

State Street Global Advisors SPDR[®] ETFs Chart Pack

For Public Use

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

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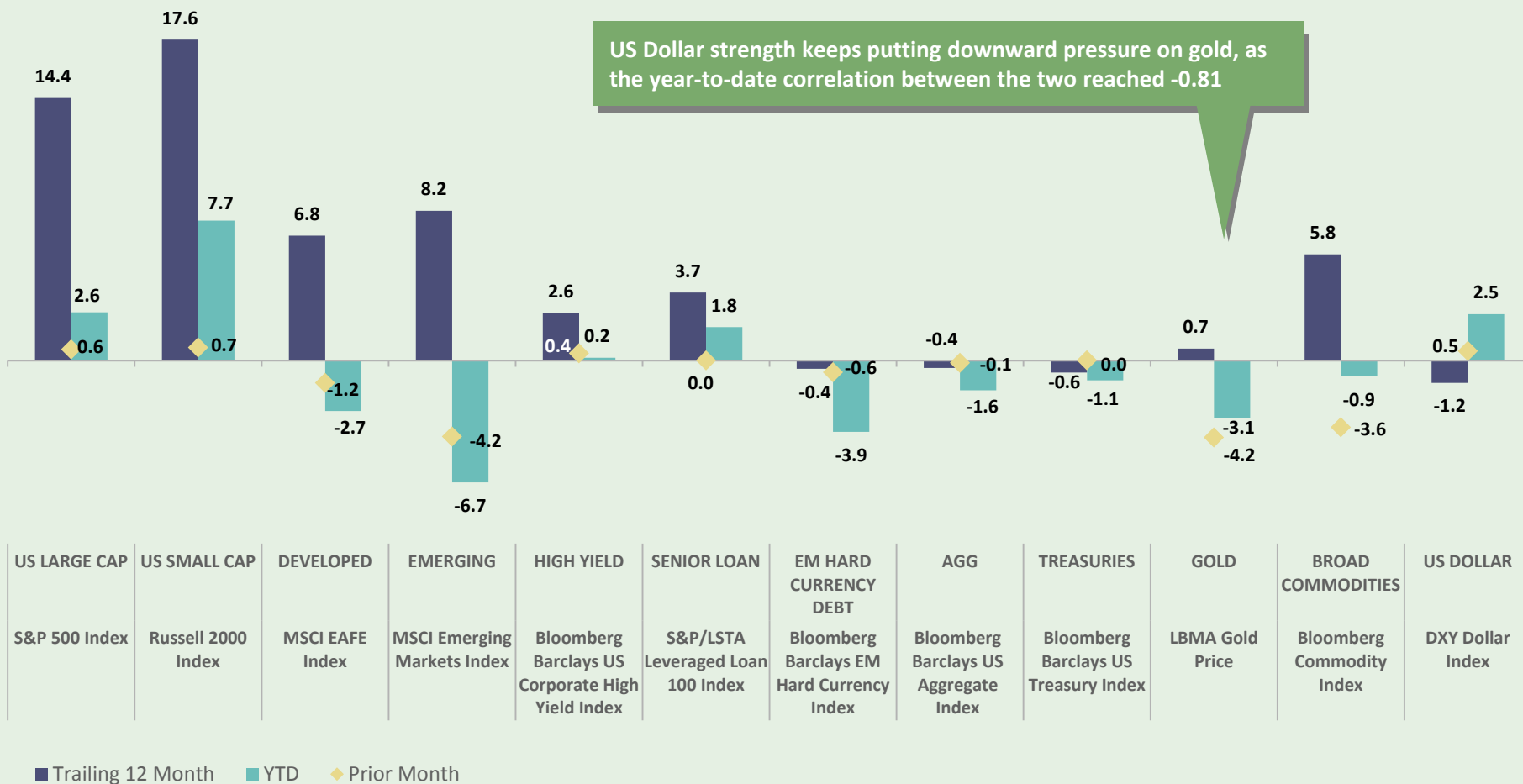
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Market Environment

Asset Class Performance — Trade policy uncertainty and slowing economic growth prospects weighed on international equities, while domestic small caps shined

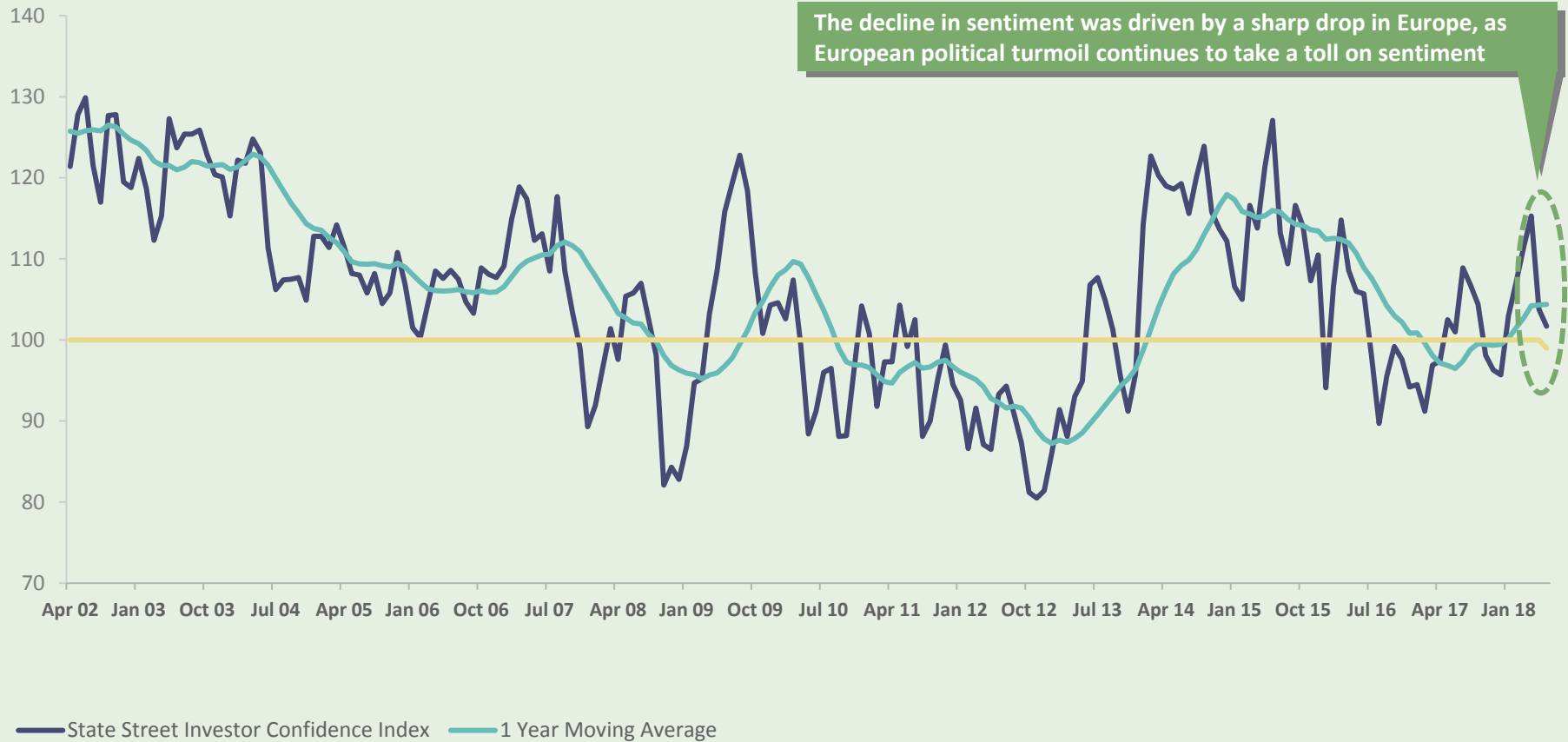
Major Asset Class Performance (%)



Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Performance returns for periods of less than one year are not annualized.

Investor Confidence — Investors decreased their risk appetite further amid escalating trade tensions, increasing protectionism and diverging monetary policy

State Street Investor Confidence Index

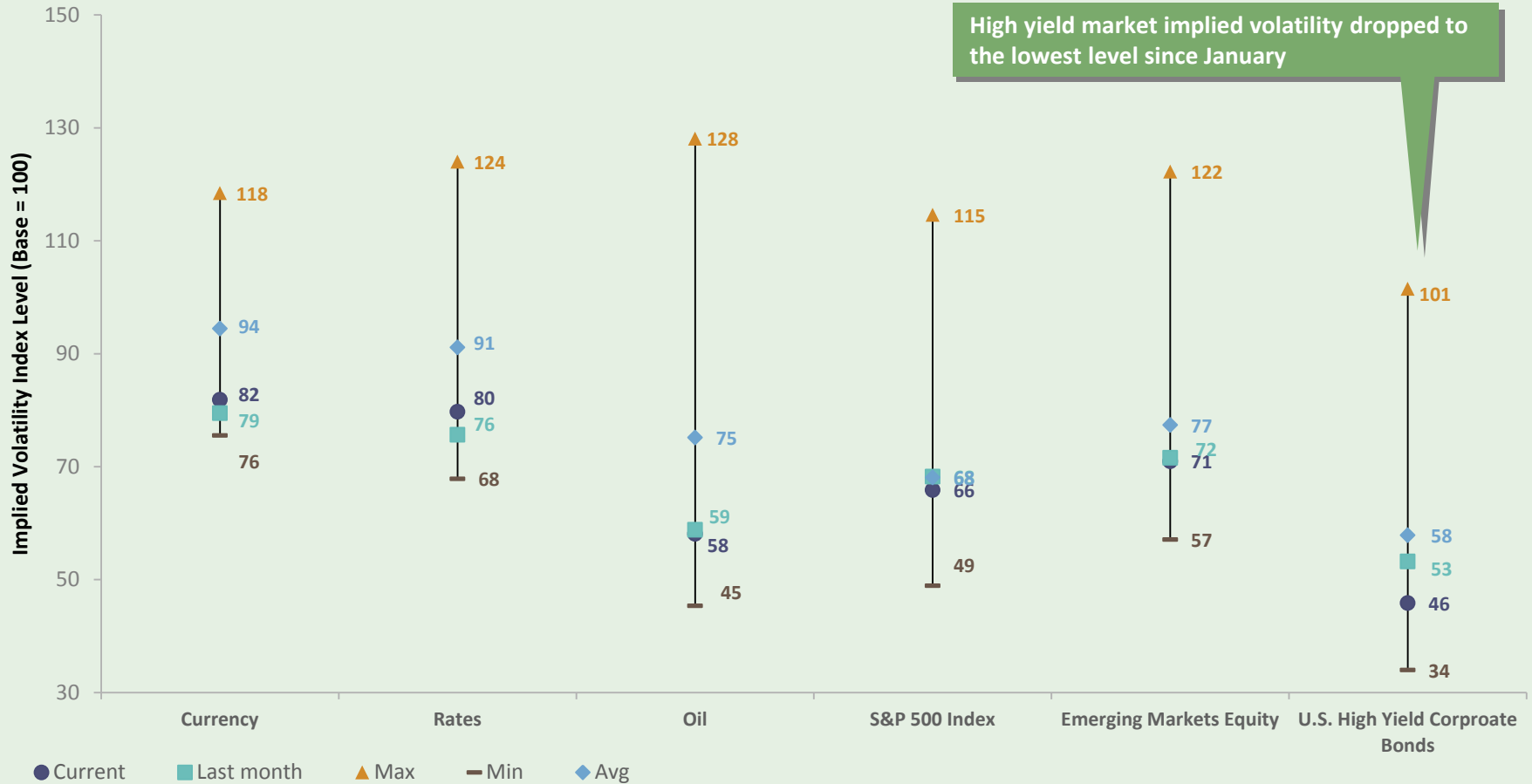


Source: Bloomberg Finance, L.P. As of June 30, 2018.

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.

Cross-Asset Volatility — Currency and rates implied volatility crept higher, while equity volatility hovered around averages despite the selloff in late June

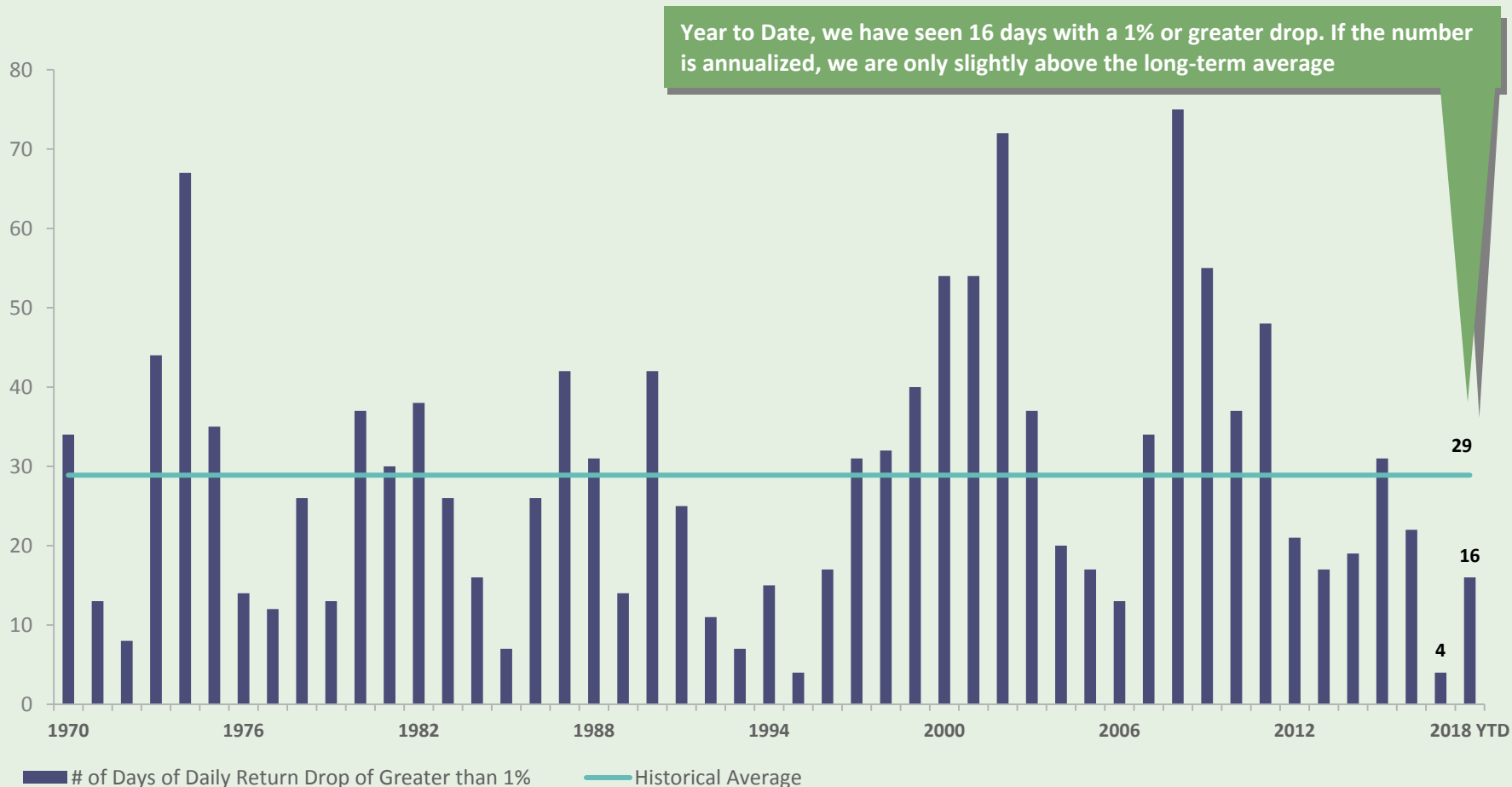
Cross-Asset Implied Volatility (Daily Average, Since January 2016)



Source: Bloomberg Finance, L.P. As of June 30, 2018. **Past performance is not a guarantee of future results.** Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Standard deviation is a historical measure of the volatility of returns. If a portfolio has a high standard deviation, its returns have been volatile; a low standard deviation indicates returns have been less volatile. 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.

