mobility Reports

As the world looks forward to moving past the COVID-19 pandemic, activity around retail, recreation, and residential areas are reverting, despite elevated case numbers

Residential Mobility Reports – Change from Baseline (%)
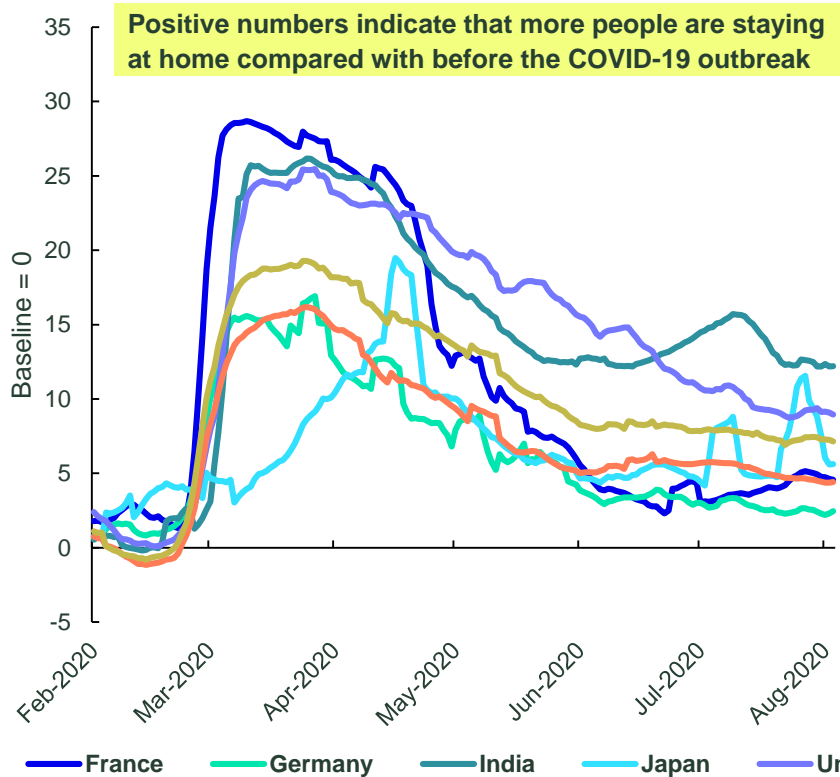
Positive numbers indicate that more people are staying at home compared with before the COVID-19 outbreak

Retail & Recreation – Change from Baseline (%)

Differences exist based on region and along political lines in the US

Legend: France — Germany — India — Japan — United Kingdom — US - Republican States — US - Democratic States
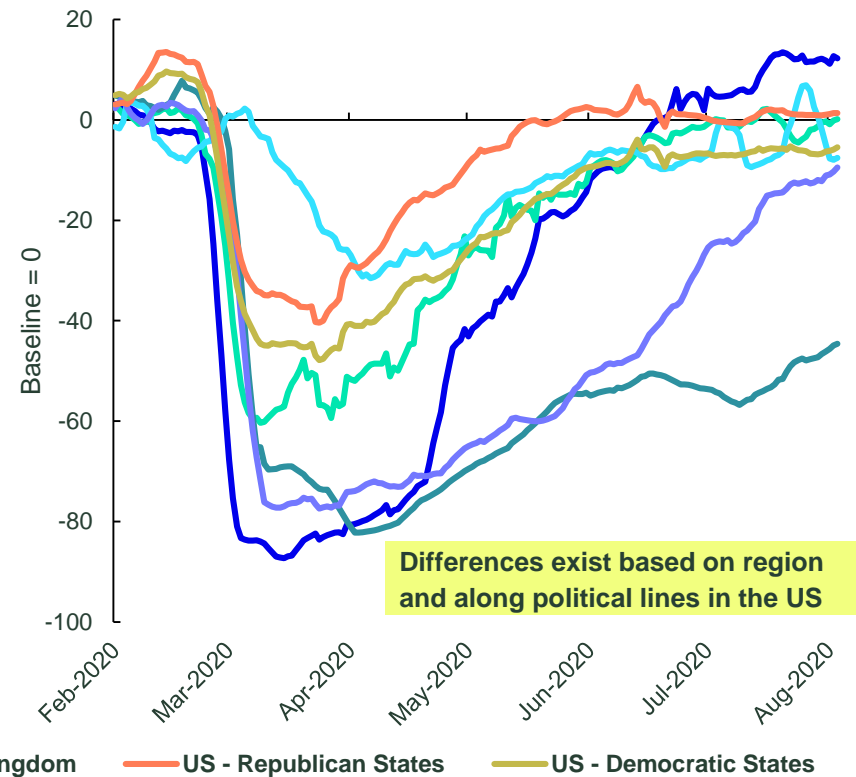
Source: Global Mobility Report, Google as of 08/25/2020. The data shows how visits to places, such as grocery stores and parks, are changing in each geographic region. Residential = Mobility trends for places of residence. Retail & recreation = Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. Data points are a rolling seven-day average to reduce cyclical swings. US Republican and Democratic states were differentiated by their results of the 2016 Presidential Election.

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Global Economy

Eurozone economic sentiment fell from recent highs, while certain parts of the US economy bounced back close to their pre-pandemic levels.

Citigroup Economic Surprise Indices

Legend: Eurozone, US, Emerging Markets, Global
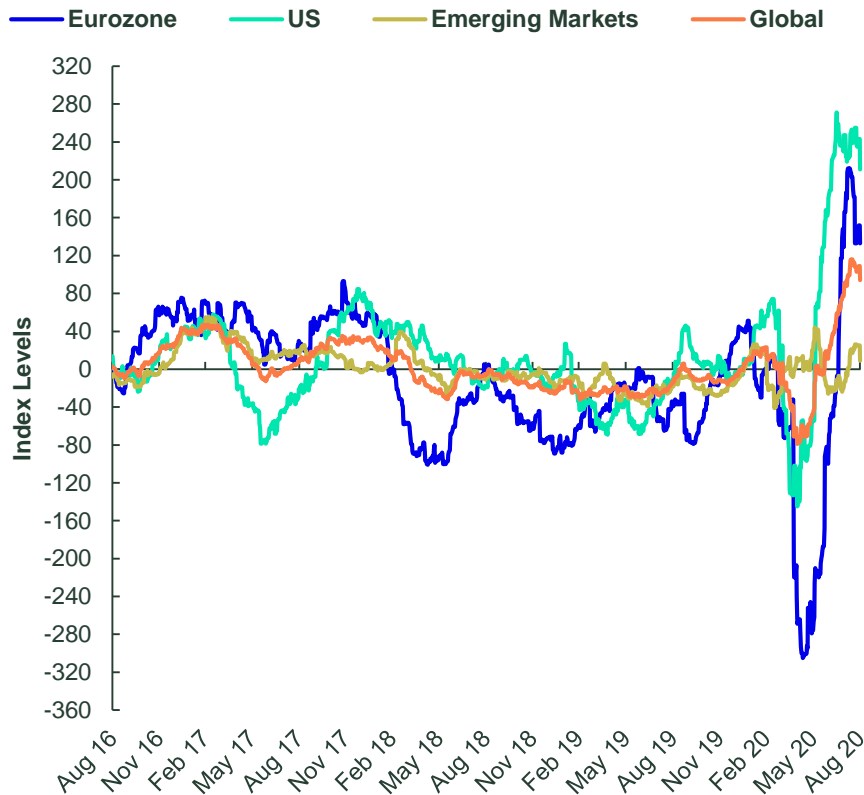
US Economic Data: % Change Since February 28, 2020

Category	Indicator	% Change
Manufacturing	Industrial Production	-8%
Manufacturing	ISM Manufacturing Index	8%
Manufacturing	Markit Manufacturing	1%
Manufacturing	Durable Goods New Order	-6%
Services	ISM Non-Manufacturing Index	1%
Services	Markit Services Sector	1%
Consumer	Retail Sales	2%
Consumer	Consumer Confidence	-31%
Consumer	Personal Consumption	-5%
Housing	NAHB/Wells Fargo Housing Market Index	-3%
Housing	New Home Sales	26%
Housing	Existing Home Sales	2%
Unemployment	Continued Jobless Claims	859%
Unemployment	Total Unemployment	182%

Some economic data bounced back, but others are well off their pre-pandemic levels, indicating an uneven recovery

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Global Valuation

Rich valuations in large-cap growth have driven the broad US equity valuations to their highest levels in 15 years. Better value is seen overseas.

Absolute & Relative Valuation Z-Score* and 15-Year Percentile Ranking   🟧 **Bottom 3 Expensive Valuation**   🟩 **Top 3 Attractive Valuation**

		Valuation to Region History (Percentile)				Absolute Valuation Composite Z-Score*	Valuation Relative to S&P 500 (Percentile)				Relative Valuation Z-Score*
		P/E	NTM P/E	P/B	P/S		P/E	NTM P/E	P/B	P/S	
US/Style/Region	S&P 500	100%	100%	100%	100%	3.10	—	—	—	—	—
	S&P MidCap 400 Index	97%	98%	36%	88%	1.44	18%	1%	0%	2%	-2.09
	S&P SmallCap 600 Index	100%	98%	28%	17%	1.84	99%	3%	2%	0%	-0.73
	S&P 500 Value	94%	99%	73%	85%	1.43	2%	0%	0%	0%	-2.58
	S&P 500 Growth	100%	100%	100%	100%	3.56	87%	100%	100%	100%	2.30
	MSCI EAFE	96%	99%	61%	96%	1.67	30%	1%	1%	2%	-1.50
	MSCI Europe	73%	99%	68%	98%	1.14	1%	2%	1%	2%	-1.98
	MSCI EM	97%	100%	65%	91%	1.70	7%	41%	7%	17%	-0.96
Major Countries	MSCI Canada	93%	97%	26%	49%	0.72	14%	0%	1%	0%	-1.84
	MSCI Japan	88%	85%	51%	74%	0.33	29%	17%	1%	1%	-1.11
	MSCI Germany	93%	99%	48%	94%	1.43	16%	19%	2%	1%	-1.56
	MSCI France	100%	99%	50%	85%	1.88	73%	43%	1%	1%	-0.86
	MSCI UK	99%	89%	4%	29%	0.93	96%	0%	1%	2%	-1.29
	MSCI China	88%	92%	77%	83%	0.75	23%	27%	31%	39%	-0.63
	MSCI Russia	73%	80%	39%	42%	0.06	24%	44%	3%	2%	-0.83
	MSCI Brazil	88%	99%	68%	69%	1.73	1%	99%	22%	20%	-0.37
	MSCI India	98%	98%	25%	52%	0.95	8%	15%	2%	6%	-1.15

Source: State Street Global Advisors, FactSet, as of August 31, 2020. * The z-score is calculated as the average z-score of valuations based on different metrics. The z-score indicates how many standard deviations an element is from its historical mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where z is the z-score, X is the segment current valuations and σ is the standard deviation of monthly valuations over the past 15 years.

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Global Momentum

US large-cap growth leads momentum among styles and regions, while China and broader emerging markets continue to gain traction.

Momentum Scorecard Rankings   ■ Bottom 3 Rank on Momentum   ■ Top 3 Rank on Momentum

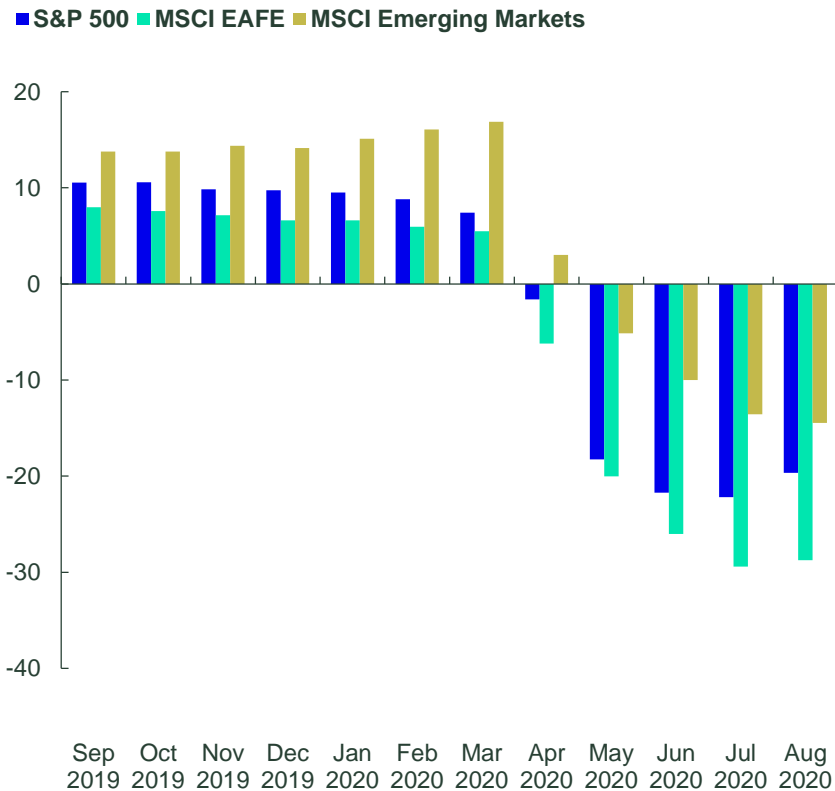|		Price Momentum			Technicals			Continuous Momentum			Combined Average Rank
		3 Month	6 Month	12 Month	% above 50-Day Moving Average	% above 200-Day Moving Average	% Difference 50- to 200-Day Moving Average	# of Positive Return Days (90-Day Lookback)	# of Positive Return Days (180-Day Lookback)	# of Positive Return Days (12-Month Lookback)	
US/Style/Regions	S&P 500	11	4	3	2	3	3	2	2	2	4
	S&P MidCap 400 Index	7	6	11	5	6	8	8	8	11	8
	S&P SmallCap 600	12	13	14	4	10	11	6	10	15	11
	S&P 500 Value	15	12	12	6	12	13	9	8	7	10
	S&P 500 Growth	3	2	1	1	1	1	1	1	1	1
	MSCI EAFE	13	11	8	8	7	7	11	13	4	9
	Euro Stoxx	9	7	7	13	13	12	13	10	8	10
	MSCI EM	5	3	4	9	4	4	5	7	4	5
Major Countries	MSCI Canada	10	10	9	11	9	9	6	3	6	8
	MSCI Japan	16	9	6	10	11	10	17	16	17	12
	MSCI Germany	2	5	5	12	8	6	12	12	14	8
	MSCI France	8	14	13	14	14	14	16	14	9	13
	MSCI UK	17	15	16	16	16	16	10	6	10	14
	MSCI China	4	1	2	3	2	2	4	4	2	3
	MSCI Russia	14	16	15	15	15	15	13	15	11	14
	MSCI Brazil	1	17	17	17	17	17	13	17	16	15
	MSCI India	6	8	10	7	5	5	2	5	11	7

Momentum in developed ex-US remains weak.

Source: State Street Global Advisors, FactSet, as of August 31, 2020. *Momentum is calculated by calculating the 3-month, 6-month and 12-month price performance, not including the most recent month.
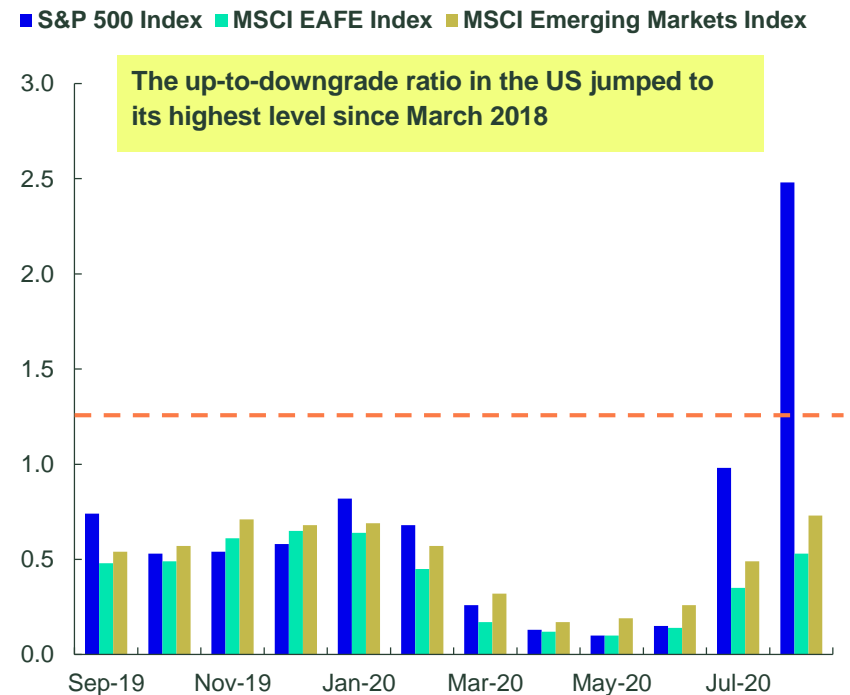
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Global Earnings

Strong earnings beats in Q2 have ratcheted up US earnings expectations lately, with an increasing number of upgrades in the US.

2020 EPS Growth Estimates (%)

■ S&P 500 ■ MSCI EAFE ■ MSCI Emerging Markets

2020 EPS Revision: Three-Month Up-to-Downgrade Ratio

■ S&P 500 Index ■ MSCI EAFE Index ■ MSCI Emerging Markets Index

The up-to-downgrade ratio in the US jumped to its highest level since March 2018

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US Factor Trends

Narrow leadership and wide dispersion persists within factors, as the best-performing factor (Momentum) is outperforming the worst (Value) by 37% YTD.

MSCI USA Factor Index Versus MSCI USA Index (Three Years)

Legend: —— Quality —— Size —— Dividend —— Momentum —— Value —— Min. Vol.
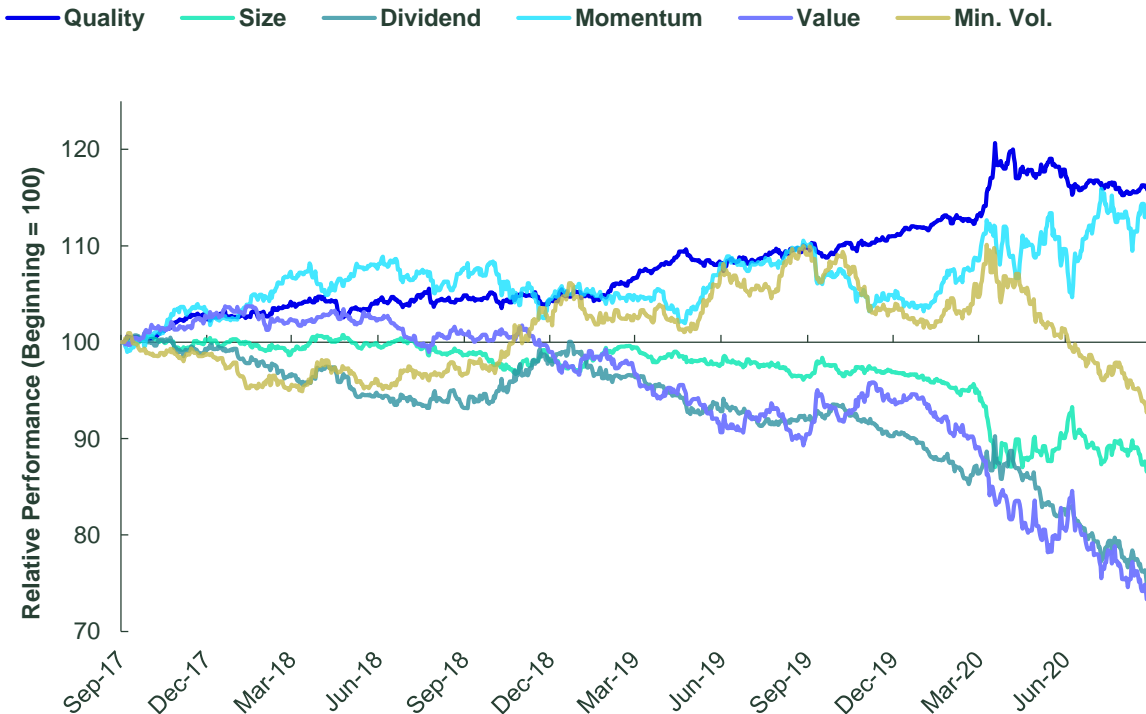
Period Excess Returns Versus MSCI USA Index (%)

■ Trailing 12 Month ■ YTD ■ Prior Month

Factor	Trailing 12 Month	YTD	Prior Month
Value	-23.8	-25.1	-3.5
Momentum	5.9	12.3	2.2
Dividend Yield	-19.7	-16.3	-3.9
Size	-12.8	-11.6	-2.9
Quality	6.9	4.0	0.6
Min. Vol.	-18.5	-10.5	-4.6

Source: Bloomberg Finance, L.P. as of August 31, 2020. **Past performance is not a guarantee of future results.** MSCI USA Minimum Volatility Index, MSCI USA Enhanced Value Index, MSCI USA Quality Index, MSCI USA Equal Weighted Index, MSCI USA High Dividend Yield Index and MSCI USA Momentum Index were used to represent Min. Vol., Value, Quality, Size, Dividend, Momentum. The indexes used above were compared to the MSCI USA Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

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US Factor Trends (Continued)

Quality's outperformance was mainly driven by its significant overweight in Technology, while Consumer Discretionary contributed the most to Momentum's outperformance.
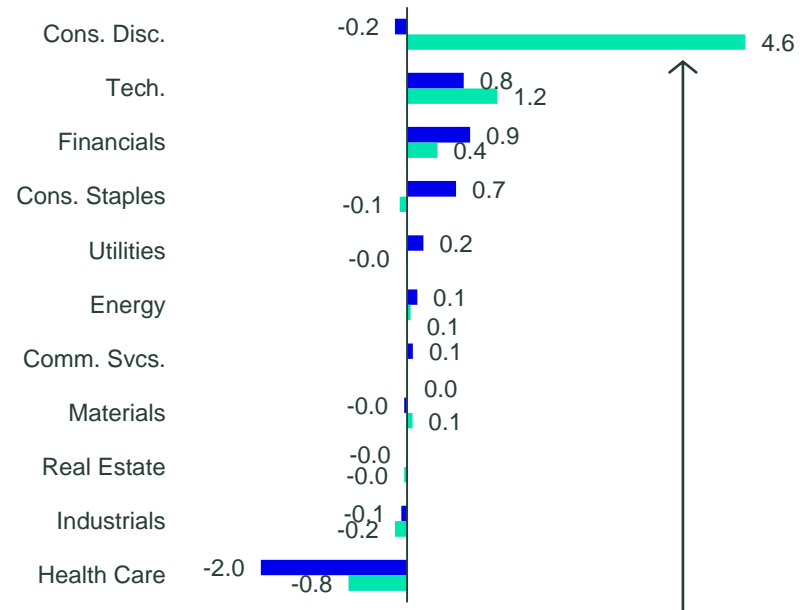
Quality Relative Performance to the S&P 500 Index

─── MSCI USA Quality Index ─── MSCI USA Quality Sector Neutral Index

The MSCI USA Sector Neutral Quality Index has underperformed the broad market since the market rebound

MSCI USA Momentum vs. S&P 500
Relative Performance Attribution Since March 31, 2020

■ Allocation Effect ■ Selection Effect

Nearly 100% of Momentum's outperformance is attributed to its overweight of Tesla in the Cons. Disc. sector

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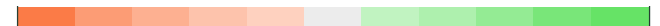
3. Sectors

Sector Flows & Returns

Sector ETFs had their seventh month of inflows, as investors continue to position toward cyclical sectors in response to improved consumer spending and industrial activities.