US Equity Volatility — After an extraordinarily tranquil 2017, US equity market volatility is back to normal in the wake of higher macro risk

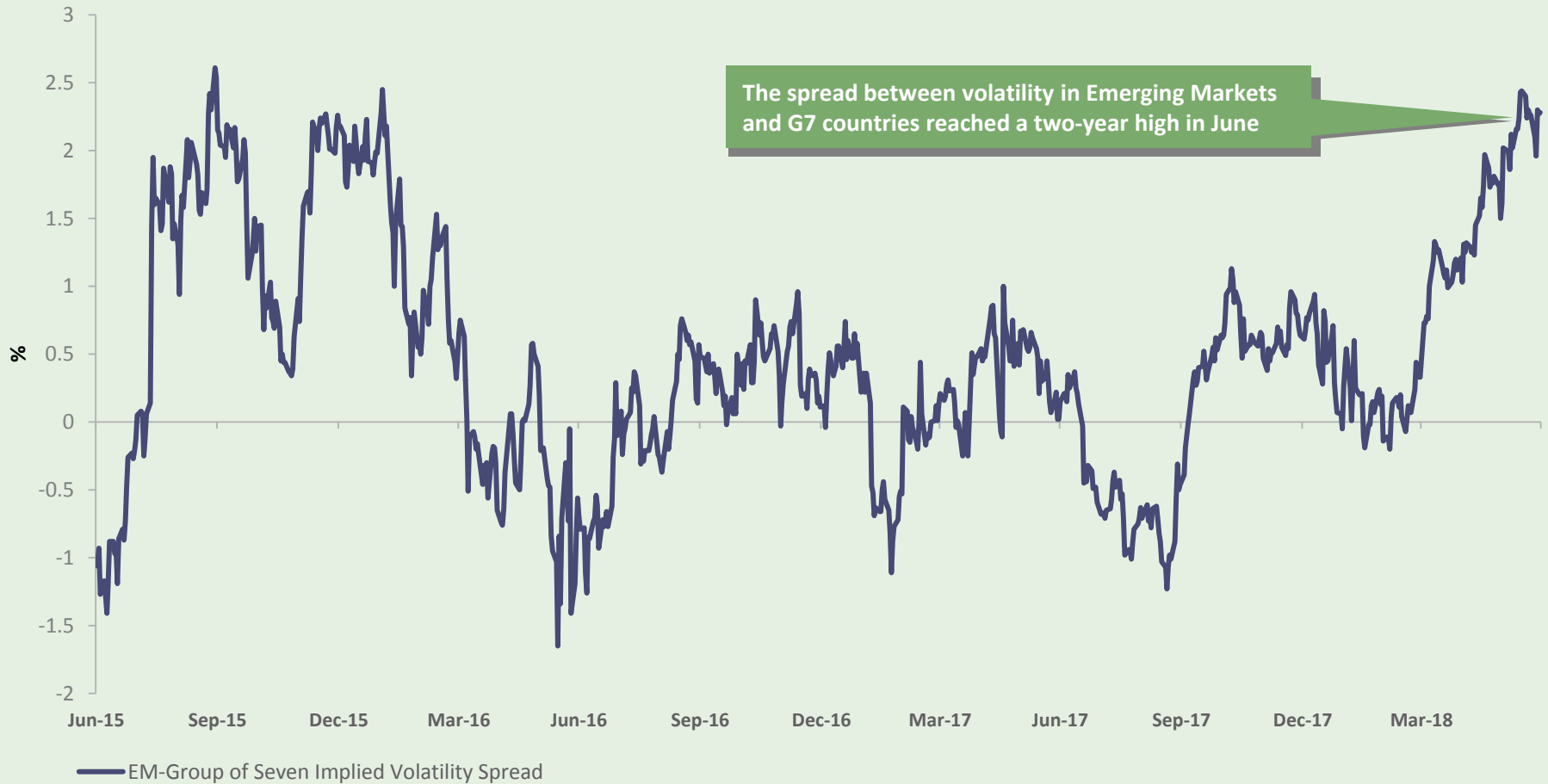
Number of Days in Calendar Year When the S&P Dropped by More than 1%



Source: Bloomberg Finance L.P. As of June 30, 2018.

EM Equity Volatility — A strengthening US dollar and trade war threats created anxiety in EM, widening volatility spreads between EM and DM to the most since February 2016

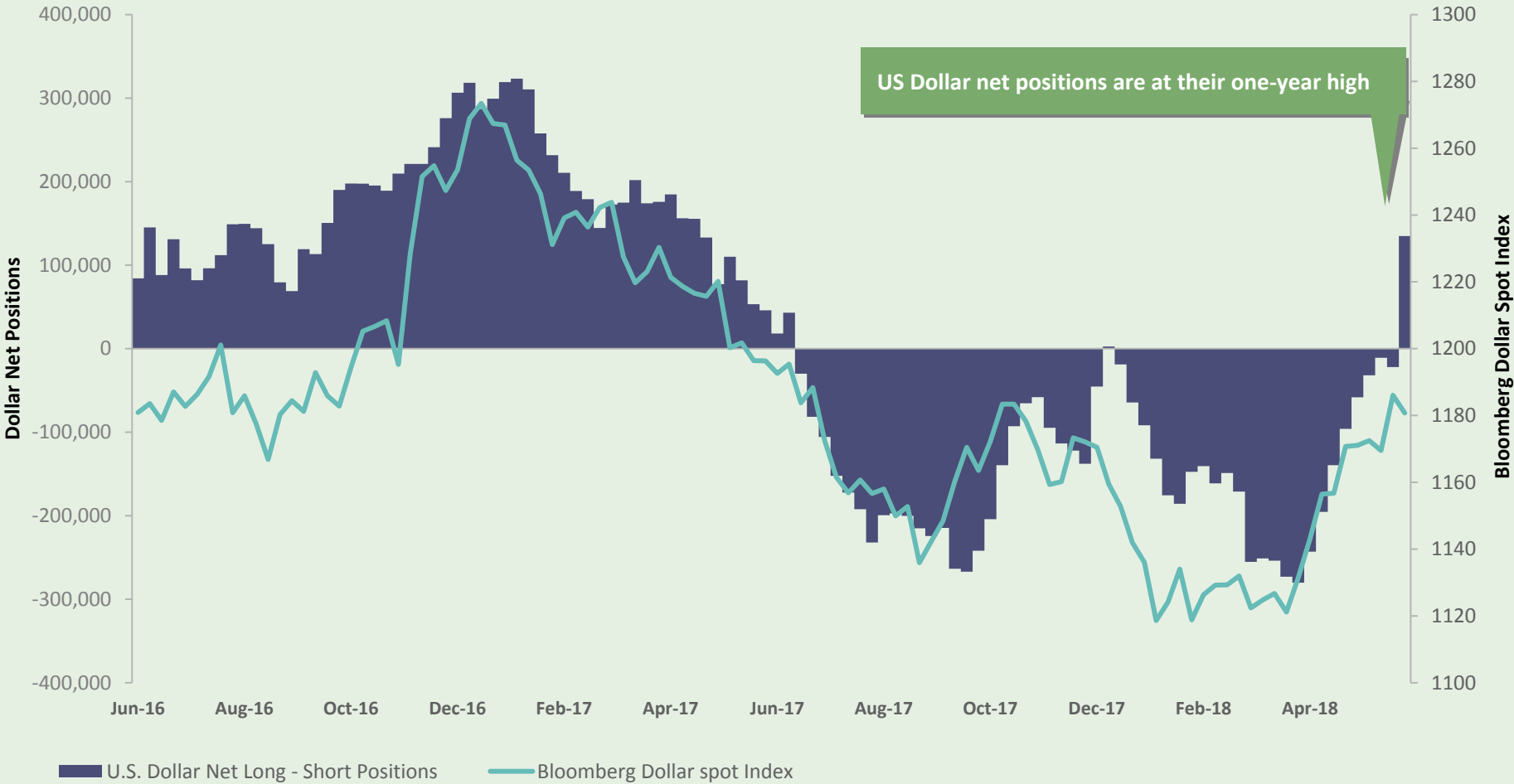
Implied Volatility Spreads between the EM and G7 Countries



Source: JPI Morgan, Bloomberg Finance L.P. As of June 30, 2018. G7 countries include Canada, France, U.S. U.K., Germany, Japan, Italy.

US Dollar — Investors continued to build up long positions in the US dollar given its yield advantage (carry) relative to other currencies from a tighter monetary policy

US Dollar Future Net positions



Source: Bloomberg Finance L.P., as of 6/22/2018.

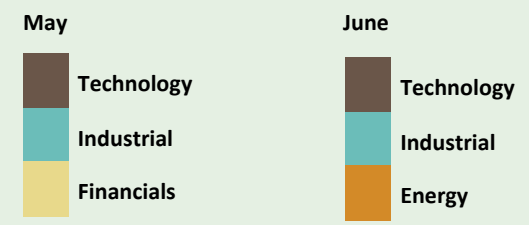
State Street Current Positioning — State Street dialed back exposures to EM and European equities given the increased macro risk and lower earnings expectations

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



June Tactical Rebalance Trades:
Sold Developed ex US Equities
Sold Emerging Markets Equities
Bought High Yield Bonds
Bought Cash

Sector Rotation Trades:



Positions are 2% Each for 6% of US Equity Allocation

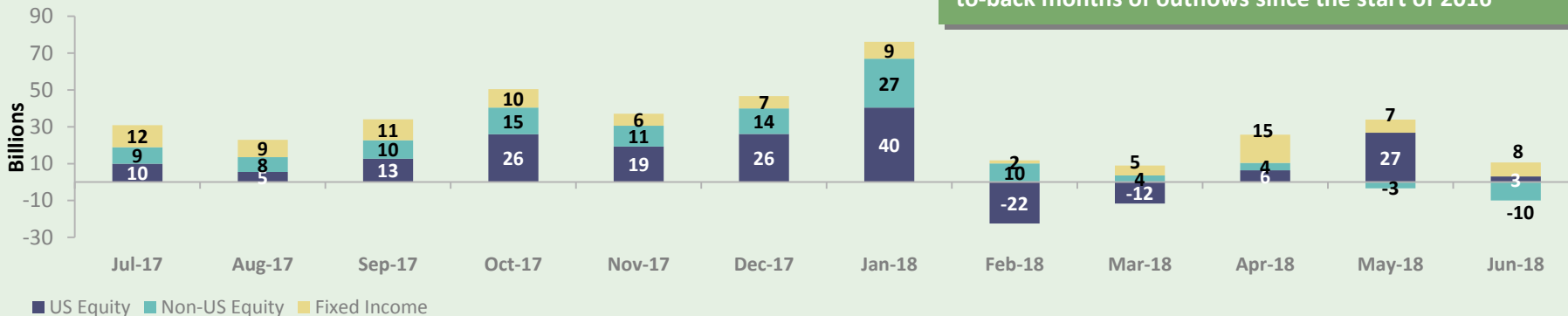
Sectors are included Based on their Relative Valuation, Momentum and Earnings Sentiment

Source: State Street Global Advisors. As of June 30, 2018. Exposures 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. The information above is rounded to the nearest whole number.

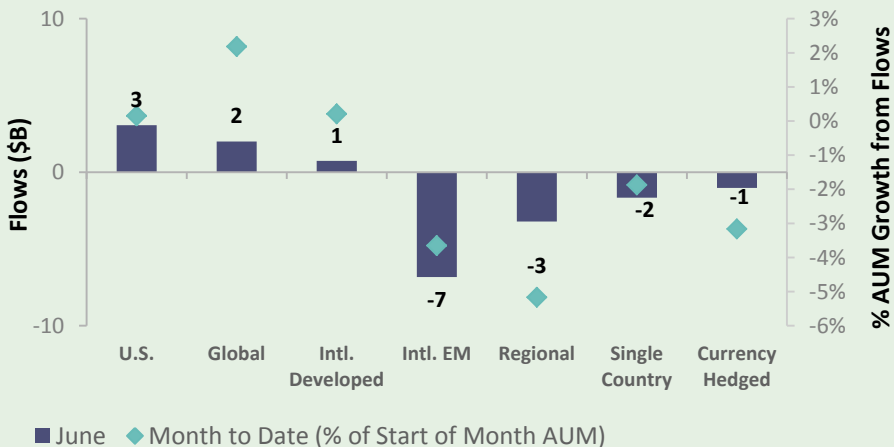
Global Flows & Fundamentals, US Factors

Flow Trends — ETF flows finished in the red for the third time this year, as investors rotated out of stocks without a commensurate allocation back to bonds