Global Equity Sector Heatmap	Positioning					Returns		
	Prior Month Flow ($M)	Trailing Three-Month Flows ($M)	Trailing 12-Month Flow ($M)	Current Short Interest (%)	One-Month Prior Short Interest (%)	Prior Month Return (%)	YTD Return (%)	12-Month Return (%)
Consumer Discretionary	1,156	2,911	1,350	7.1	8.1	9.5	28.0	34.9
Consumer Staples	(201)	(1,482)	(696)	4.9	4.5	4.7	5.7	11.3
Energy	(186)	1,433	6,903	6.8	7.3	-1.0	-39.3	-33.5
Financial	703	1,548	(917)	10.0	11.9	4.3	-17.4	-4.5
Health Care	(100)	(2,179)	7,040	15.3	15.4	2.7	7.3	22.5
Industrials	993	2,970	1,997	7.6	10.5	8.6	-3.3	5.2
Materials	444	(977)	1,070	8.5	7.5	4.4	4.1	14.2
Real Estate	(469)	(2,224)	(2,602)	3.5	3.3	0.0	-4.8	-4.5
Technology	1,092	2,668	11,749	3.3	3.7	12.0	36.0	57.9
Communications	32	292	3,448	1.2	1.4	9.1	16.1	27.1
Utilities	827	159	1,018	10.8	16.9	-2.6	-6.7	-2.0
S&P 500 Mean	4,291	5,119	30,360	—	—	7.2	9.7	21.9

Flows have followed returns, to a degree. Technology, Consumer Discretionary, and Industrial stocks all outperformed the broad S&P 500 Index in August.

Worst-Performing Sector
Least Flows in Period

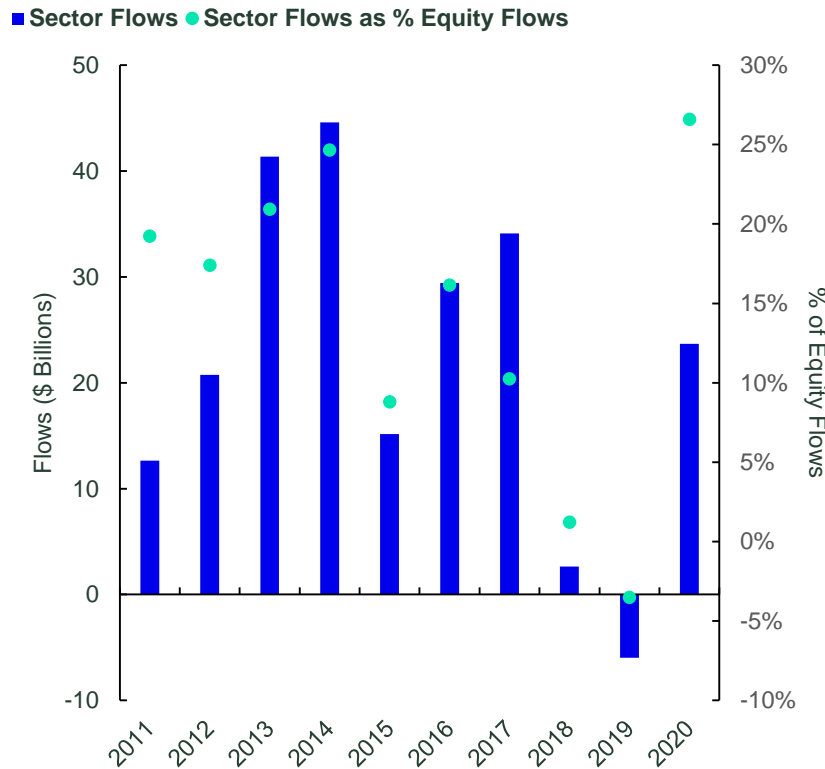Best-Performing Sector
Most Flows in Period
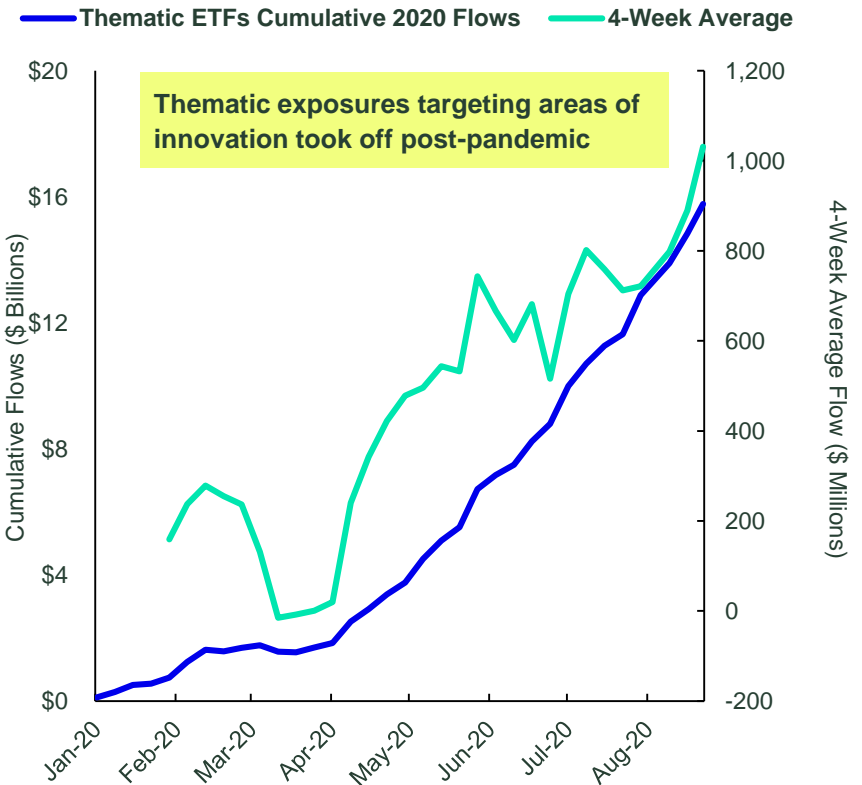
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Sector Flow Trends

Traditional and thematic sectors have witnessed an uptick in inflows in 2020, as investors target specific market segments more discretely.

Annual Sector Flows and Percent of All Equity Flows

■ Sector Flows ● Sector Flows as % Equity Flows

Thematic ETF Cumulative Flows Vs. Rolling 4-week Average

—— Thematic ETFs Cumulative 2020 Flows —— 4-Week Average

Thematic exposures targeting areas of innovation took off post-pandemic

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Sector Performance

While Tech. has contributed nearly a third of the return of US large-cap equities since the market bottom, Health Care has led in the small-cap space.

Contribution to Total Returns Since the Market Bottom (3/23/2020)

■ **Russell 1000 Index** ■ **Russell 1000 Equal Weight Index** ■ **Russell 2000 Index**
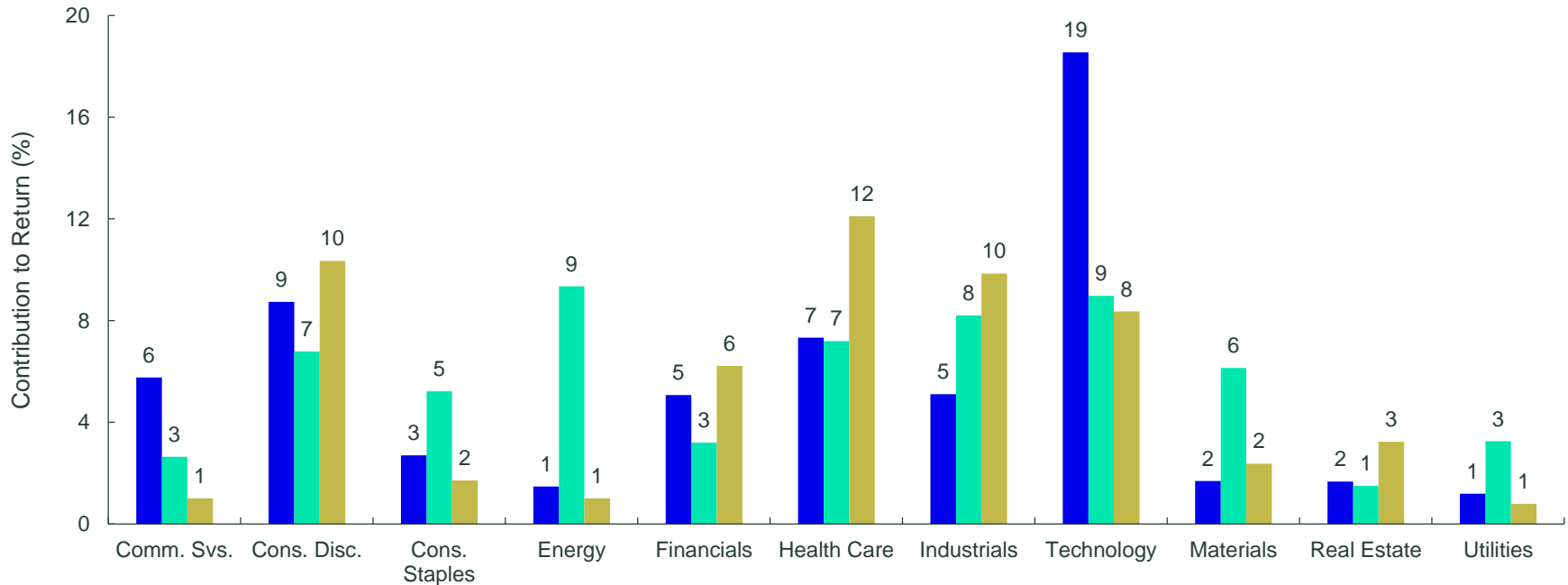
Energy, Tech. and Industrials are the top 3 contributors in the Russell 1000 Equal Weighted index

Source: Bloomberg Finance L.P. as of August 27, 2020. **Past performance is not a guarantee of future results.**

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Sector Scorecard

Given the rally in the broad commodity market, Materials saw improved momentum and earnings sentiment in August.