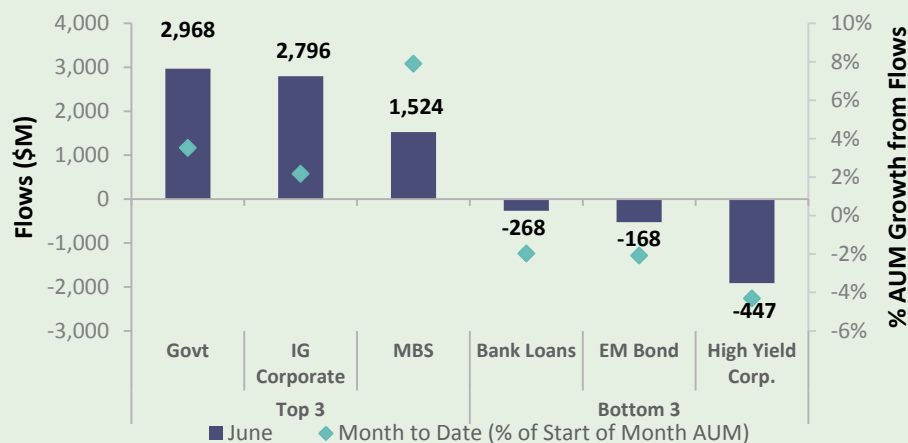
Flows by Asset Class



Flows by Equity Regions



Fixed Income Top and Bottom 3 Sectors by Flows



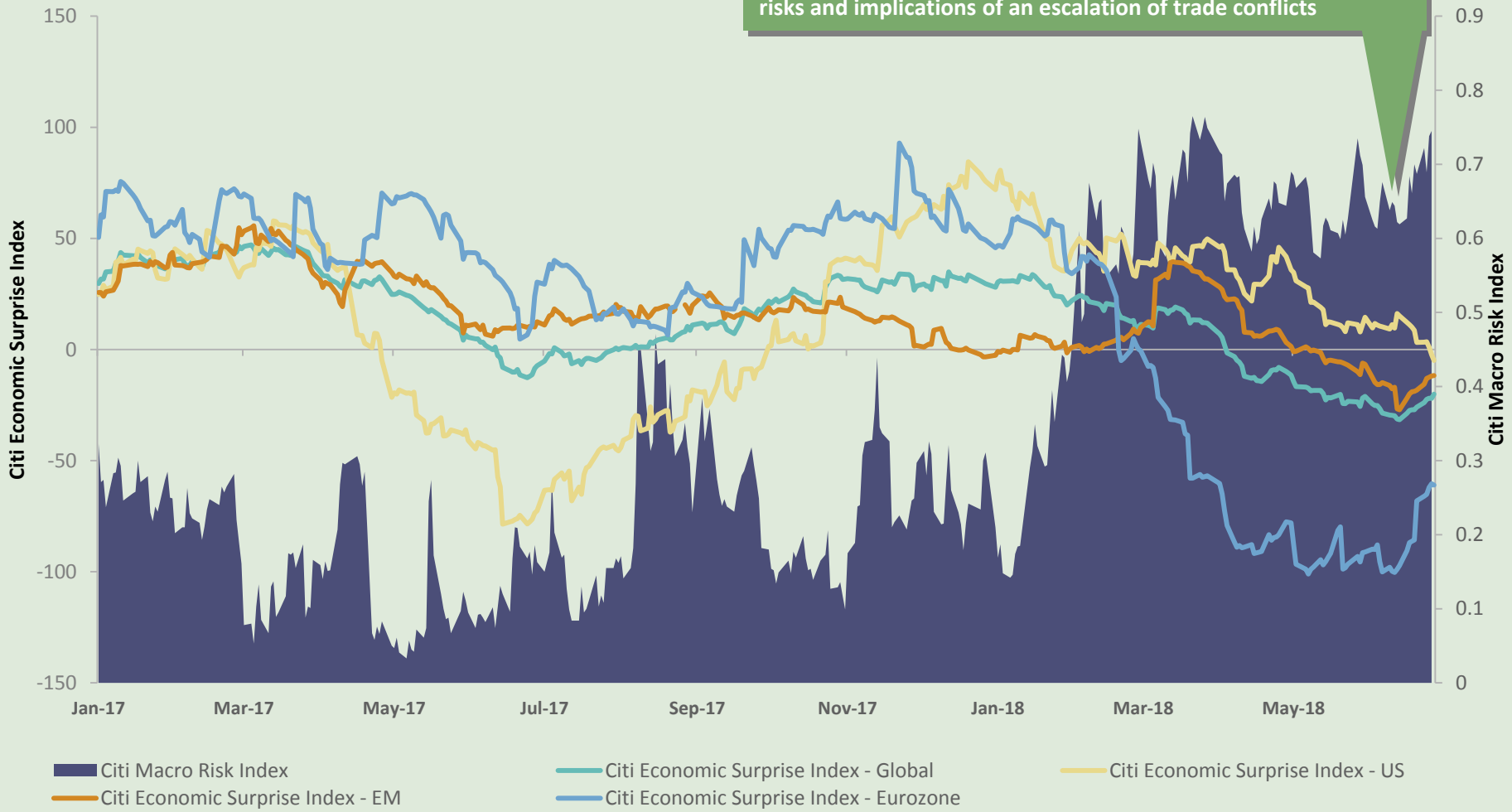
The risk off sentiment drove investors to rotate into high quality credits, while selling high yield and EM exposures

Source: State Street Global Advisors, Bloomberg Finance, L.P. As of June 30, 2018. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Global Economy — Economic sentiment remains well below peak levels across all region, with Eurozone deteriorating the most

Economic Surprise and Macro Risk Indicators

Macro risk remains elevated, as investors parse through the risks and implications of an escalation of trade conflicts

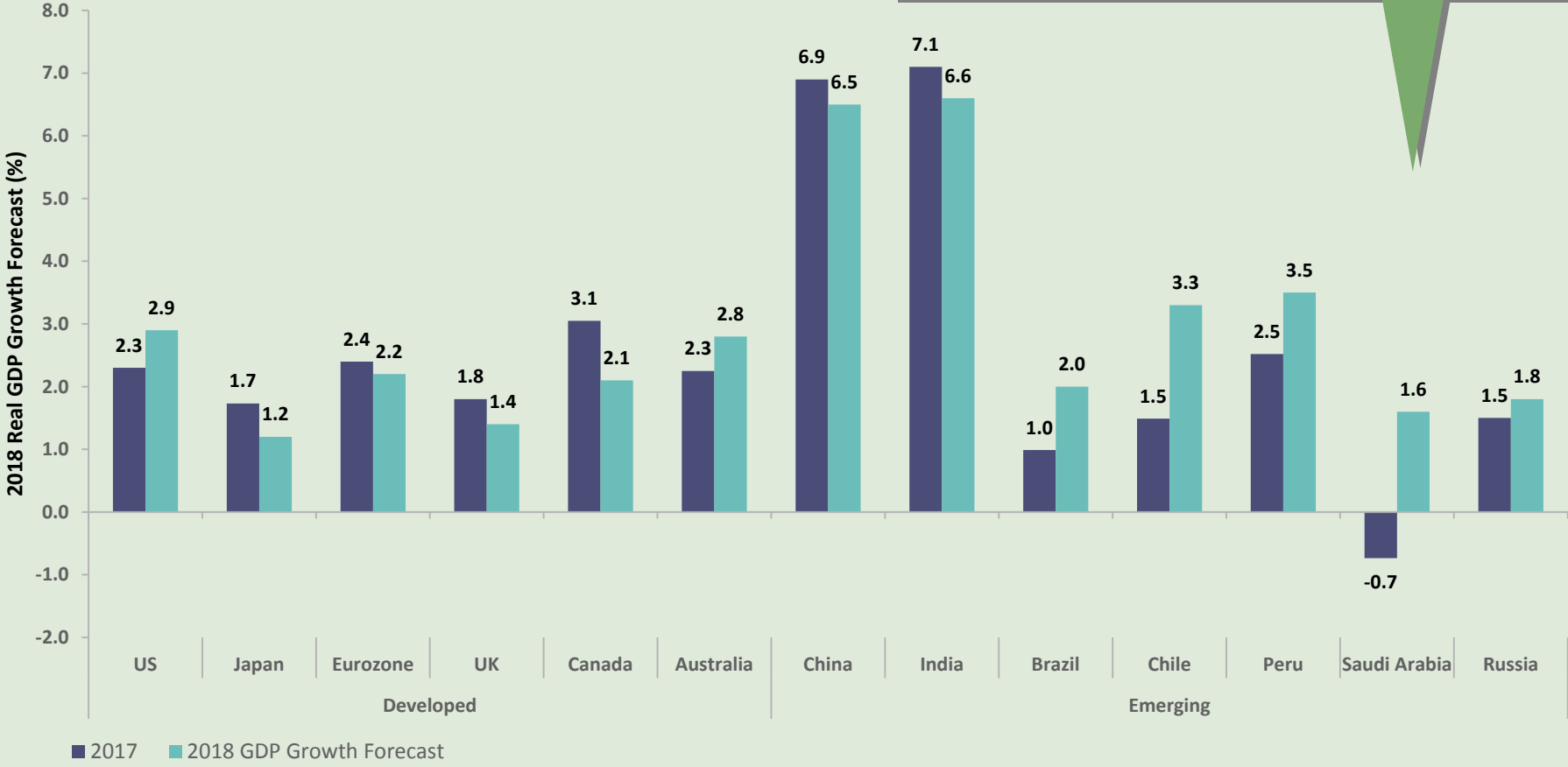


Source: Bloomberg Finance L.P. as of June 30, 2018.

Economic Growth — Rising trade tensions have constrained economic momentum, leading to lower growth in some nations

2017 GDP Growth and Consensus Forecast on 2018 GDP Growth by Country

Commodity producing countries are expected to see higher GDP growth in 2018 than last year

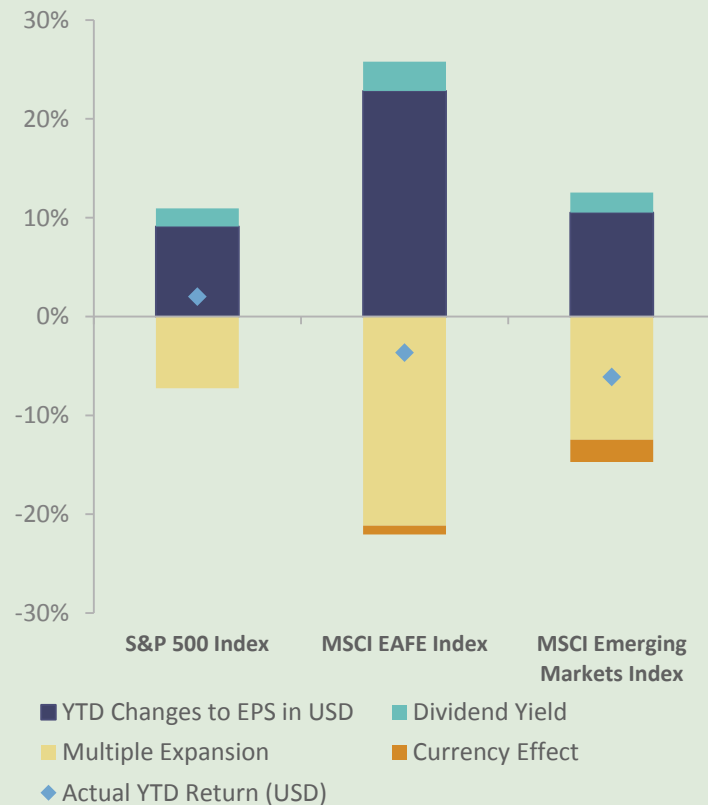
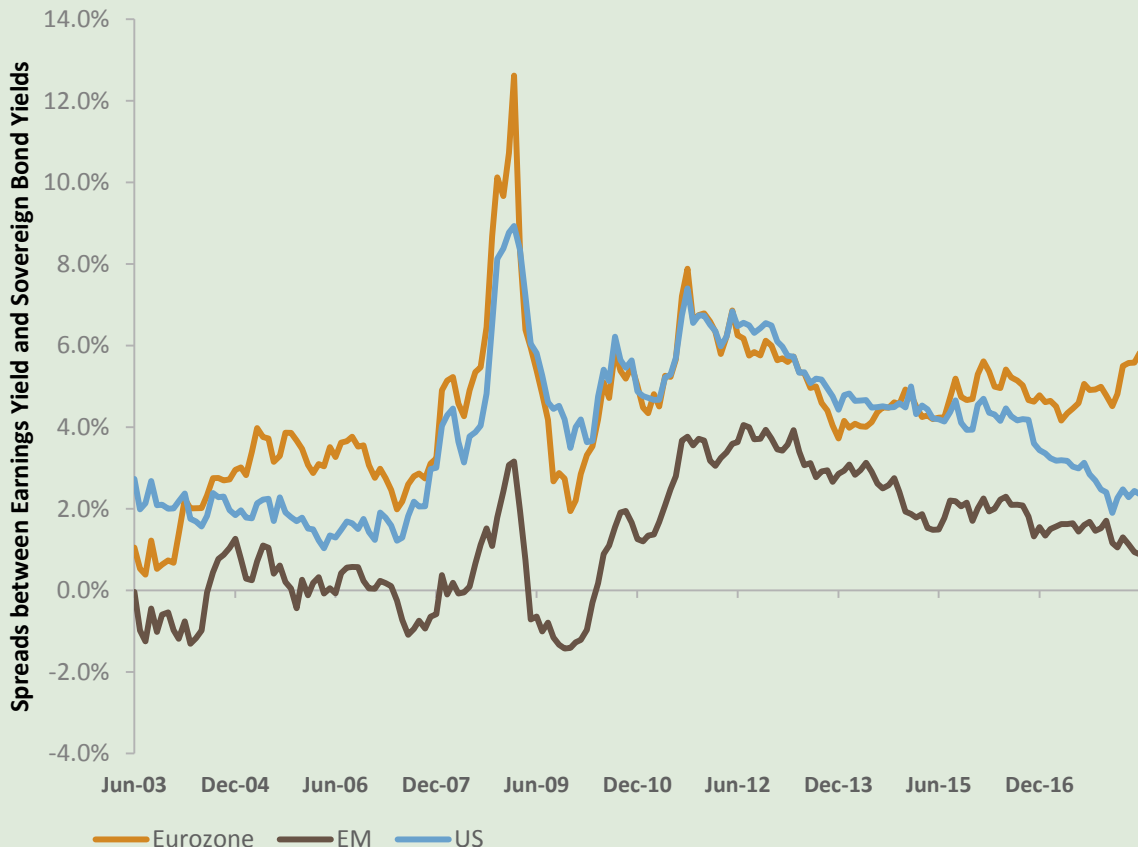


Source: Bloomberg Finance L.P. as of June 30, 2018.

Global Equity Risk Premiums — Positive earnings, lower stock prices and still accommodative monetary policy increased Eurozone equity risk premiums

Equity Risk Premium: Spreads between Earnings Yield and Sovereign Bond Yields¹

Equity Return Decomposition



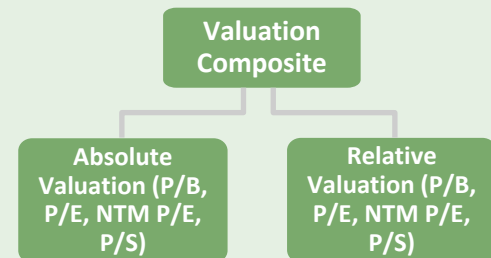
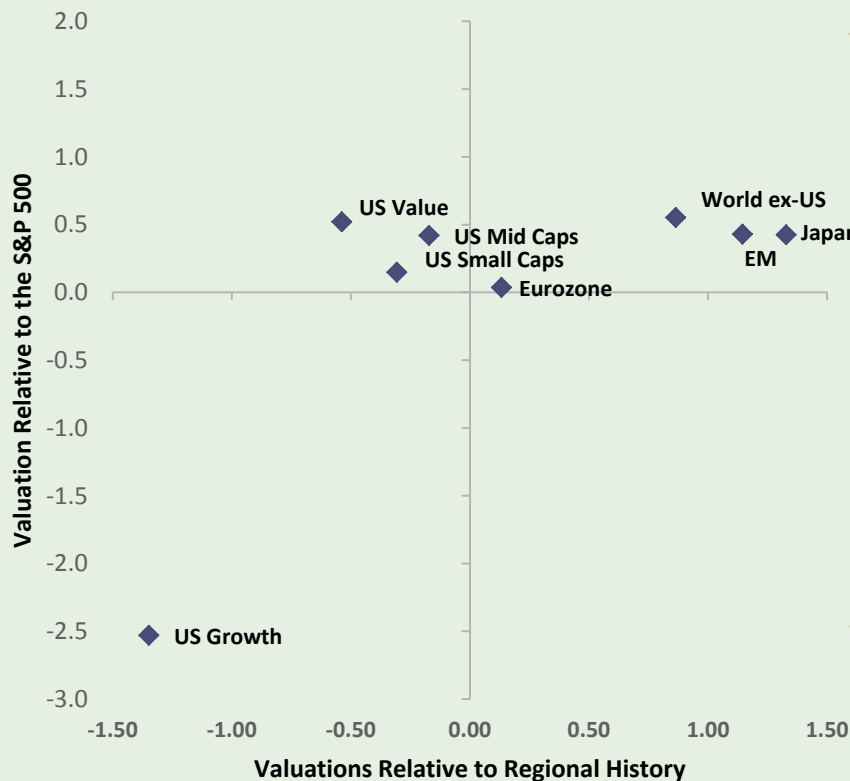
Valuation multiples compressed globally amid trade and growth uncertainties

Source: Bloomberg Finance L.P. as of June 30, 2018.

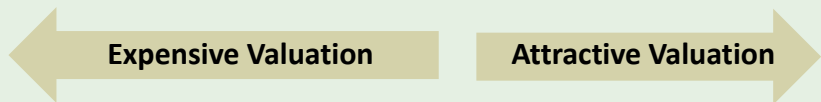
US equity markets are represented by the S&P 500 Index. Emerging Markets equities are represented by the MSCI Emerging Markets Index. European equities are represented by the MSCI European Index

Global Valuation — Equities outside the US look attractive relative to historical levels and US large caps, while valuations of US growth stocks remain elevated

Absolute and Relative Valuation Z-Score*



	Absolute Valuation Relative to Regional History Composite Score	Valuation Relative to the S&P 500 Composite Score	Valuation Composite Score
US Large Cap	-1.11	N/A	N/A
US Mid Cap	-0.17	0.42	0.12
US Small Cap	-0.31	0.15	-0.08
US Value	-0.54	0.52	-0.01
US Growth	-1.35	-2.53	-1.94
Developed ex US	0.86	0.55	0.71
EM	1.14	0.43	0.79
Japan	1.33	0.42	0.88
Eurozone	0.13	0.04	0.08



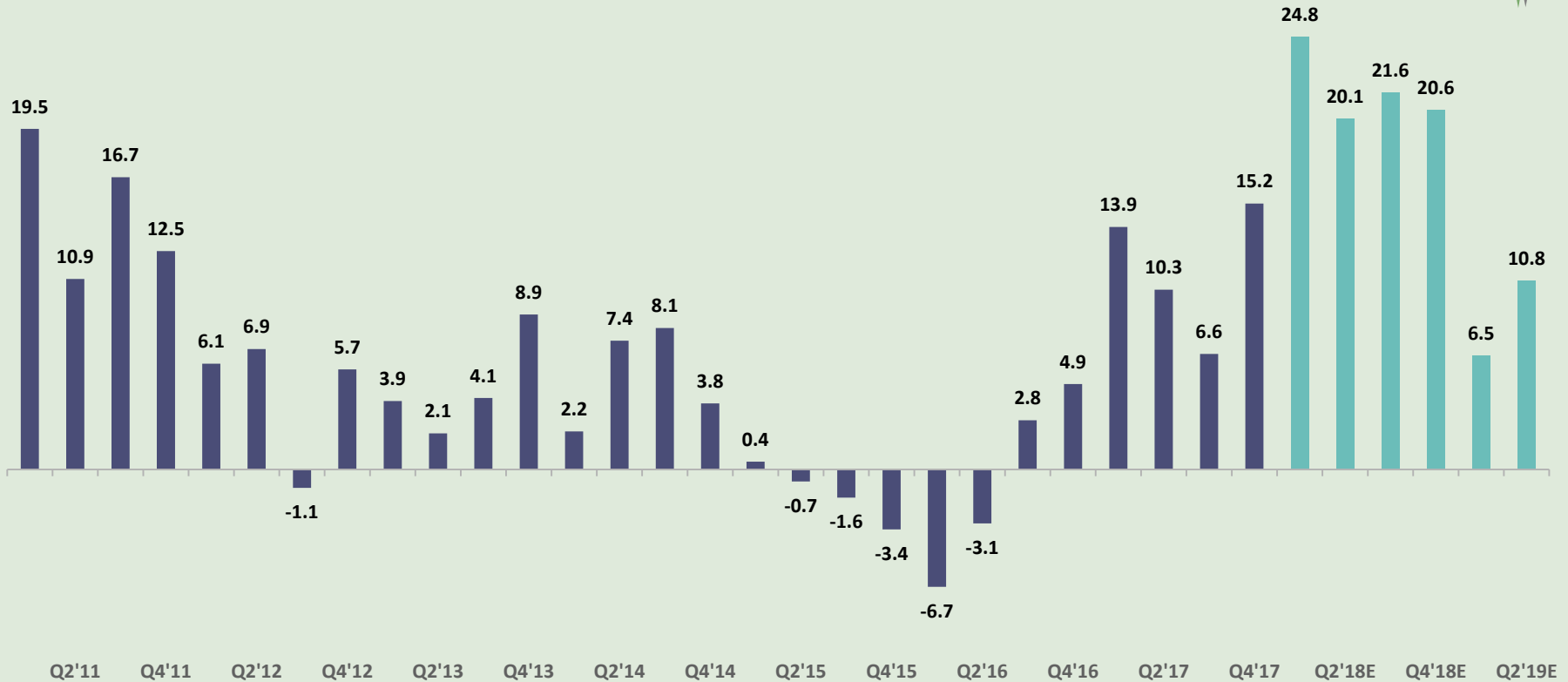
Source: State Street Global Advisors, FactSet, as of June 30, 2018.

*The z-score is calculated as the average z-score of percentile ranking of P/B, P/E, NTM P/E and P/S valuations last 15 years and valuations relative to the S&P 500 last 15 years. 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 z is the z-score, X is the segment valuation percentile. μ is the mean of valuation percentile, and σ is the standard deviation of sectors' valuation percentile. Segment valuation are based on following indices: US Large Cap = S&P 500 Index, US Mid Caps = S&P MidCap 400 Index, US Small Caps=Russell 2000 Index, US Value=S&P 500 Value Index, US Growth=S&P 500 Growth Index, Developed ex-US = MSCI World ex-US Index, EM = MSCI Emerging Markets Index, Japan = MSCI Japan Index, Eurozone = Euro STOXX Index.

US Earnings Growth — Q1 EPS growth set a high water mark in the near term, as the effects of the tax reform roll off, indicating waning earnings momentum

S&P 500 Index YoY EPS Growth (%)

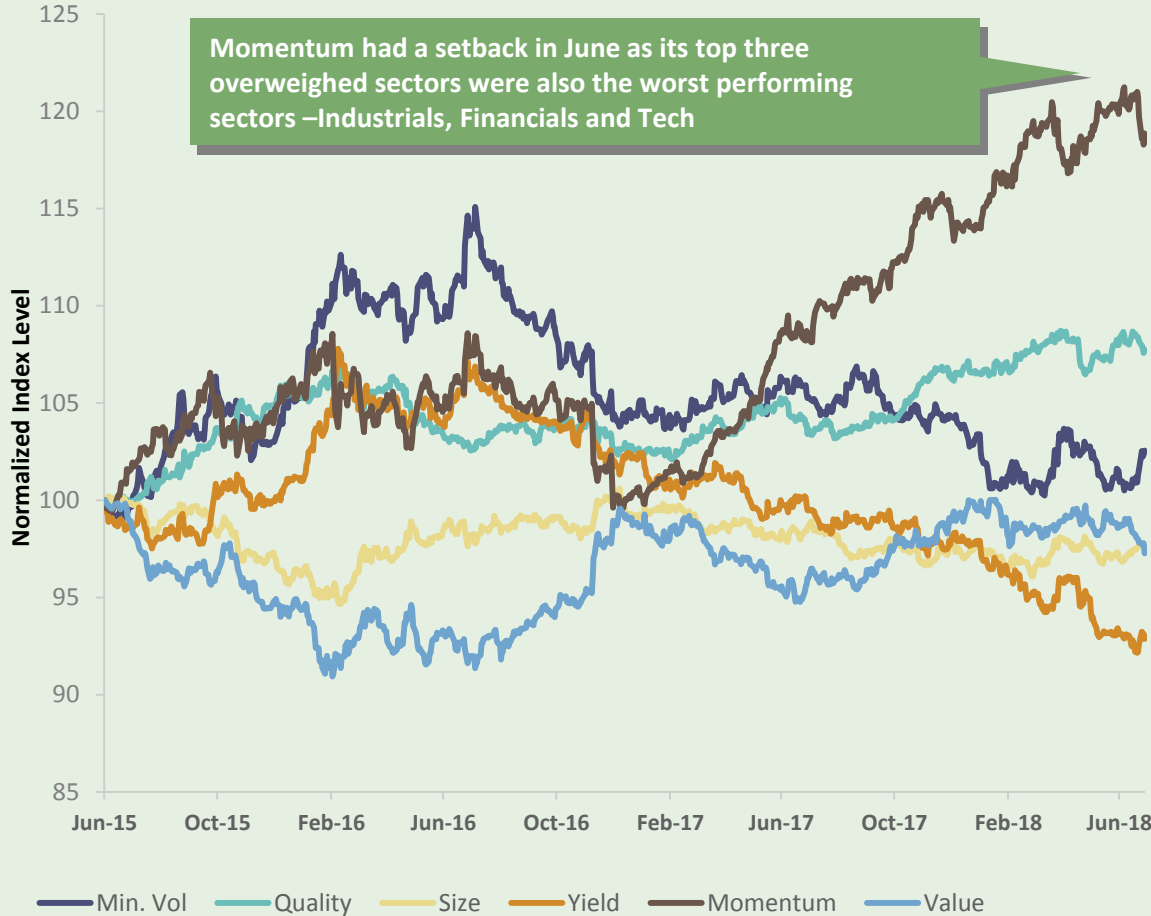
After a sugar-high growth in 2018, earnings growth is expected to fall by half to around 10% in 2019



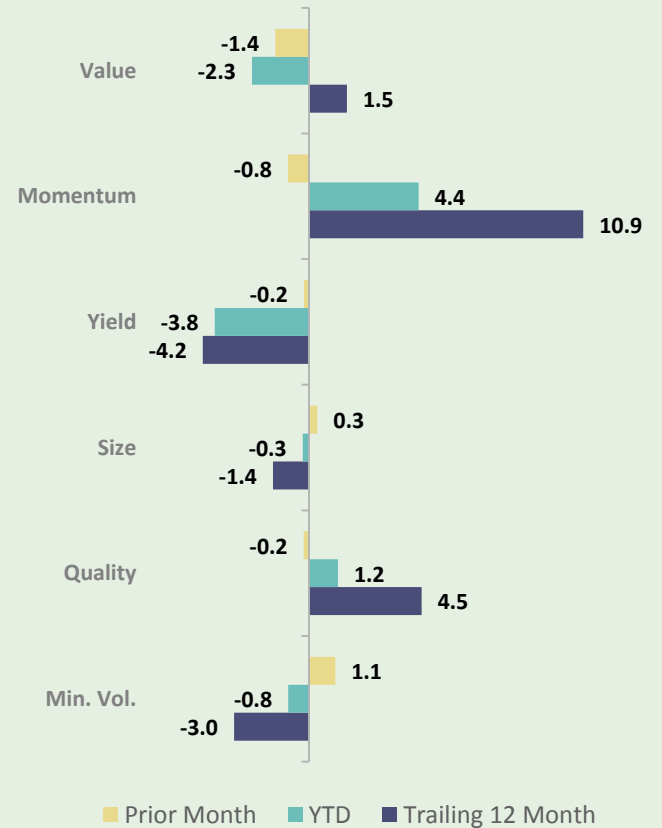
Source: Bloomberg Finance L.P. as of June 30, 2018.