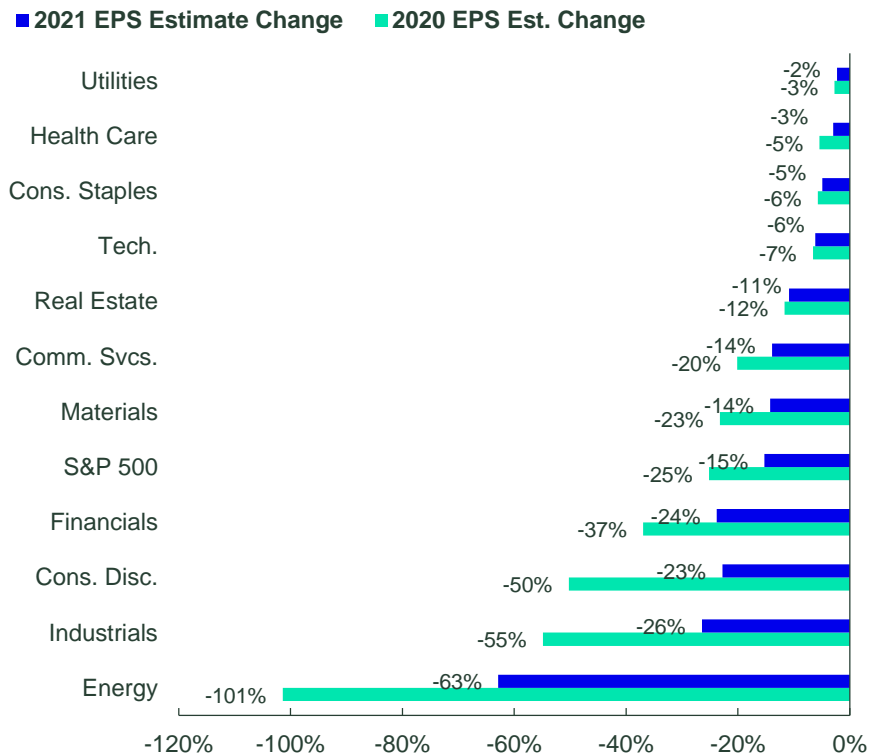|	Sector Composite Z-Score*		
	Valuation Composite Score	Momentum Composite Score	Earnings Sentiment Composite Score
Communication Services	-0.44	0.49	-0.12
Consumer Discretionary	-1.19	1.20	-0.53
Consumer Staples	-0.10	-0.01	0.22
Energy	1.39	-2.16	-0.79
Financials	0.74	-0.88	-0.07
Health Care	0.22	0.28	1.06
Industrials	-0.28	-0.28	0.32
Information Technology	-1.08	1.54	0.54
Materials	-0.14	0.51	0.41
Real Estate	0.71	-0.34	-0.93
Utilities	0.17	-0.36	-0.10

Despite its strong earnings sentiment, Health Care has lagged on momentum as of late

Source: State Street Global Advisors, FactSet, Bloomberg Finance, L.P. as of August 31, 2020. Green shading is top 3, red shading is bottom 3. * The scorecard uses z-score for each metric to standardize numbers across sectors and show relativeness among sectors. Composite score is calculated by equally weighting each metric in the same category. Z-score indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where X is the value of the sector. μ is the mean of the eleven sectors. σ is the standard deviation of eleven sectors. S&P 500 sector indices are used to calculate sector scores. Please refer to Appendix C for the metrics used to measure valuation, momentum and earnings sentiment.
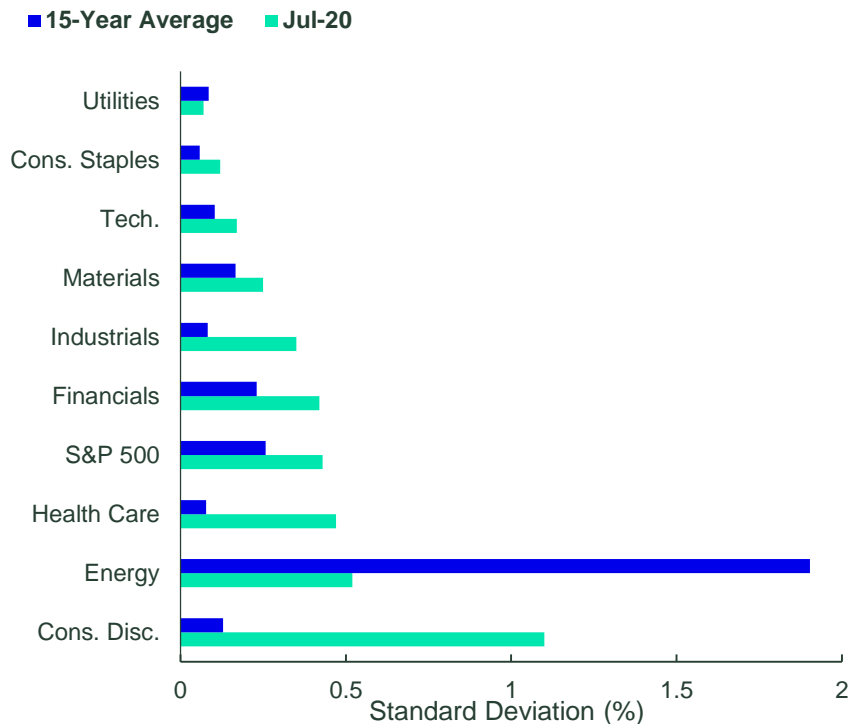
Sector Earnings Trends

Although earnings sentiment has improved recently, estimates remain significantly below their pre-COVID-19 levels for cyclical sectors and are very uncertain.

Changes to 2020 and 2021 EPS Est. Since February 2020

■ 2021 EPS Estimate Change   ■ 2020 EPS Est. Change

Sector	2021 EPS Estimate Change	2020 EPS Est. Change
Utilities	-2%	-3%
Health Care	-3%	-5%
Cons. Staples	-5%	-6%
Tech.	-6%	-7%
Real Estate	-11%	-12%
Comm. Svcs.	-14%	-20%
Materials	-14%	-23%
S&P 500	-15%	-25%
Financials	-24%	-37%
Cons. Disc.	-23%	-50%
Industrials	-26%	-55%
Energy	-63%	-101%

Analyst Estimate Dispersion by Sector

■ 15-Year Average   ■ Jul-20

Standard Deviation (%)

(Sectors from top to bottom: Utilities, Cons. Staples, Tech., Materials, Industrials, Financials, S&P 500, Health Care, Energy, Cons. Disc.)

Technology's earnings prospects are less impacted by the pandemic and have greater consensus among analysts.

Source: FactSet, as of 08/31/2020. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector. It is not known whether the sectors shown will be profitable in the future.
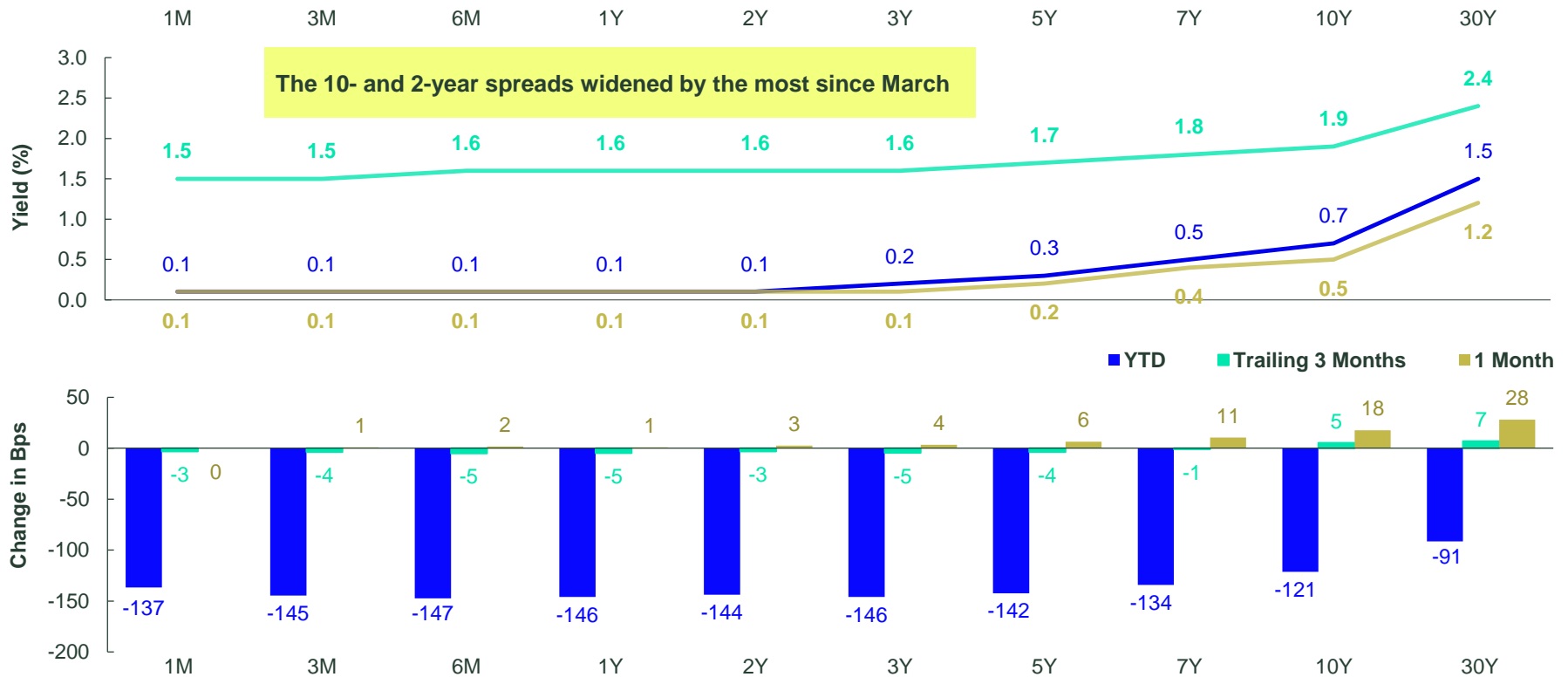
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4. Fixed Income

Yield Curve

Long-term yields picked up, as the Fed's new policy framework shows its willingness to allow inflation to run hot, weighing on long-term nominal Treasuries.

US Treasury Curve

US Treasury Active: ■ 8/31/2020   ■ 12/31/2019   ■ 7/31/2020

	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y

Yield (%) (top chart)

The 10- and 2-year spreads widened by the most since March

12/31/2019: 1.5, 1.5, 1.6, 1.6, 1.6, 1.6, 1.7, 1.8, 1.9, 2.4

8/31/2020: 0.1, 0.1, 0.1, 0.1, 0.1, 0.2, 0.3, 0.5, 0.7, 1.5

7/31/2020: 0.1, 0.1, 0.1, 0.1, 0.1, 0.1, 0.2, 0.4, 0.5, 1.2

Change in Bps (bottom chart)

■ YTD   ■ Trailing 3 Months   ■ 1 Month

	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
YTD	-137	-145	-147	-146	-144	-146	-142	-134	-121	-91
Trailing 3 Months	-3	-4	-5	-5	-3	-5	-4	-1	5	7
1 Month	0	1	2	1	3	4	6	11	18	28

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Inflation

As the Fed shifts to average inflation targeting, it may keep rates lower for longer to fight against a persistent undershoot of the inflation target.

Inflation Measurements

- US Core CPI YoY
- US Core PCE Index YoY
- Atlanta Fed Sticky CPI 12 Month
- The Fed's Inflation Target

The Core PCE has been running below the inflation target 89% of the time over the past 10 years
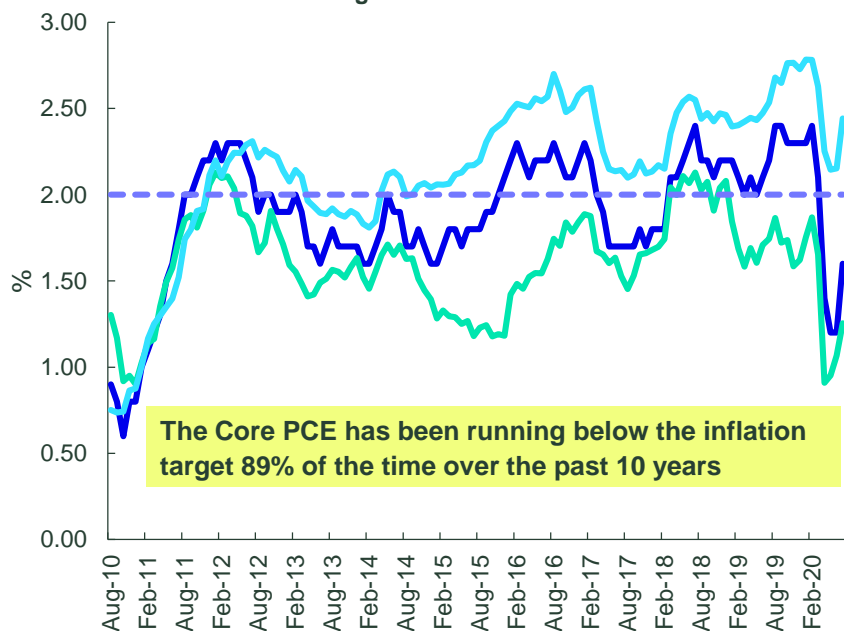
Inflation Sensitivity to COVID-19*

- COVID-Sensitive (ambiguous) core PCE contribution
- COVID-Sensitive (supply) core PCE contribution
- COVID-Sensitive (demand) core PCE contribution
- COVID-Insensitive core PCE contribution

Decreasing demand during the pandemic has pulled inflation further below the 2% target
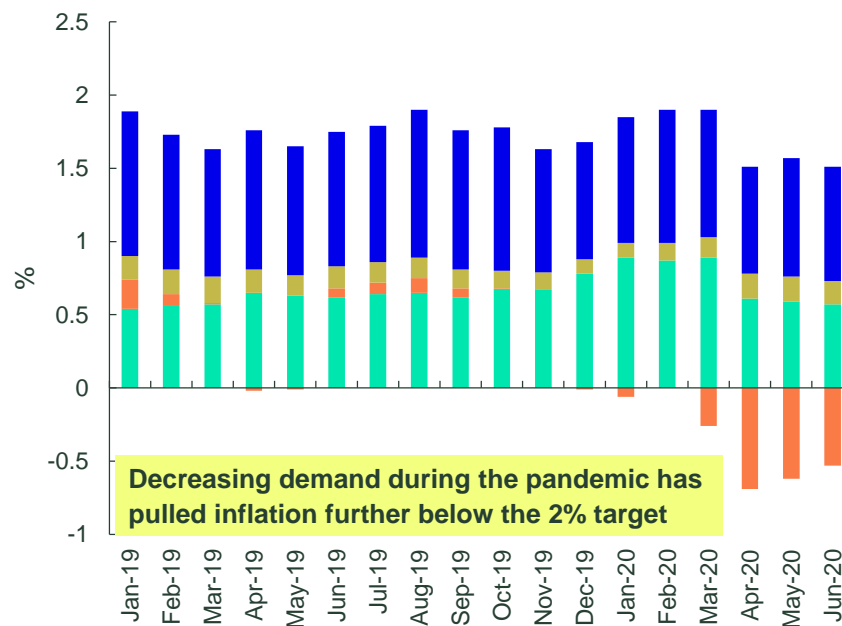
Source: Bloomberg Finance L.P., Federal Reserve Bank of San Francisco, as of 8/31/2020. *Inflation Sensitivity to COVID-19 measures the contributions to core PCE inflation by the degree of sensitivity to the economic disruptions caused by the pandemic. The COVID-sensitive category is further decomposed into portions that are sensitive to demand effects, supply effects, and those with ambiguous sensitivity.

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Real Yields

As inflation expectations keep rising above their pre-pandemic levels and nominal yields remain near historical lows, real yields continue their downward trend.
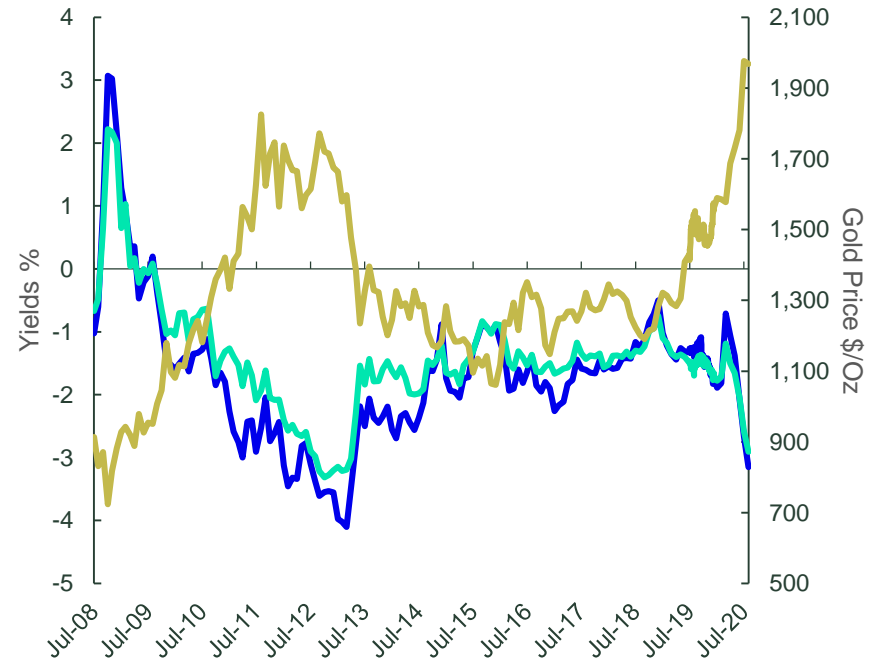
Inflation Expectations

- 2-Year Breakeven
- 5-Year Breakeven
- 10-Year Breakeven
- 5-Year 5-Year Forward Breakeven

Real Yields vs. Gold

- 5-Yr. Real Yields
- 10-Yr. Real Yields
- Gold Spot Prices
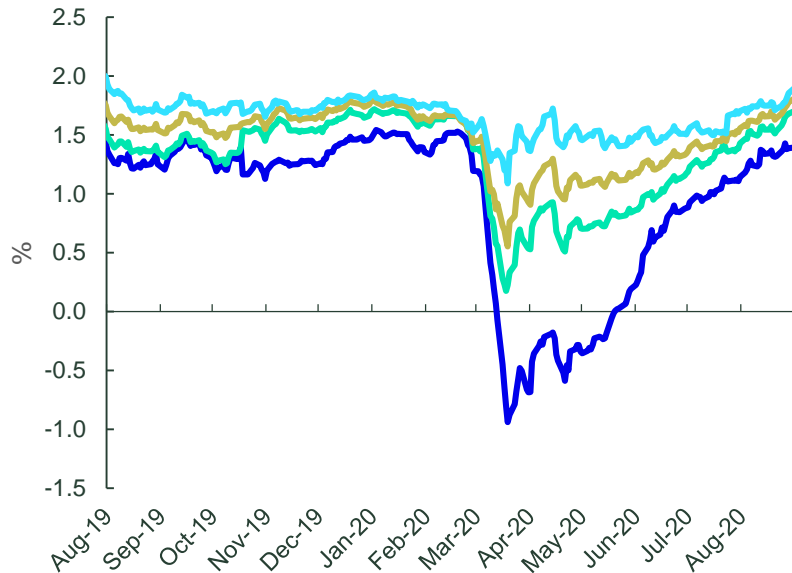
==5- and 10-year inflation expectations rose to their highest levels in one year==

==Falling real yields are supportive of higher gold prices==

Source: Bloomberg Finance, L.P. as of August 31, 2020. **Past performance is not a guarantee of future results.** Real yields is calculated using nominal yields minus breakeven inflation rate.

Bond Market Overview

With 10-year yields rising on the back of higher inflation expectations, inflation-protected securities gained, while long-duration nominal bonds declined.

Bond Market Segments

Legend: ■ Yield to Worst ■ Duration ● 1-Year Return ◆ Prior Month

Y-axis (left): Yield (%), Duration (Years), scale -2 to 10
Y-axis (right): 1-Year Return (%), scale -2 to 10

Categories and values:

Segment	Yield to Worst	Duration	1-Year Return	Prior Month
Floating Rate Notes	0.6	0.1	2.1	0.2
Leveraged Loans	5.6	0.2	2.4	1.31
US Treasury: 1-3 Year	0.1	2.0	3.5	-0.02
Corporates: 1-3 Year	0.7	1.9	4.1	0.2
MBS	1.2	3.2	4.5	0.04
HY Corporates	5.3	3.6	4.7	0.95
Intermediate Treasuries	0.3	3.9	5.5	-0.2
EM Hard Currency	3.8	6.7	5.8	0.71
Aggregate	1.2	6.5	6.4	-0.81
Intermediate Corporates	1.3	4.6	6.7	0
Broad Treasuries	0.5	7.0	7.1	-1.1
Broad Corporates	2.0	8.6	7.5	-1.38
TIPS	-0.8	8.7	9.4	1.01

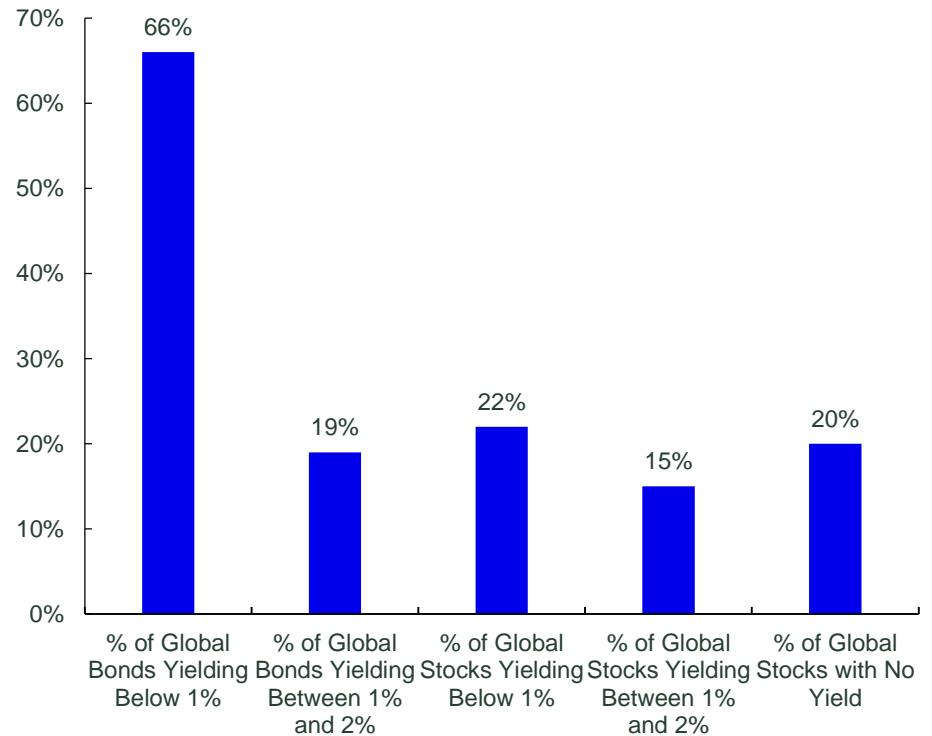**STATE STREET GLOBAL ADVISORS SPDR®**

Income Scarcity

The yield on the standard 60/40 portfolio has decreased significantly to all-time lows, creating scarce income potential from traditional stocks and bonds.