US Factor Trends — Momentum and value pulled back, while min. vol. took the charge amid a more defensive market sentiment

MSCI USA Factor Index Price Returns versus MSCI USA Index (3 Years)



Period Excess Price Returns versus MSCI USA Index

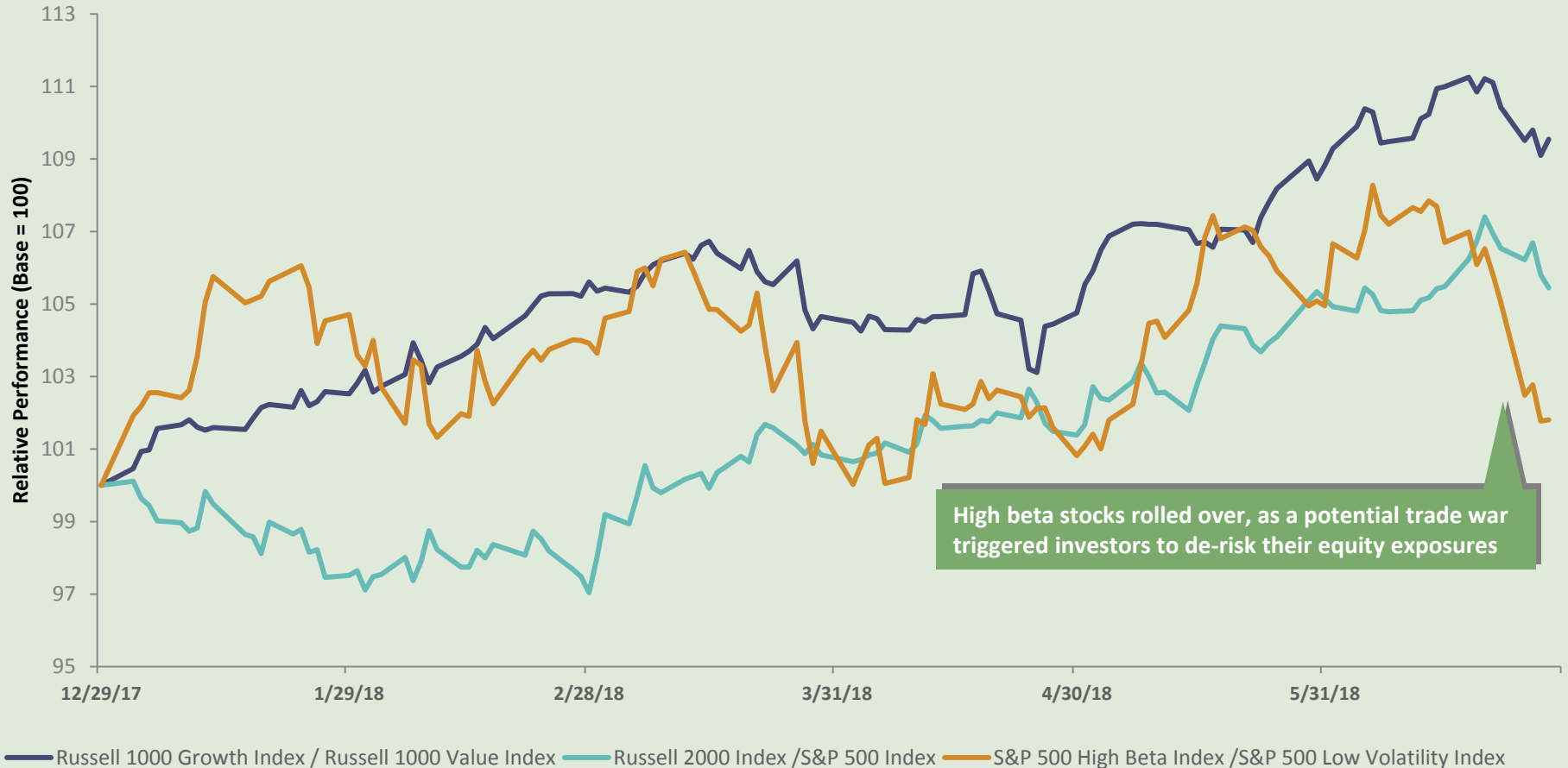


Source: Bloomberg Finance, L.P. As of June 30, 2018.

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 above compared to the MSCI USA Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

US Factor Trends — Small-caps continued to lead on a rising dollar and increased protectionism, but momentum slowed in June as the market took a slightly risk off stance

Relative Performance: Growth vs. Value, Small vs. Large and High Beta vs. Low Beta



Source: Bloomberg Finance L.P. as of June 30, 2018. Past performance is not a guarantee of future results.

Sectors

Sector Flow and Returns Heat Map — Investors shied away from Financials and Industrials and piled into Consumer Staples and Materials

	Positioning				Returns		
	Prior Month Flow (\$M)	YTD Flow (\$M)	Current Short Interest (%)	1M Prior Short Interest (%)	Prior Month Return (%)	3-Month Return (%)	Momentum Factor Rank ¹
Consumer Discretionary	128	(1,296)	11.9	11.5	3.6	8.2	3
Consumer Staples	798	(117)	8.8	10.2	4.5	-1.5	11
Energy	1	742	11.8	11.1	0.7	13.5	1
Financial	(1,820)	1,435	6.1	5.8	-1.9	-3.2	4
Health Care	212	(1,295)	12.0	11.9	1.6	3.1	5
Industrials	(1,072)	456	10.1	10.1	-3.3	-3.2	6
Materials	984	2,878	7.2	6.8	0.3	2.6	7
Real Estate	182	(2,553)	5.7	5.8	4.4	6.1	8
Technology	54	10,278	10.1	9.5	-0.4	7.1	2
Telecommunications	355	290	4.7	5.6	2.4	-0.9	10
Utilities	201	113	21.7	25.4	2.8	3.7	9

Investors reduced bearish bets on rate sensitive sectors as 10-Year Treasuries stayed below 3%

Most Flows in Period
Highest Momentum Sector

Least Flows in Period
Lowest Momentum Sector

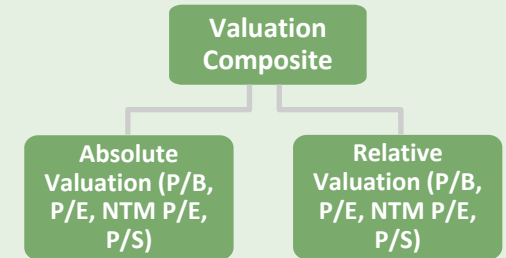
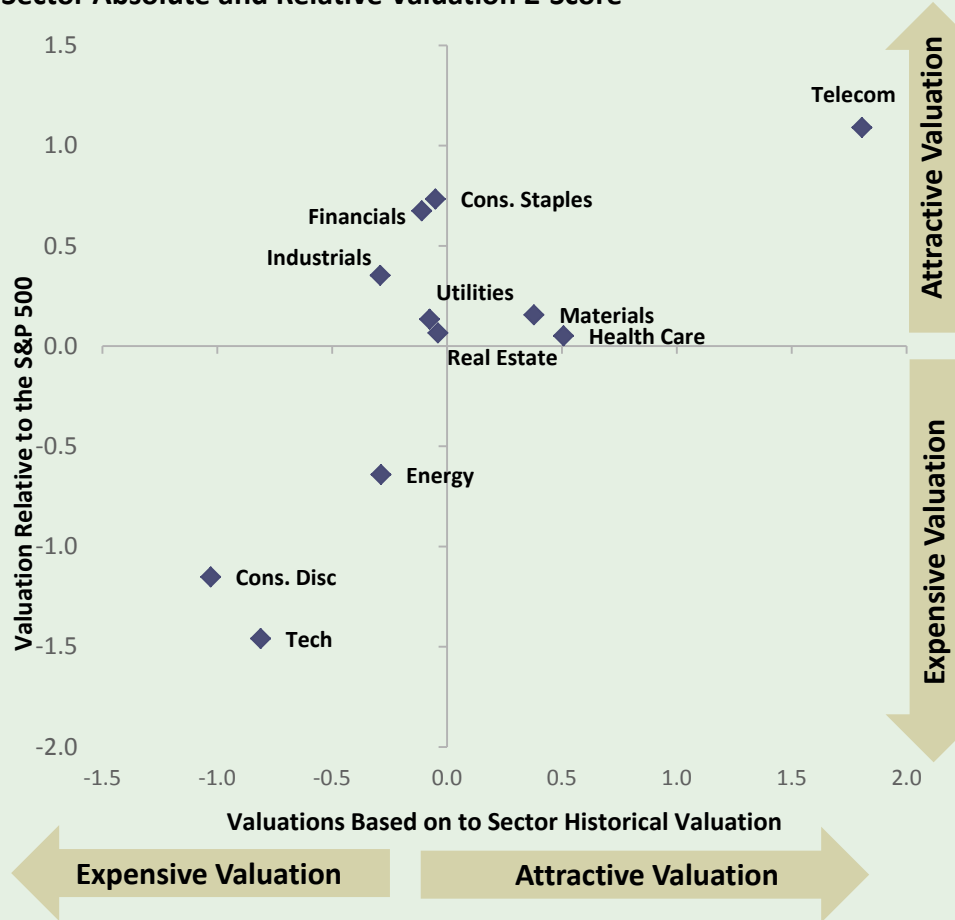


Source: State Street Global Advisors, Bloomberg Finance, L.P., as of June 30, 2018.

¹ Momentum rank is based on a composite momentum z-score. Smaller number indicates higher momentum. The composite z-score is calculated as the average z-score of the 3, 6, and 12 month relative sector performance versus the S&P 500 minus the most recent months performance. 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 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. Asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. **Past performance is not a guarantee of future results.** Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Performance returns for periods of less than one year are not annualized. Sector Returns are based on the following sector indices: Financials = S&P 500 Financials Sector Index, Industrials = S&P 500 Industrials Sector index, Energy = S&P 500 Energy Sector index, Materials = S&P 500 Materials Sector Index, Consumer Discretionary = S&P 500 Consumer Discretionary Sector Index, Health Care = S&P 500 Health Care Sector Index, Technology = S&P 500 Information Technology Sector Index, Real Estate = S&P 500 Real Estate Sector Index, Consumer Staples = S&P 500 Consumer Staples Sector Index, Utilities = S&P 500 Utilities Sector Index, Telecom = S&P 500 Telecommunication Sector Index. Sector Flows include global and U.S. focused sector ETFs.

Sector Valuation — Materials, Health Care and Telecom exhibit attractive valuations relative to historical levels and the broader market

Sector Absolute and Relative Valuation Z-Score*



	Absolute Valuation Relative to Sector History Composite Score	Valuation Relative to the S&P 500 Composite Score	Valuation Composite Score
Telecom	1.81	1.09	1.45
Cons. Staples	-0.05	0.73	0.34
Financials	-0.11	0.67	0.28
Health Care	0.51	0.05	0.28
Materials	0.38	0.15	0.27
Industrials	-0.29	0.35	0.03
Utilities	-0.08	0.13	0.03
Real Estate	-0.04	0.06	0.01
Energy	-0.29	-0.64	-0.46
Cons. Disc.	-1.03	-1.15	-1.09
Tech	-0.81	-1.46	-1.14



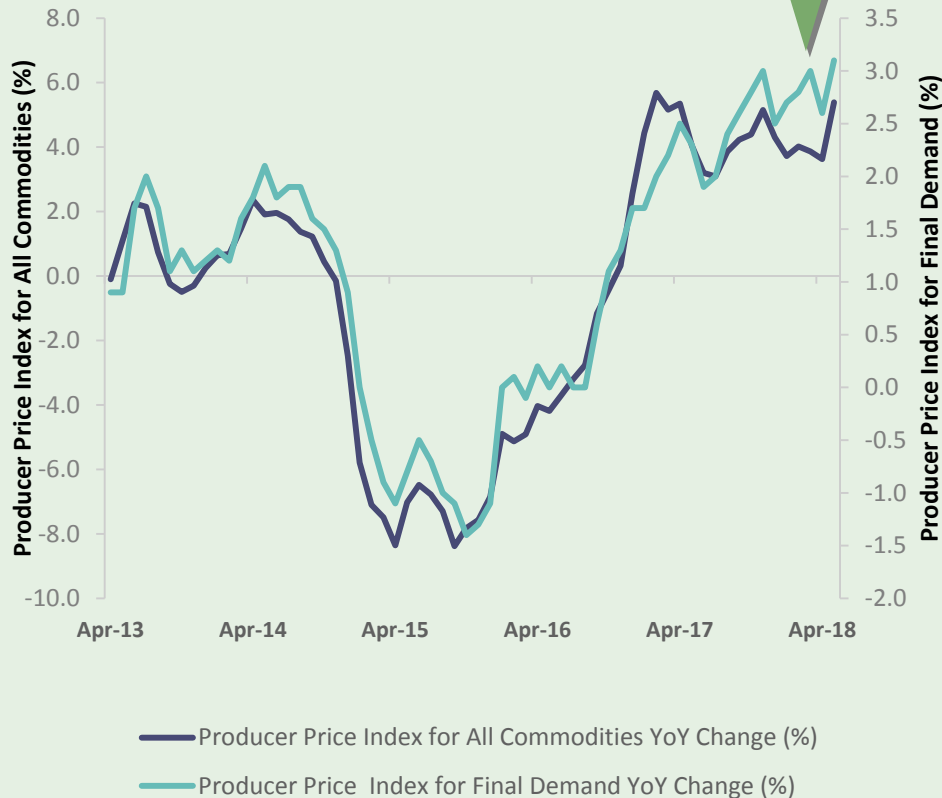
Source: State Street Global Advisors, FactSet, as of June 30, 2018.

*The z-score is calculated as the average z-score of percentile ranking of P/B, P/E, NTM P/E and P/S valuations last 15 years and valuations relative to the S&P 500 last 15 years. 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 z is the z-score, X is the sector valuation percentile, μ is the mean of the eleven sector valuation percentile, and σ is the standard deviation of sectors' valuation percentile. Valuation are based on following S&P 500 indices: Financials = S&P 500 Financials Sector Index, Industrials = S&P 500 Industrials Sector Index, Energy = S&P 500 Energy Sector Index, Materials = S&P 500 Materials Sector Index, Consumer Discretionary = S&P 500 Consumer Discretionary Sector Index, Health Care = S&P 500 Health Care Sector Index, Technology = S&P 500 Information Technology Sector Index, Real Estate = S&P 500 Real Estate Sector Index, Consumer Staples = S&P 500 Consumer Staples Sector Index, Utilities = S&P 500 Utilities Sector Index, Telecom = S&P 500 Telecommunication Sector Index. Sector Flows include global and U.S. focused sector ETFs.