60/40 Portfolio Yield

Legend: **Yield on 60/40 Global Portfolio** — **Median** — **10th Percentile**

The yield is now 1.59%, this time last year the Fed Funds rate was higher (2.25%)
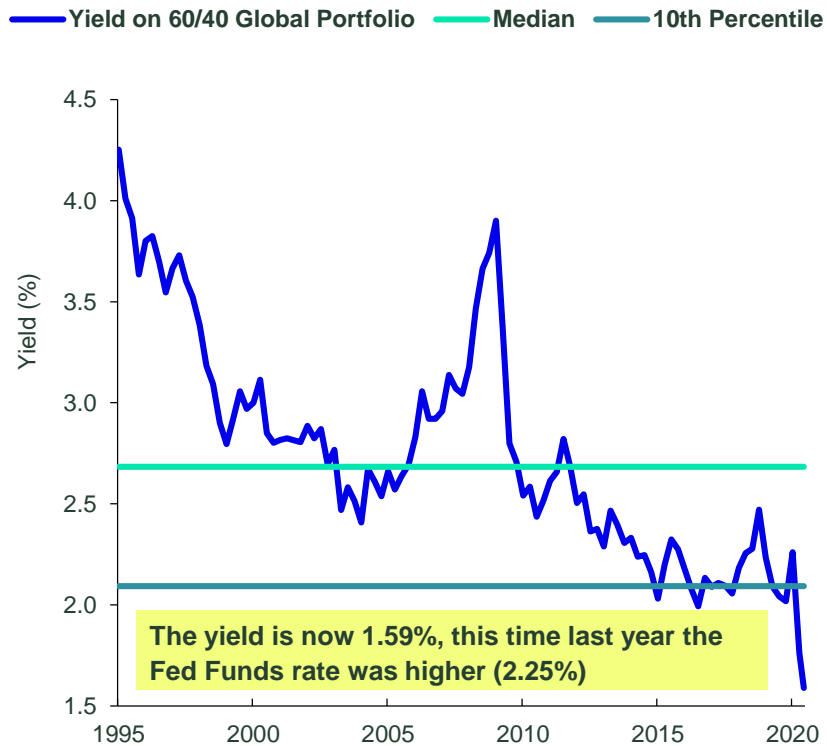
Percent of Stock and Bond Universe Based on Yield

Category	Percent
% of Global Bonds Yielding Below 1%	66%
% of Global Bonds Yielding Between 1% and 2%	19%
% of Global Stocks Yielding Below 1%	22%
% of Global Stocks Yielding Between 1% and 2%	15%
% of Global Stocks with No Yield	20%

Source: Bloomberg Finance L.P., as of 08/31/2020. Standard 60/40 Portfolio yield based on the dividend yield of the MSCI ACWI Index and the Yield to Worst Bloomberg Barclays Global Aggregate Bond Index. **Past performance is not a guarantee of future results**. Global bonds as identified as the Bloomberg Barclays Global Aggregate Bond Index. Global stocks as defined by the MSCI ACWI Index

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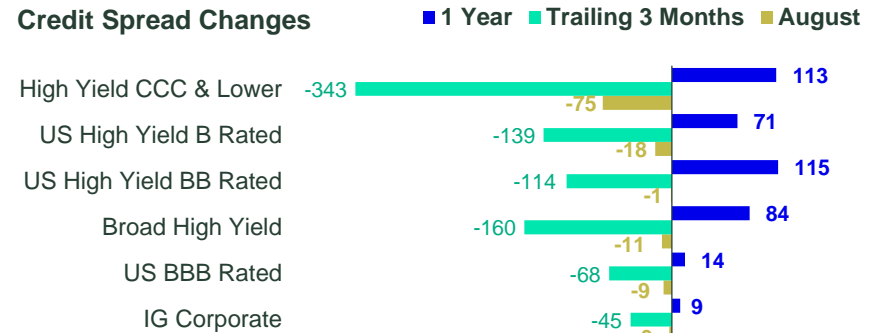
Credit Trends

Credit spread tightening slowed down in August as spreads moved further below their long-term averages.
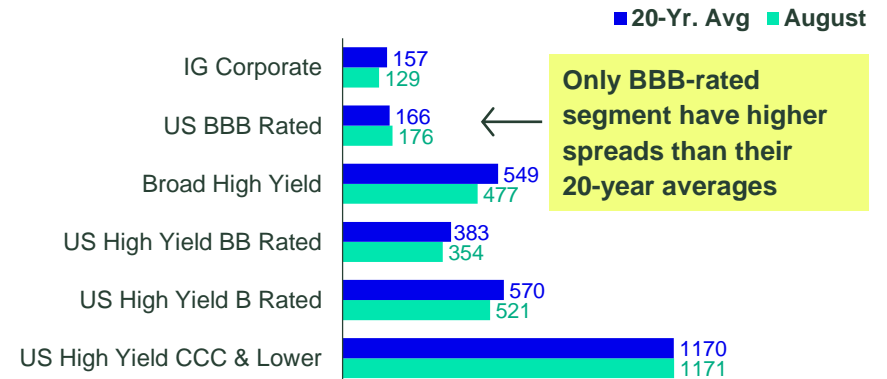
Credit Spreads (%)

- **Bloomberg Barclays US Corporate High Yield Index**
- **Bloomberg Barclays US Corporate Index**
- **Bloomberg Barclays High Yield Energy Index**

Credit Spread Changes ■ **1 Year** ■ **Trailing 3 Months** ■ **August**

	1 Year	Trailing 3 Months	August
High Yield CCC & Lower	113	-343	-75
US High Yield B Rated	71	-139	-18
US High Yield BB Rated	115	-114	-1
Broad High Yield	84	-160	-11
US BBB Rated	14	-68	-9
IG Corporate	9	-45	-3
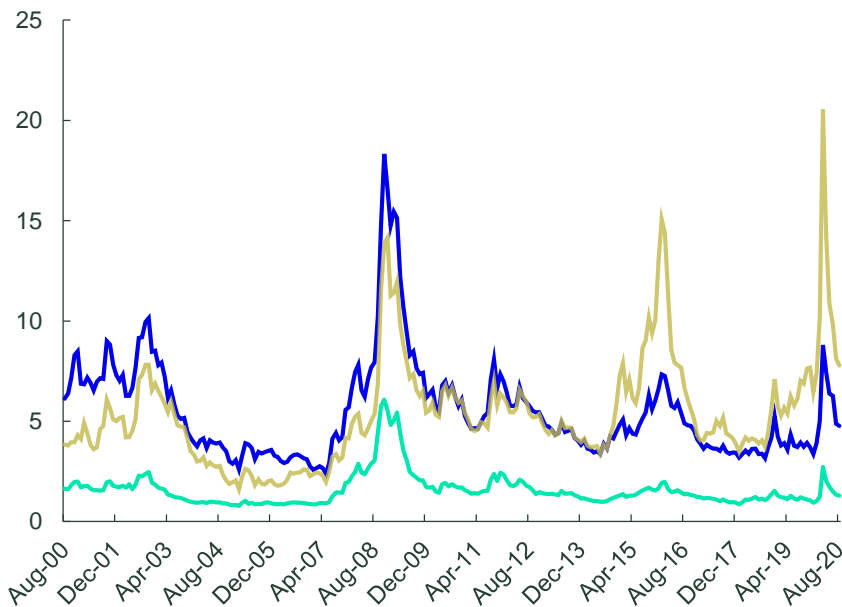
Credit Spread Current vs. 20-Yr. Averages (bps)

■ **20-Yr. Avg** ■ **August**

	20-Yr. Avg	August
IG Corporate	157	129
US BBB Rated	166	176
Broad High Yield	549	477
US High Yield BB Rated	383	354
US High Yield B Rated	570	521
US High Yield CCC & Lower	1170	1171

Only BBB-rated segment have higher spreads than their 20-year averages

Source: Bloomberg Finance, L.P. BofA Merrill Lynch, as of August 31, 2020. US High Yield CCC & Lower = BofA ML US High Yield CCC & Lower Rated Index. US High Yield B Rated = BofAML US High Yield B Rated Index. BBB Rated = BofA ML US Investment Grade BBB Rated Index. Broad high yield = Bloomberg Barclays US Corporate High Yield Index. IG Corporate = Bloomberg Barclays US Corporate Index. **Past performance is not a guarantee of future results. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.**

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Credit Trends (continued)

Lower credit segments led performance amid risk-on sentiment last month. However, they are still lagging behind on a year-to-day basis. Loans outperformed HY in August.
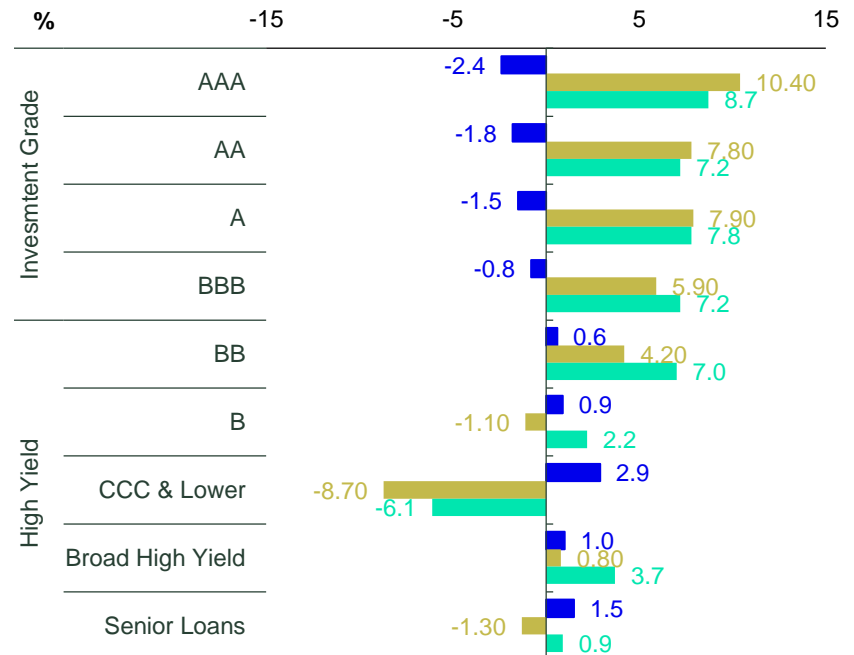
Credit Segment Performance (1 Year) Base = 100

— ICE BofA US High Yield Index
— ICE BofA BB US High Yield Index
— ICE BofA Single-B US High Yield Index
— ICE BofA CCC & Lower US High Yield Index
— ICE BofA US Corp BBB
— S&P/LSTA Senior Loan Index
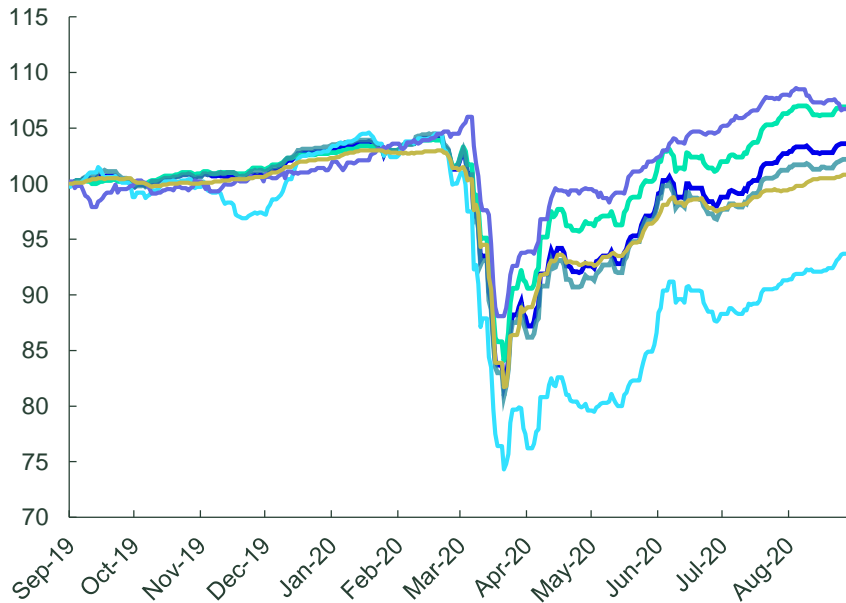
IG and HY Performance by Credit Rating

■ 1-Month Return   ■ YTD Return   ■ Trailing 12 Months

| % | -15 | -5 | 5 | 15 |

Investment Grade

Rating	1-Month Return	YTD Return	Trailing 12 Months
AAA	-2.4	10.40	8.7
AA	-1.8	7.80	7.2
A	-1.5	7.90	7.8
BBB	-0.8	5.90	7.2

High Yield

Rating	1-Month Return	YTD Return	Trailing 12 Months
BB	0.6	4.20	7.0
B	0.9	-1.10	2.2
CCC & Lower	2.9	-8.70	-6.1
Broad High Yield	1.0	0.80	3.7
Senior Loans	1.5	-1.30	0.9

Source: Bloomberg Finance, L.P. BofA Merrill Lynch, as of August 31, 2020. **Past performance is not a guarantee of future results. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.**

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Appendix

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Fund Flow Summary

Asset Category		Prior Month ($M)	Year to Date	Trailing 3 Months ($M)	Trailing 12 Months ($M)
Equity Region	US	8,073	84,679	16,268	170,507
	Global	3,279	13,523	8,854	17,495
	International-Developed	5,178	9,716	5,194	27,660
	International-Emerging Markets	-138	-13,302	696	-5,602
	International-Region	515	-1,016	4,130	50
	International-Single Country	73	-6,214	4,298	-678
	Currency Hedged	-390	-4,237	-1,281	-4,537
US Size & Style	Broad Market	3,973	26,140	7,142	44,001
	Large-Cap	-2,313	33,146	2,739	87,286
	Mid-Cap	13	-4,484	-2,271	-2,560
	Small-Cap	1,726	3,234	3,692	10,893
	Growth	331	22,847	578	26,213
	Value	2,008	6,013	2,551	20,497
Fixed Income Sectors	Aggregate	6,982	41,138	29,560	65,561
	Government	-5,911	14,296	-10,242	15,726
	Inflation Protected	3,089	6,143	8,570	8,098
	Mortgage-Backed	1,188	4,963	2,500	9,347
	IG Corporate	5,129	45,106	26,499	54,400
	High Yield Corp.	2,418	21,722	9,305	29,114
	Bank Loans	230	-2,364	257	-372
	EM Bond	558	-804	1,662	-505
	Preferred	946	2,004	1,434	4,353
	Convertible	151	306	575	739
	Municipals	1,025	8,146	5,496	12,809
Government ETF Maturity Focus	Ultra Short	-2,460	4,211	-8,450	983
	Short Term	-209	7,151	-875	9,457
	Intermediate	-1,960	2,673	-2,642	3,893
	Long Term (>10 yr)	-1,519	-952	877	338

Source: State Street Global Advisors, Bloomberg Finance, L.P. As of August 31, 2020. Segments with top 2 inflows in each category are shaded in green. Segments with bottom 2 flows in each category are shaded in orange. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

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Asset Class Forecast

Forecasted Return (%) as of March 31, 2020
■ **1 Year** ■ **3-5 Year**

Asset Class	1 Year	3-5 Year
US Small Cap	6.2	6.7
US Large Cap	7.7	6.2
Global Developed Ex-US	7.5	6.3
Emerging Market Equities	12.2	10.4
US High Yield	10.1	7.2
US Investment Grade Bonds	2.4	0.7
US Government Bonds	0.6	-0.6
Commodities	3.6	4.8
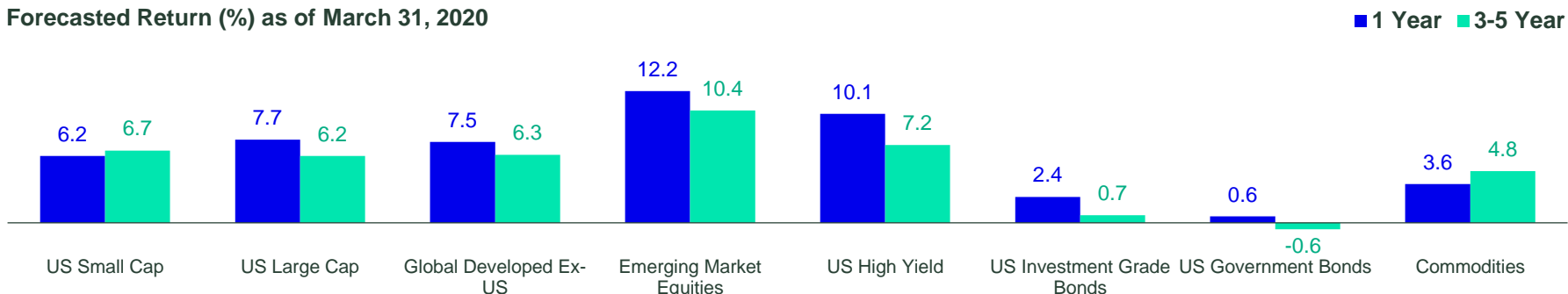
Forecasted Return (%) as of June 30, 2020
■ **1 Year** ■ **3-5 Year**

Asset Class	1 Year	3-5 Year
US Small Cap	4.7	6.1
US Large Cap	6.3	5.6
Global Developed Ex-US	4.8	5.8
Emerging Market Equities	8.8	9.1
US High Yield	9	4.8
US Investment Grade Bonds	1.2	-0.2
US Government Bonds	-0.1	-0.8
Commodities	-0.3	2.6
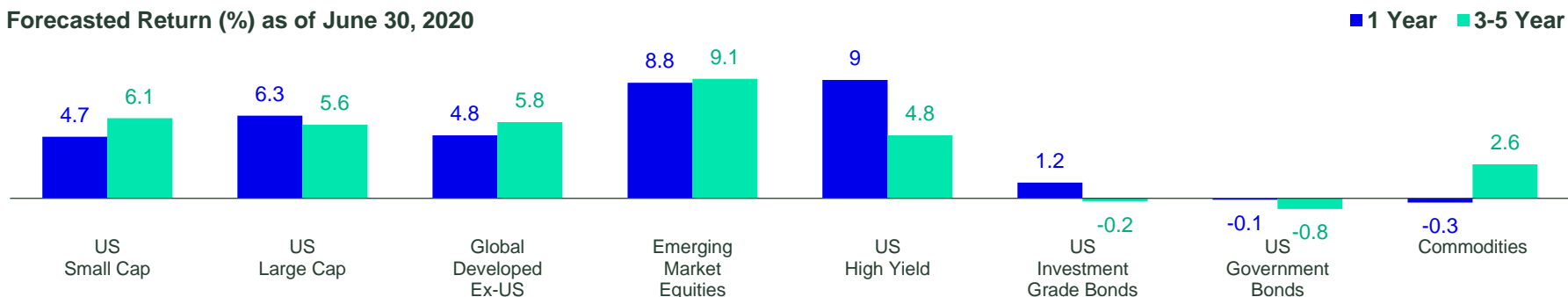
Source: State Street Global Advisors Investment Solutions Group. The forecasted returns are based on SSGA's Investment Solutions Group's June 30, 2020 forecasted returns and long-term standard deviations. The forecasted performance data is reported on a gross of fees basis. Additional fees, such as the advisory fee, would reduce the return. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting return would be reduced from 61% to 54%. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in the local (or regional) currency presented. It does not take into consideration currency effects. **The forecasted performance is not necessarily indicative of future performance, which could differ substantially**. Please reference Appendix B (continued) for the assumptions used by SSGA Investment Solutions Group to create asset class forecasts.

Asset Class Forecast: Assumptions

Fixed Income	Our return forecasts for fixed income derive from current yield conditions together with expectations as to how real and nominal yield curves could evolve relative to historical averages. For corporate bonds, we also analyze credit spreads and their term structures, with separate assessments of investment-grade and high-yield bonds.
Equities	Our long-term equity forecasts begin with expectations for developed market large capitalization stocks. The foundation for these forecasts are estimates of real return potential, derived from current dividend yields, forecast real earnings growth rates, and potential for expansion or contraction of valuation multiples. Our forecasting method incorporates long run estimates of potential economic growth based on forecast labor and capital inputs to estimate real earning growth.
Commodities	Our long-term commodity forecast is based on the level of world GDP, as a proxy for consumption demand, as well as on our inflation outlook. Additional factors affecting the returns to a commodities investor include how commodities are held (e.g., physically, synthetically, or via futures) and the various construction methodologies of different commodity benchmarks.

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SPDR Sector Scorecard

	Composite Score	Metrics
	Valuation	**Relative Valuation** (P/B, P/E, NTM P/E, P/S)
		Absolute Valuation (P/B, P/E, NTM P/E, P/S)
	Earnings Sentiment	**Earnings Revision** (Changes to EPS Estimates, Upgrade to Downgrade Ratio)
		Earnings Surprise (The Magnitude and Breadth of Earnings Surprise)
	Momentum	**Price Returns** 3-Months, 6-Months, 12-Months
Volatility	**Realized Volatility**	**Standard Deviation** 30-Days Annualized
	Implied Volatility	**3-Month-at-the-money** Implied Volatility for Options

The metrics shown are z-scores, which are calculated using the mean and standard deviation of the relevant metrics within S&P 500 sectors. Using Z-scores to standardize results across all sectors allows for easier relative assessment. Sectors with cheaper valuation, higher price momentum, higher sentiment and higher volatility will have higher z-scores.