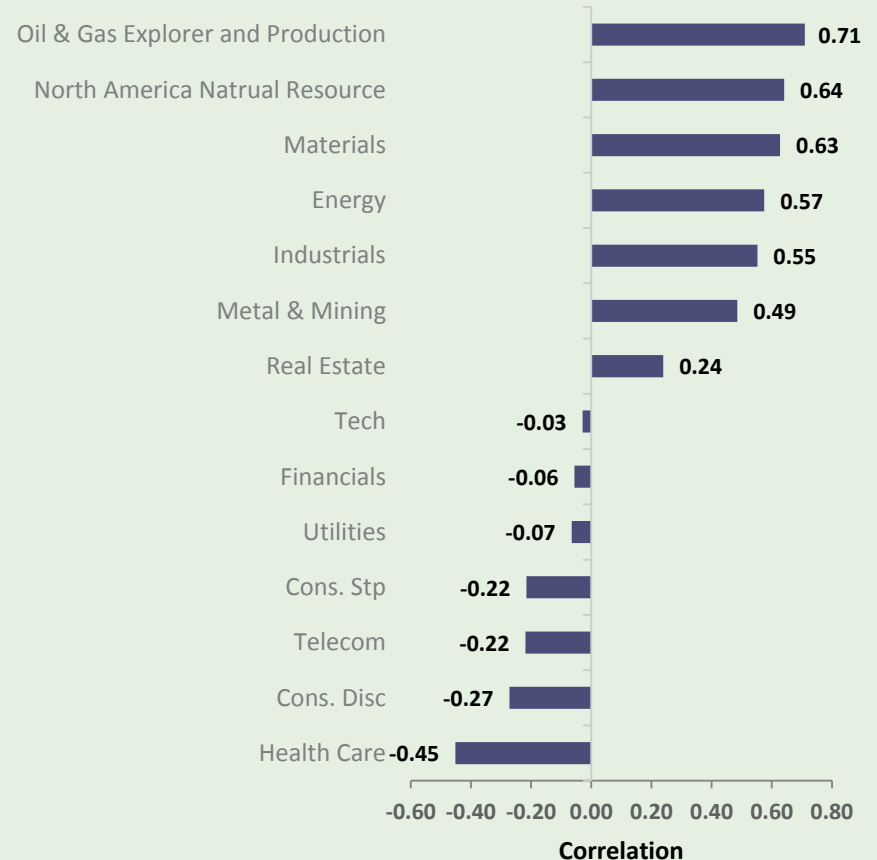
Sector Trends — Materials and Energy companies may benefit more from increasing input prices for manufactures

Producer Price Indices (PPI)

Protectionist US trade policy and intensifying geopolitical tensions keep pushing input prices higher



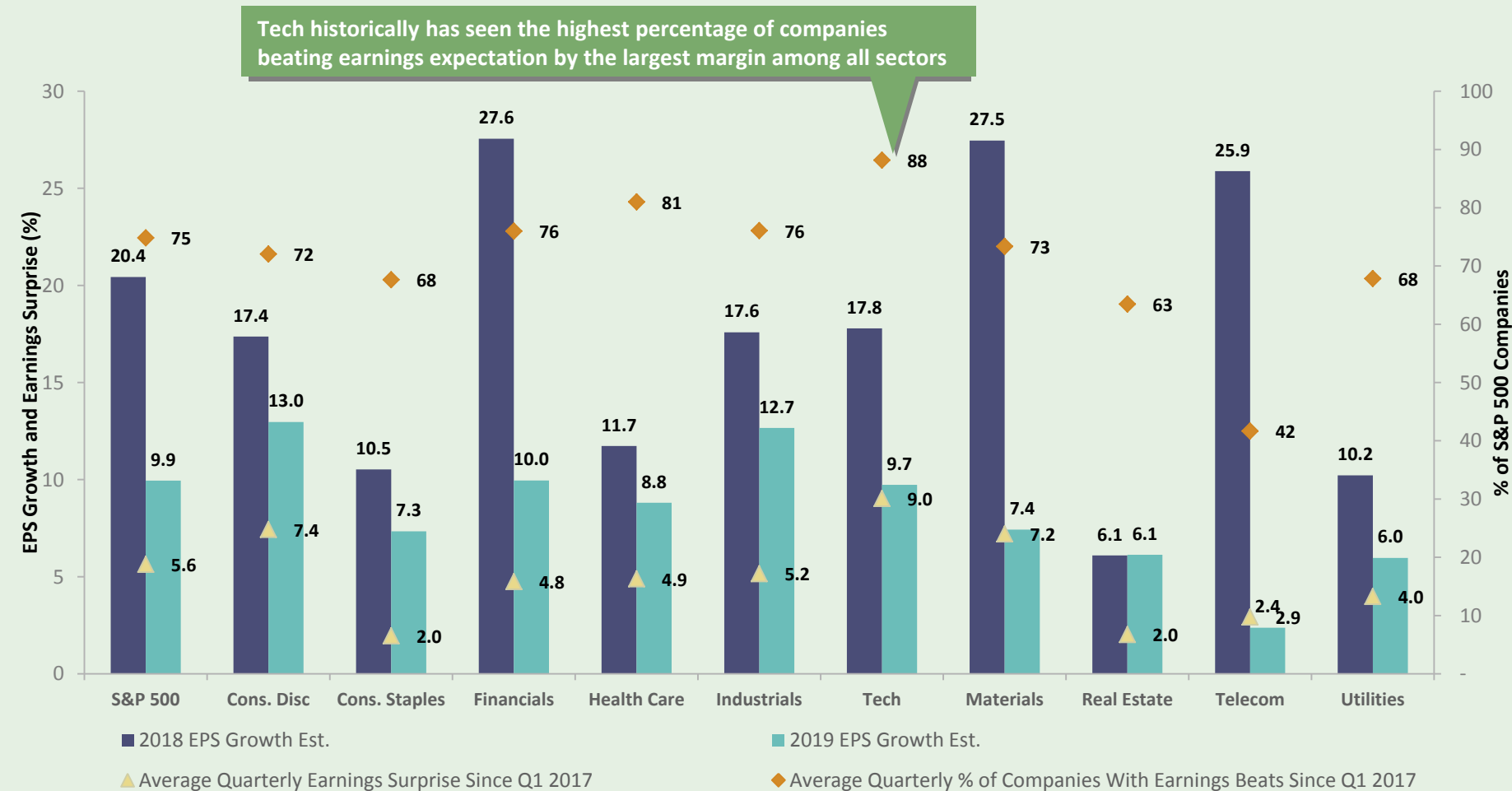
Sector Correlation to YoY Change in PPI All Commodities Index (12/1/2006–5/31/2018)



Source: Bloomberg Finance L.P. As of May 31, 2018. Sectors and industries are represented by corresponding S&P Select Sector and Industry indices.

Sector Earnings — Cyclical sectors, like Cons. Disc. and Industrials are projected to lead on 2019 EPS growth, while Tech historically has seen stronger earnings beats

EPS Growth Estimates and Historical Earnings Surprise (%) and % of Companies with Earnings Beats (ex-Energy)

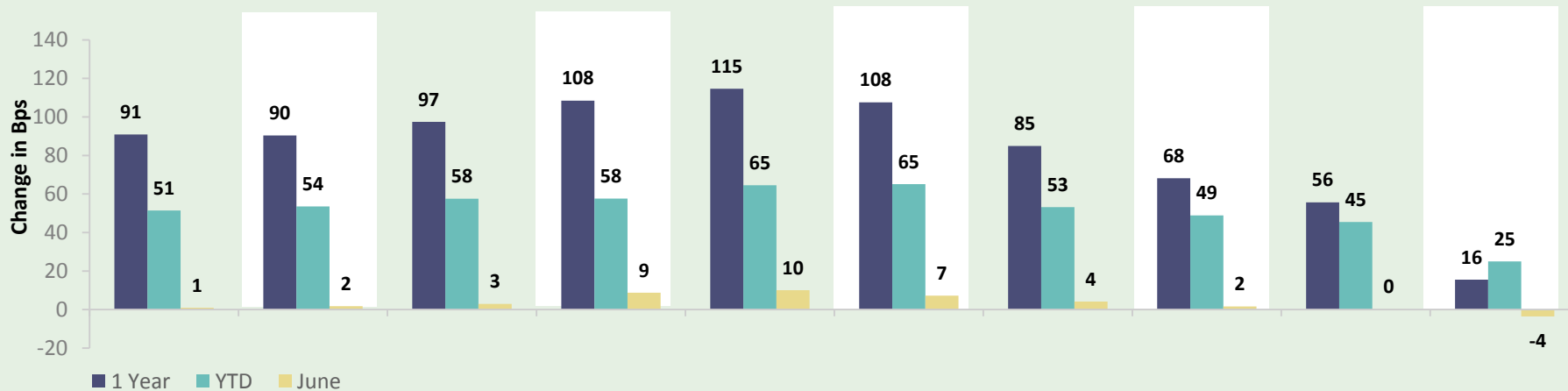
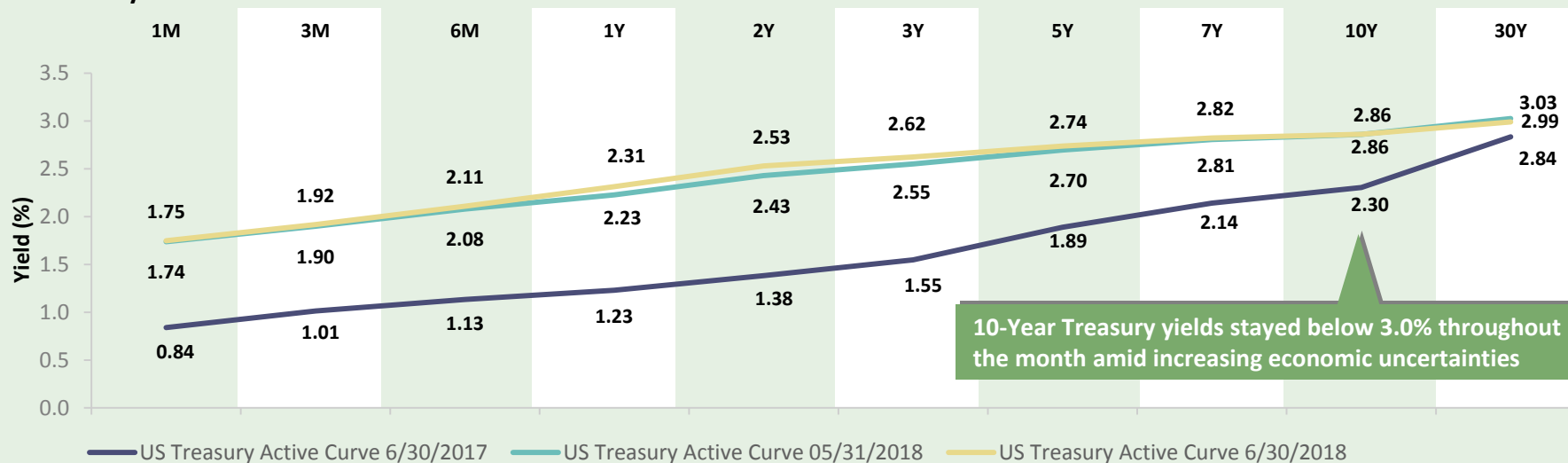


Source: Bloomberg Finance L.P. As of June 30, 2018. Sectors and industries are represented by corresponding S&P Select Sector and Industry indices. Based on Consensus Analyst Estimates compiled by FactSet. Characteristics are as of the date indicated and should not be relied upon as current thereafter. There is no guarantee that the estimates will be achieved.

Fixed Income

Yield Curve — The belly of the yield curve increased the most, as a flight to long-term Treasuries pressured down yields beyond the 10-year spectrum

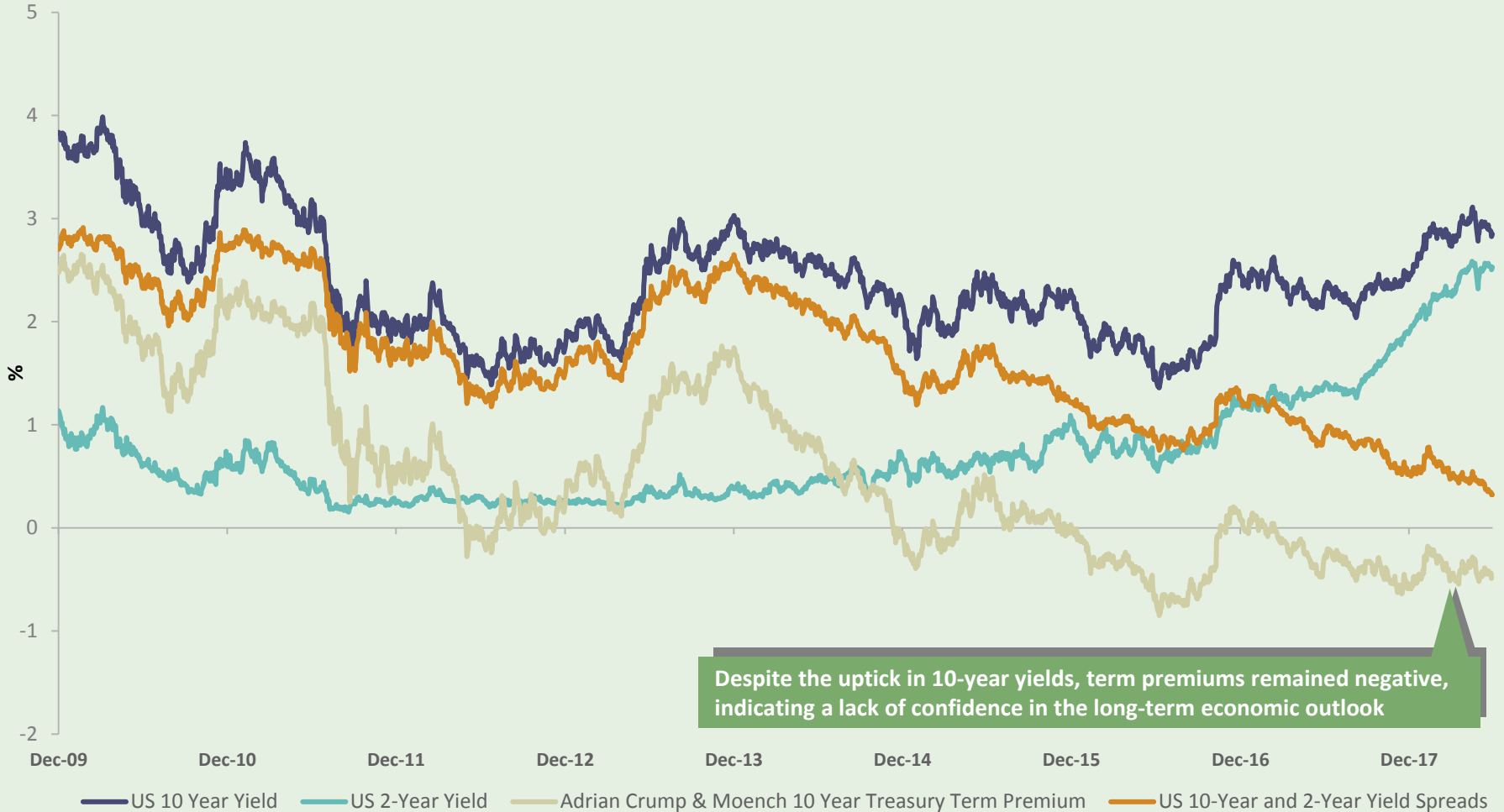
US Treasury Curve



Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results.

Yield Curve — The Fed keeps lifting the short end of the curve, while the long end followed a slow path upward, constrained by exogenous variables

US Treasury Curve (10-and-2 Year Spreads) and Term Premium



Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results. The term premium is the excess yield that investors require to commit to holding a long-term bond instead of a series of shorter-term bonds.

Treasury Positions — Net positioning for long dated bonds are the most negative since 2001. Any unwind may push long-term rates lower and flatten the curve further

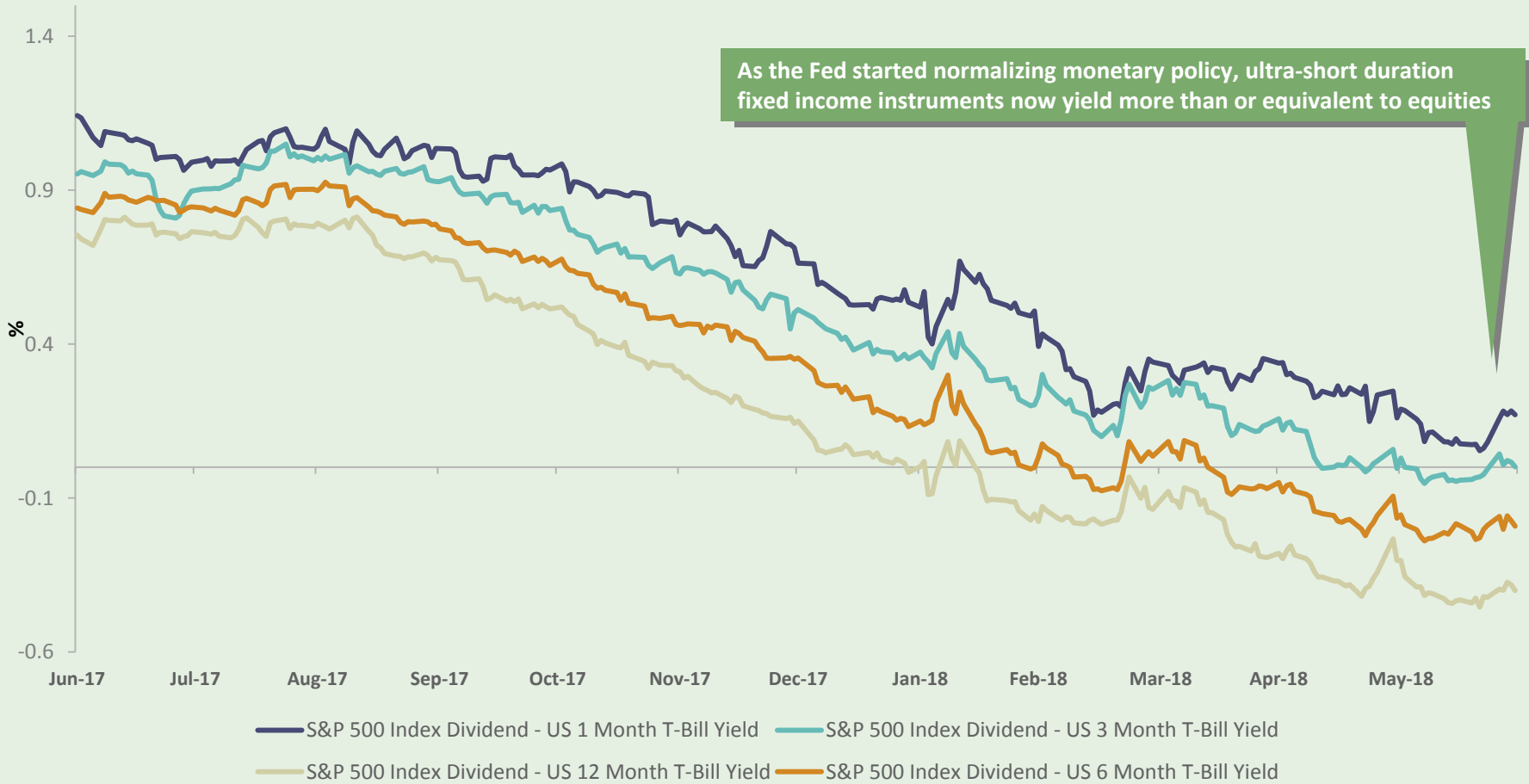
Net Short 10-Yr Treasury Futures Contract Positioning



Source: Bloomberg Finance, L.P. As of June 19, 2018. Past performance is not a guarantee of future results.

Short Term Rates — After years of low short-term interest rates, investors can now look to T-Bills to hedge equity and duration risks while generating more income than stocks

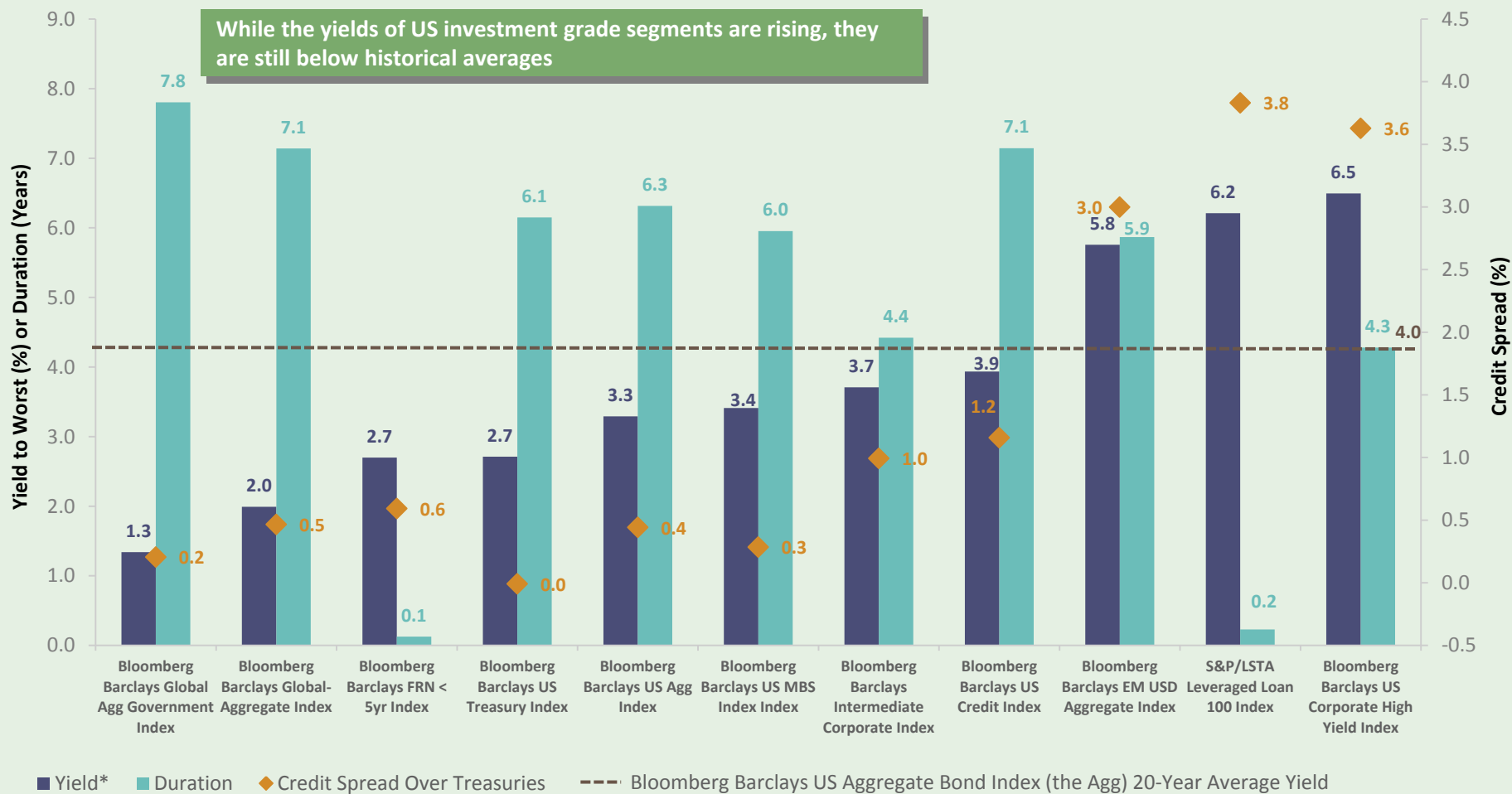
T-Bill Yields vs. S&P 500 Dividend Yield



Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results.

Bond Market — As yields remain below historical averages amid elevated duration risk, investors have to consider other bond asset classes when building portfolios

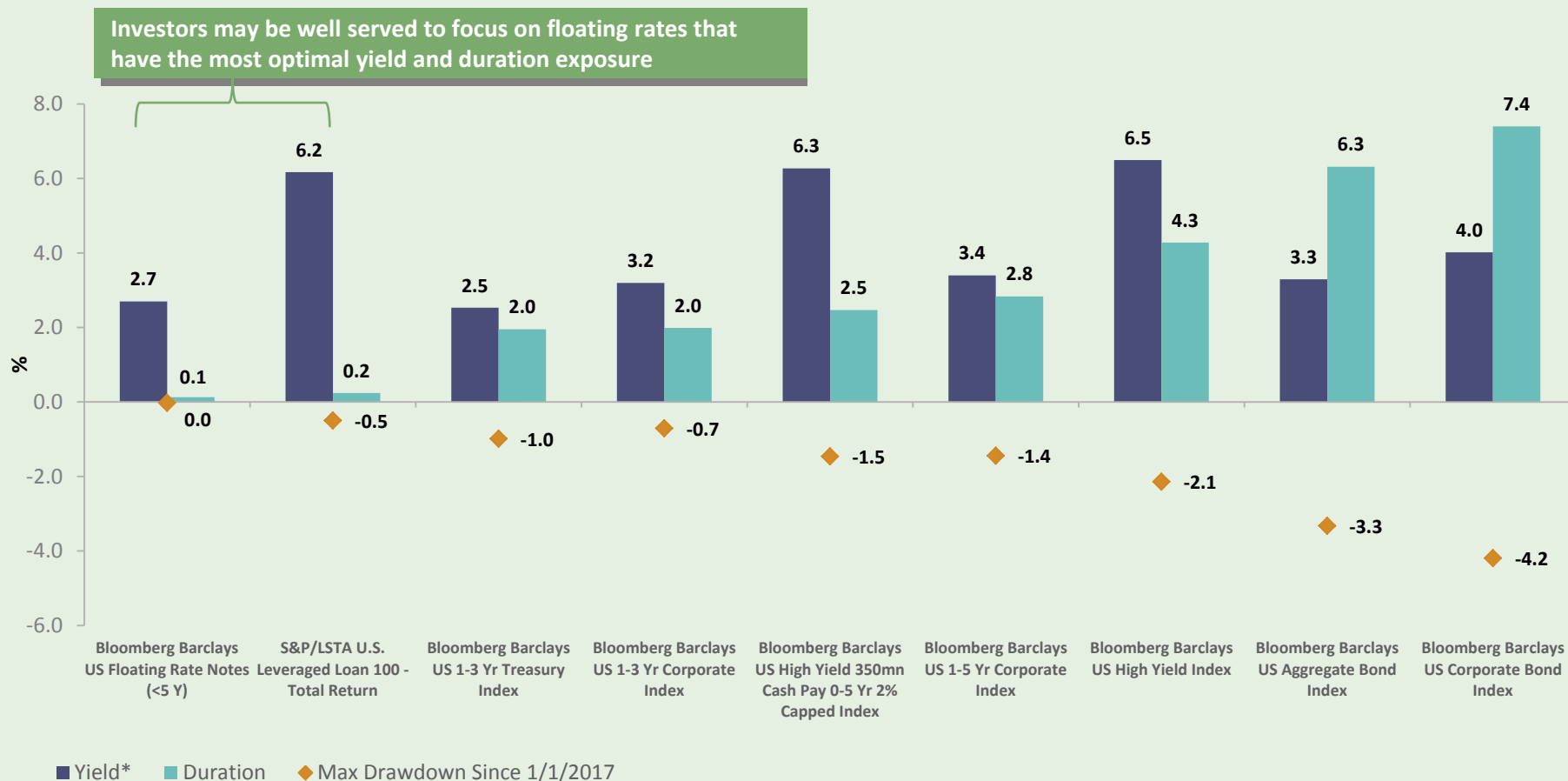
Bond Market Segment Yield, Duration and Spreads



Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. *Yield to maturity is used for the S&P/LSTA Leveraged Loan 100 Index. Yield to worst is used for other indices.

Short Duration — With the Fed continuing to hike rates, short duration exposures have become attractive sources of income while tempering drawdowns

Short Duration Bond Market Segment Yield, Duration and Drawdown

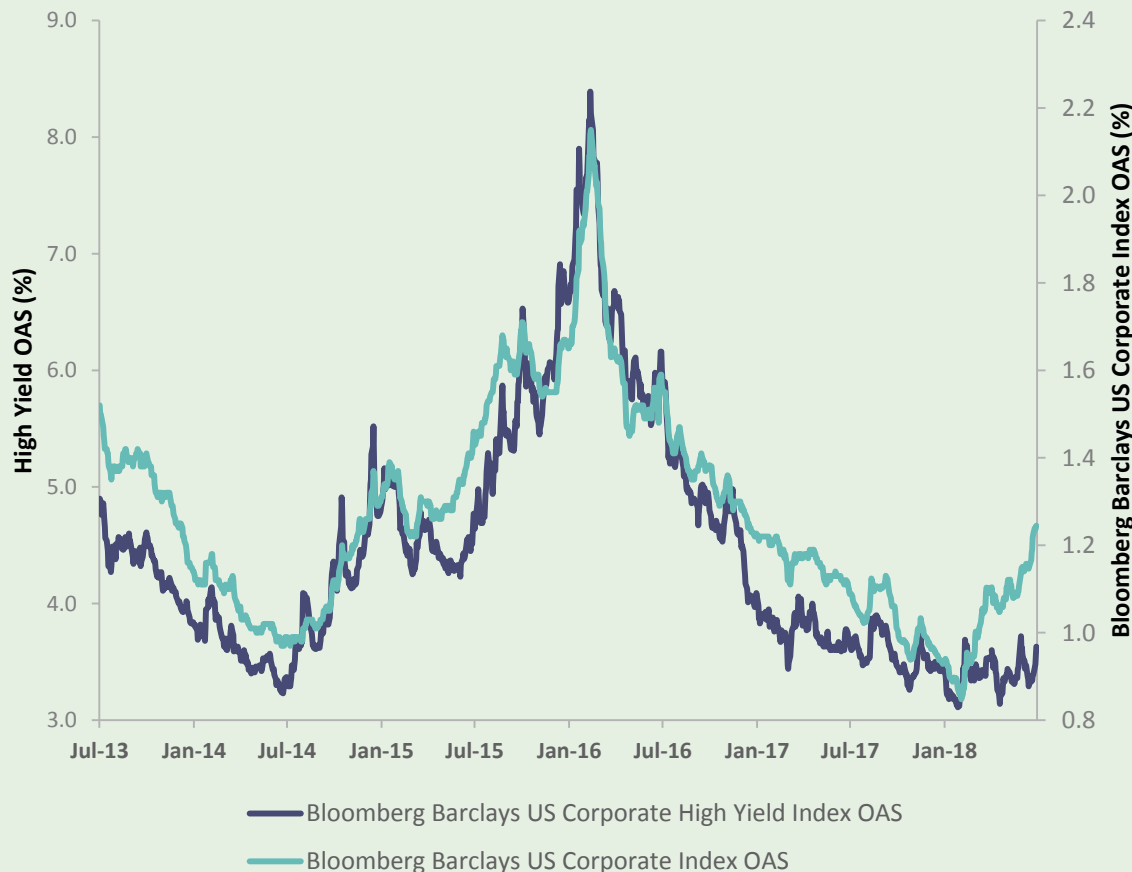


Source: Bloomberg Finance, L.P. As of June 30, 2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

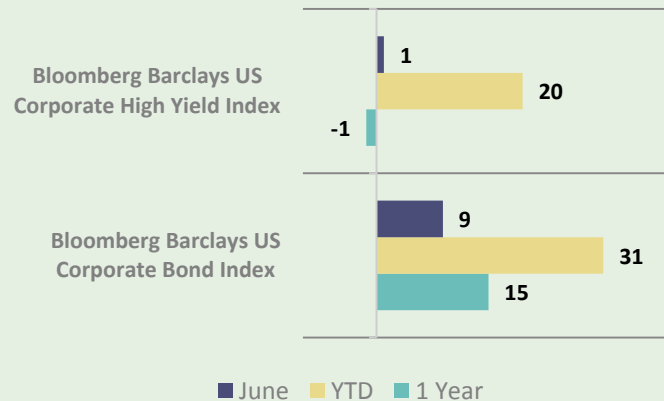
*Yield to maturity is used for the S&P/LSTA Leveraged Loan 100 Index. Yield to worst is used for other indices.