We calculate a composite score by equally weighting each metric z-score in the same category.

The scorecard does not represent the investment views of State Street. Metrics used in the scorecard have not been backtested for any sector strategies by State Street. These are for illustrative and educational purposes as we seek to bring greater transparency to the sector investing landscape and the due diligence required to build sophisticated portfolios to meet specific client objectives.

Source: SPDR America Research.

Appendix D
Definitions

Basis Point: One hundredth of one percent, or 0.01%.

Bloomberg Barclays EM USD Aggregate Index: The index is a hard currency emerging markets debt benchmark that includes US dollar-denominated debt from sovereign, quasi-sovereign, and corporate issuers in the developing markets.

Bloomberg Barclays Global Aggregate Bond Index: A benchmark that provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the US Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment-grade 144A securities.

Bloomberg Barclays Global Aggregate Bond Index: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays US Aggregate Index: A benchmark that provides a measure of the performance of the US dollar denominated investment grade bond market, which includes investment grade government bonds, investment grade corporate bonds, mortgage pass through securities, commercial mortgage backed securities and asset backed securities that are publicly for sale in the US.

Bloomberg Barclays US Corporate 1–3 Year Index: The Index includes publicly issued US dollar denominated corporate issues that have a remaining maturity of greater than or equal to 1 year and less than 3 years, are rated investment grade.

Bloomberg Barclays US Corporate Bond Index: The Bloomberg Barclays US Corporate Bond Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays US Corporate High Yield Index: The index consists of fixed rate, high yield, USD-denominated, taxable securities issued by US corporate issuers.

Bloomberg Barclays US Mortgage Backed Securities Index: The index consists of US Mortgage Backed Securities.

Bloomberg Barclays US Treasury 1–3 Year Index: The Index is designed to measure the performance of short term (1–3 years) public obligations of the US Treasury.

Bloomberg Barclays US Treasury Bill 1–3 Months Index: The Bloomberg Barclays 1–3 Month US Treasury Bill Index (the "Index") is designed to measure the performance of public obligations of the US Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

Bloomberg Commodity Index: Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Breakeven Inflation Rate: It is a market based measure of expected inflation. It is the difference between the yield of a nominal bond and an inflation linked bond of the same maturity.

Bloomberg Barclays US High Yield Index: The Bloomberg USD High Yield Corporate Bond Index is a rules-based, market-value weighted index engineered to measure publicly issued non-investment grade USD fixed-rate, taxable, corporate bonds. To be included in the index a security must have a minimum par amount of 250MM.

Bloomberg Barclays US Treasury Index: The Bloomberg US Treasury Bond Index is a rules-based, market-value weighted index engineered to measure the performance and characteristics of fixed rate coupon US Treasuries which have a maturity greater than 12 months. To be included in the index a security must have a minimum par amount of 1,000MM.

Bloomberg US Pure Value Index: The return of the top quintile less the bottom quintile value stocks.

CBOE VIX Index: The Chicago Board Options Exchange (CBOE) Volatility Index shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Citigroup Economic Surprise Index: The Citi Economic Surprise Indices measure data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected and a negative reading means that data releases have been worse than expected.

Credit Spread: A credit spread is the difference in yield between a US Treasury bond and a debt security with the same maturity but of lesser quality.

Current Short Interest (%): The percentage of tradable outstanding shares which have been shorted. Used as a measure of investor sentiment.

Definitions

Convexity: Convexity is a measure of the curvature in the relationship between bond prices and bond yields. Bond with negative convexity, prices decrease as interest rate fall. Since many high yields bonds are callable,, the price of the callable bonds might drop in the event of falling yields because the bond could be called.

DXY Dollar Index: The DXY Dollar Index tracks the performance of a basket of foreign currencies issued by US major trade partners, including Eurozone, Japan, U.K. Canada, Sweden and Switzerland, versus the US Dollar.

Euro STOXX 50 Index: Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super-sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries.

EBITDA: Earnings before Interest Taxes Depreciation and Amortization

Excess Returns: A security's return minus the return from another security in the same time period.

Global Industry Classification Standard (GICS): An industry taxonomy developed in 1999 by MSCI and Standard & Poor's (S&P) for use by the global financial community. The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 156 sub-industries [1] into which S&P has categorized all major public companies.

Implied Volatility: The estimated volatility of a security's price. In general, implied volatility increases when the market is bearish and decreases when the market is bullish. This is due to the common belief that bearish markets are more risky than bullish markets.

Minimum Volatility Factor: A category of stocks that are characterized by relatively less movement in share price than many other equities.

Momentum Factor: The tendency for a security to maintain a certain direction of price trajectory. This tendency is well documented in academic research, which has made "momentum" one of the six smart beta factors that are systematically being isolated in new-generation strategic indexes.

MSCI Canada Index: An equities benchmark that captures large- and mid-cap representation in Canada.

MSCI Germany Index: An equities benchmark that captures large- and mid-cap representation in Germany.

MSCI EAFE Index: An equities benchmark that captures large- and mid-cap representation across developed market countries around the world, excluding the US and Canada.

MSCI Emerging Market Index: The MSCI Emerging Markets Index captures large and mid-cap representation across 23 emerging markets countries. With 834 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Europe Index: The MSCI Europe Index is a free-float weighted equity index designed to measure the equity market performance of the developed markets in Europe.

MSCI Japan Index: The MSCI Europe Index is a free-float weighted equity index designed to measure the equity market performance of the developed markets in Japan.

MSCI USA Enhanced Value Weighted Index: The MSCI USA Enhanced Value Weighted Index captures large and mid-cap representation across the US equity markets exhibiting overall value style characteristics. The index is designed to represent the performance of securities that exhibit higher value characteristics relative to their peers within the corresponding GICS® sector.

MSCI USA Equal Weighted Index: The MSCI USA Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI USA Index. At each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

MSCI USA High Dividend Yield Index: The MSCI World High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large and mid cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.

MSCI USA Index: The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World benchmark does not offer exposure to emerging markets.

MSCI USA Minimum Volatility Index: The MSCI USA Minimum Volatility (USD) Index aims to reflect the performance characteristics of a minimum variance strategy applied to the MSCI large and mid cap equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI World Index.

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Definitions

Price-earnings ratio (P/E Ratio): The price-earnings ratio (P/E Ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The price-earnings ratio can be calculated as: Market Value per Share/Earnings per Share.

Price-to-book ratio (P/B Ratio): The price-to-book ratio (P/B Ratio) is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. Also known as the "price-equity ratio.

Quality Factor: One of the six widely recognized, research-based smart beta factors that refers to "quality" equities. Companies whose stocks qualify exhibit consistent profitability, stability of earnings, low financial leverage and other characteristics consistent with long-term reliability such as ethical corporate governance.

Risk on: Used to describe investment sentiment when investors' risk tolerance increases.

RSI: The relative strength index (RSI) is a momentum indicator that measures the magnitude of recent price changes to evaluate overbought or oversold conditions in the price of a stock or other asset.

Russell 1000 Growth Index: The index is a style index designed to track the performance of stocks that exhibit the strongest growth characteristics by using a style-attractiveness-weighting scheme.

Russell 1000 Value Index: The index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics by using a style-attractiveness-weighting scheme.

Russell 2000 Index: A benchmark that measures the performance of the small-cap segment of the US equity universe.

S&P/LSTA US Leveraged Loan 100 Index: The S&P/LSTA US Leveraged Loan 100 Index is designed to reflect the largest facilities in the leveraged loan market.

S&P 500 Communication Services Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® Communication Services sector.

S&P 500 Consumer Discretionary Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Financial Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® financial sector.

S&P 500 Health Care Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 High Dividend Index is designed to measure the performance of the top 80 high dividend-yielding companies within the S&P 500® Index, based on dividend yield.

S&P 500 Index: A popular benchmark for US large-cap equities that includes 500 companies from leading industries and captures approximately 80% coverage of available market capitalization.

S&P 500 Industrial Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® industrial sector.

S&P500 Information Technology Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Low Volatility Index: The S&P 500® Low Volatility Index measures performance of the 100 least volatile stocks in the S&P 500. The index benchmarks low volatility or low variance strategies for the US stock market. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights.

S&P 500 Materials Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Quality Index: The index is designed to track high quality stocks in the S&P 500 by quality score, which is calculated based on return on equity, accruals ratio and financial leverage ratio.

S&P 500 Real Estate Sector Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® real estate sector.

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S&P 500 Utilities Index: The Index comprises of those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

Size Factor: A smart beta factor based on the tendency of small-cap stocks to outperform their large-cap peers over long time periods.

Spread Changes: Changes in the spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Standard Deviation: Measures the historical dispersion of a security, fund or index around an average. Investors use standard deviation to measure expected risk or volatility, and a higher standard deviation means the security has tended to show higher volatility or price swings in the past.

State Street Confidence Indexes: Measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The results shown represent current results generated by State Street Investor Confidence Index. The results shown were achieved by means of a mathematical formula in addition to transactional market data, and are not indicative of actual future results which could differ substantially.

Quintile Spread: The spread between the top 20% of a data set and the bottom 20% of a data set.

Value Factor: One of the basic elements of "style"-focused investing that focuses on companies that may be priced below intrinsic value. The most commonly used methodology to assess value is by examining price-to-book (P/B) ratios, which compare a company's total market value with its assessed book value.

Yield: The income produced by an investment, typically calculated as the interest received annually divided by the investment's price.

Yield Curve: A graph or line that plots the interest rates or yields of bonds with similar credit quality but different durations, typically from shortest to longest duration. When the yield curve is said to be flat, it means the difference in yields between bonds with shorter and longer durations is relatively narrow. When the yield curve is said to be steepened, it means the difference in yields between short term and long term bonds increases.

Yield Factor: A factor which screens for companies with a higher than average dividend yield relative to the broad market, and which have demonstrated dividend sustainability and persistence.

Yield to Worst: Yield to worst is an estimate of the lowest yield that you can expect to earn from a bond when holding to maturity, absent a default. It is a measure that is used in place of yield to maturity with callable bonds.

Z-score: It indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$ where z is the z-score, X is the sector relative performance. μ is the mean of the eleven sector relative performance, and σ is the standard deviation of sectors' relative performance.

Bloomberg Barclays US FRN < 5yr Index: The Bloomberg Barclays US Dollar Floating Rate Note < 5 Years Index consists of debt instruments that pay a variable coupon rate, a majority of which are based on the 3-month LIBOR, with a fixed spread.

Bloomberg Barclays U.S. MBS Index (the "MBS Index") measures the performance of the U.S. agency mortgage pass-through segment of the U.S. investment grade bond market.

MSCI France Index: An equities benchmark that captures large- and mid-cap representation in France.

MSCI UK Index: An equities benchmark that captures large- and mid-cap representation in UK.

MSCI Russia Index: An equities benchmark that captures large- and mid-cap representation in Russia.

MSCI Brazil Index: An equities benchmark that captures large- and mid-cap representation in Brazil.

MSCI India Index: An equities benchmark that captures large- and mid-cap representation in India.

Important Disclosures