Credit Trends — Spreads modestly widened across credit sectors, with investment grade spreads expanding at a faster pace than high yield

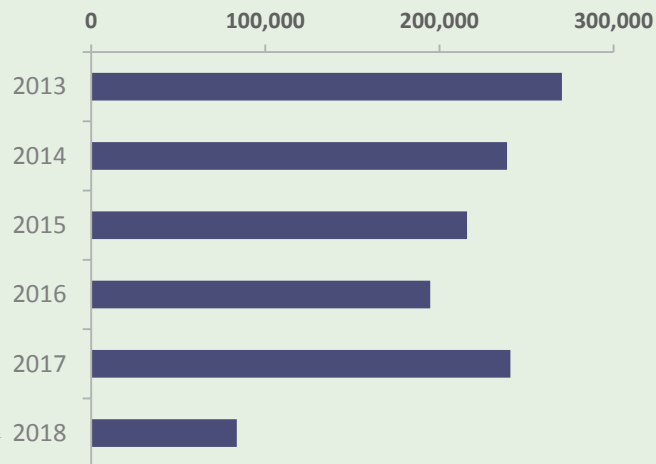
Credit Spreads



Credit Spread Changes in Basis Point



High Yield Bond Issuance (US\$ mn)

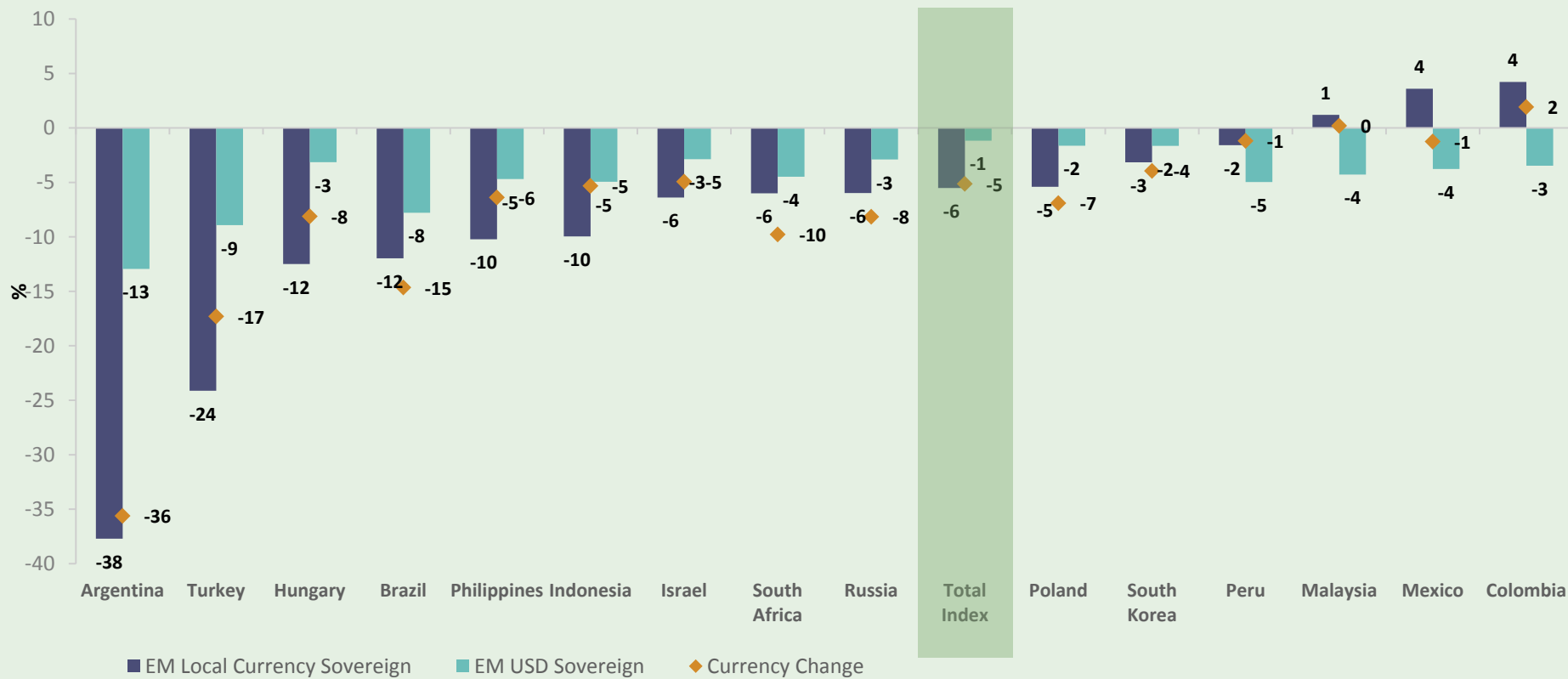


Supply constraints in high yield bond markets may keep HY spreads in check

Source: Bloomberg Finance, L.P. BofA Merrill Lynch, As of June 30, 2018.

EM Debt — Rising US yields, a stronger dollar and country specific challenges weighed on EM debt, roiling both local and hard currency EM exposures

EM Local Currency and USD Sovereign Debt YTD Return



Currency depreciation contributed to more than 80% of negative returns of the five worst performing EM local debt markets year to date

Source: Bloomberg Finance L.P. as of 6/29/2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Country returns in the Bloomberg Barclays EM Local Currency Government Index and Bloomberg Barclays EM USD Sovereign Index are used to calculate EM local and USD denominated debt returns

Appendix A: Flow Summary

Fund Flow Summary

Asset Category

	Prior Month (\$M)	Year to Date (\$M)	Trailing 12 Month (\$M)
Equity	-6,928	73,067	236,686
Fixed Income	7,552	46,342	103,745
Commodity	-2,109	1,921	978
Specialty	-329	632	497
Mixed Allocation	67	826	1,807
Alternative	78	395	722

Equity Region

US	3,066	42,239	136,795
Global	1,997	11,664	21,801
International-Developed	738	27,913	68,611
International-Emerging Markets	-6,832	5,802	21,942
International-Region	-3,211	-7,294	-2,093
International-Single Country	-1,663	1,781	3,014
Currency Hedged	-1,022	-9,038	-13,382

Fixed Income Sectors

Aggregate	665	14,685	35,034
Government	2,968	19,784	26,727
Inflation Protected	728	4,504	7,759
Mortgage-Backed	1,524	2,912	5,665
IG Corporate	2,796	5,599	19,703
High Yield Corp.	-1,914	-5,809	-2,053
Bank Loans	-268	1,108	669
EM Bond	-524	1,143	2,316
Preferred	151	-522	1,379
Convertible	151	199	435
Municipals	1,275	2,739	6,110

Government ETF Maturity Focus

Ultra Short	819	8,943	12,905
Short Term	478	5,988	8,402
Intermediate	908	4,036	4,708
Long Term (>10 yr)	769	973	1,018

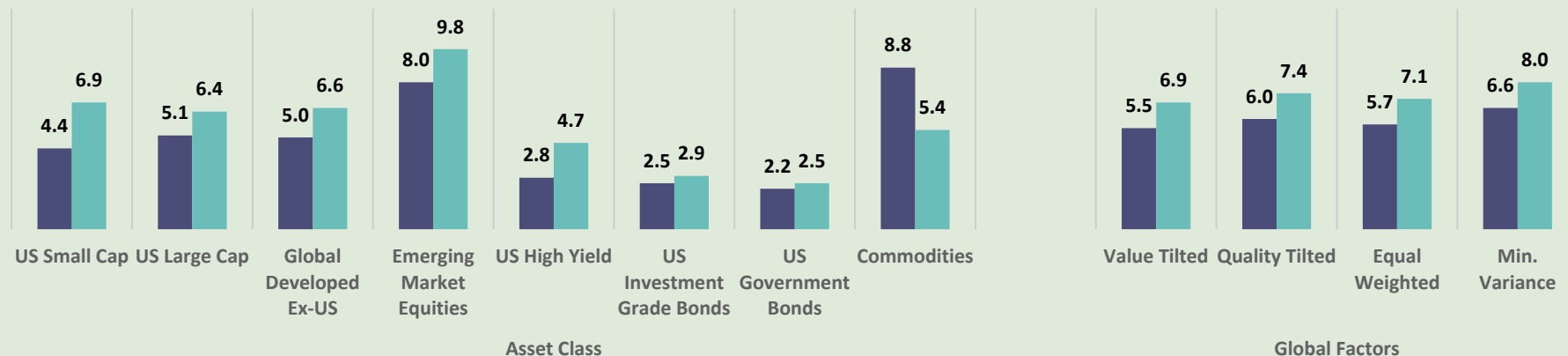
Source: State Street Global Advisors, Bloomberg Finance, L.P. As of June 29, 2018.

Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

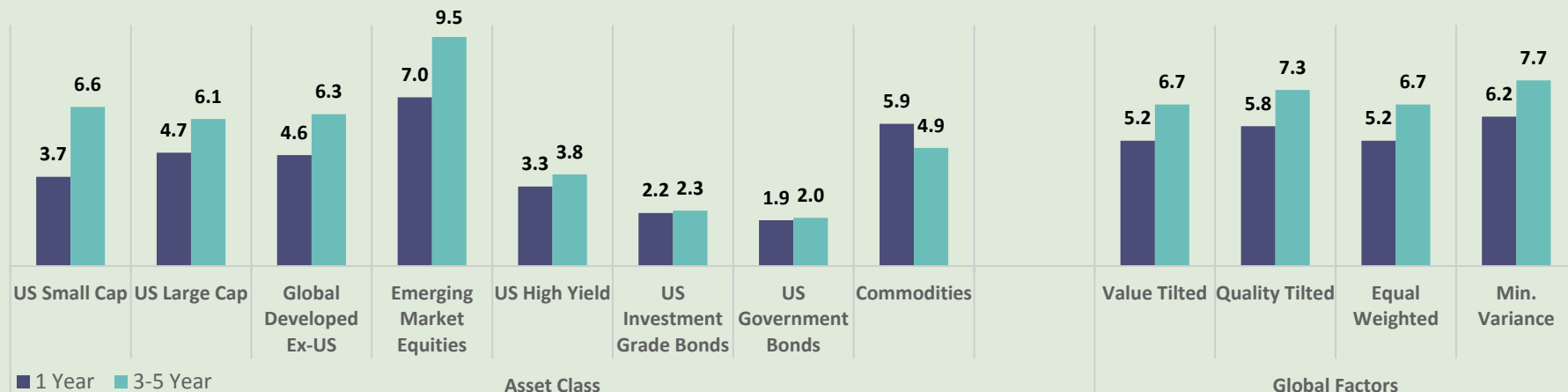
Appendix B: Asset Class Forecast

SSGA Asset Class Forecasts

Forecasted Return (%) as of March 31, 2018



Forecasted Return (%) as of December 31, 2017



Source: State Street Global Advisors (SSGA) Investment Solutions Group. The forecasted returns are based on SSGA's Investment Solutions Group's March 31, 2018 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 for the assumptions used by SSGA Investment Solutions Group to create asset class forecasts.

Asset Class Forecast Assumptions

Forecast Assumptions

For 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.

For 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.

For Factor Returns:

Over a one to three-year forecast horizon, we look to see how cheap each factor is relative to its own history. Specifically, we focus on book/price spreads for each factor and relate that to their subsequent returns. We find that valuation ratios are useful for forecasting market returns.

For 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.

Appendix C: Definitions

Definitions

S&P500 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.

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.

Implied Volatility: A way of estimating volatility of a security's price based on a number of predictive variables. Implied volatility rises when the market is falling when investors believe that the asset's price will decline over time, and it falls when the market is rising when investors believe that the security's price will rise over time. This is due to the common belief that bearish markets are riskier than bullish markets.

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.

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

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.

Bloomberg 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 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 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 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.

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.

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.

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

Bloomberg Dollar Spot Index: The Bloomberg Dollar Spot Index tracks the performance of a basket of ten leading global currencies versus the US Dollar. Each currency in the basket and their weight is determined annually based on their share of international trade and FX liquidity.

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 U.S. 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.

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.

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.

Definitions

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.

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 Quality Index: The MSCI USA Quality Index is based on MSCI USA, its parent index. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

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.

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."

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.

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.

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.

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.

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.

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

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.

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.

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.

Definitions

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.

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

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

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

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

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.

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

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

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 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 Pan-European High Yield Index: The Index measures the below investment grade, fixed-rate, taxable corporate bonds.

The 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.

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.

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

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

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.

Appendix D: Important Disclosures

Important Disclosures

The views expressed in this material are the views of SPDR Americas Research Team and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

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All the index performance results referred to are provided exclusively for comparison purposes only. It should not be assumed that they represent the performance of any particular investment.

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.

The values of **debt securities** may decrease as a result of many factors, including, by way of example, general market fluctuations; increases in interest rates; actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments; illiquidity in debt securities markets; and prepayments of principal, which often must be reinvested in obligations paying interest at lower rates.

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

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

Investments in **mid-sized companies** may involve greater risks than in those of larger, better known companies, but may be less volatile than investments in smaller companies.

Companies with **large market capitalizations** go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Value stocks can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets.

Because of their narrow focus, **sector funds** tend to be more volatile.

Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

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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Tracking Code: 1984314.10.1.NA.RTL

Expiration Date: October 31, 2018

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