


December 2023
Annual Reconstitution Update


State Street Income Allocation ETF Portfolio

Asset Allocation Overview

- Updates to the model occur on an annual basis and reflect the Investment Solutions Group’s (ISG’s) long-term capital market assumptions and qualitative insights.
- Elevated interest rates propped up most long-term expected returns within fixed income — making many sectors of the bond market competitive with expected long-term equity returns.

INCREASE 

Emerging Market USD Bonds	+6.0%
Intermediate-Term Treasuries	+5.0%
Short-Term Treasuries	+5.0%
Short-Term Corporate Bonds	+3.0%
Long-Term Treasuries	+2.0%

DECREASE 

Emerging Market Local Bonds	-6.0%
High Yield	-4.0%
Senior Loans	-4.0%
Small-Cap US Equity REITs	-2.0%
US Mortgage REITs	-2.0%
International Dividend Equity	-2.0%
Convertible Securities	-1.0%

Source: State Street Global Advisors as of 12/18/2023.

Portfolio Positioning

Within equities, we sold international dividend equity due to the yield decrease compared to 2022.

Within fixed income, we added an allocation to emerging market hard currency debt, which showed strong long-term return expectations relative to other high income asset classes while providing attractive carry and less relative volatility. This position also serves to diversify our exposure to other “hybrid” fixed income assets such as emerging market local currency debt, high yield bonds, and senior loans.

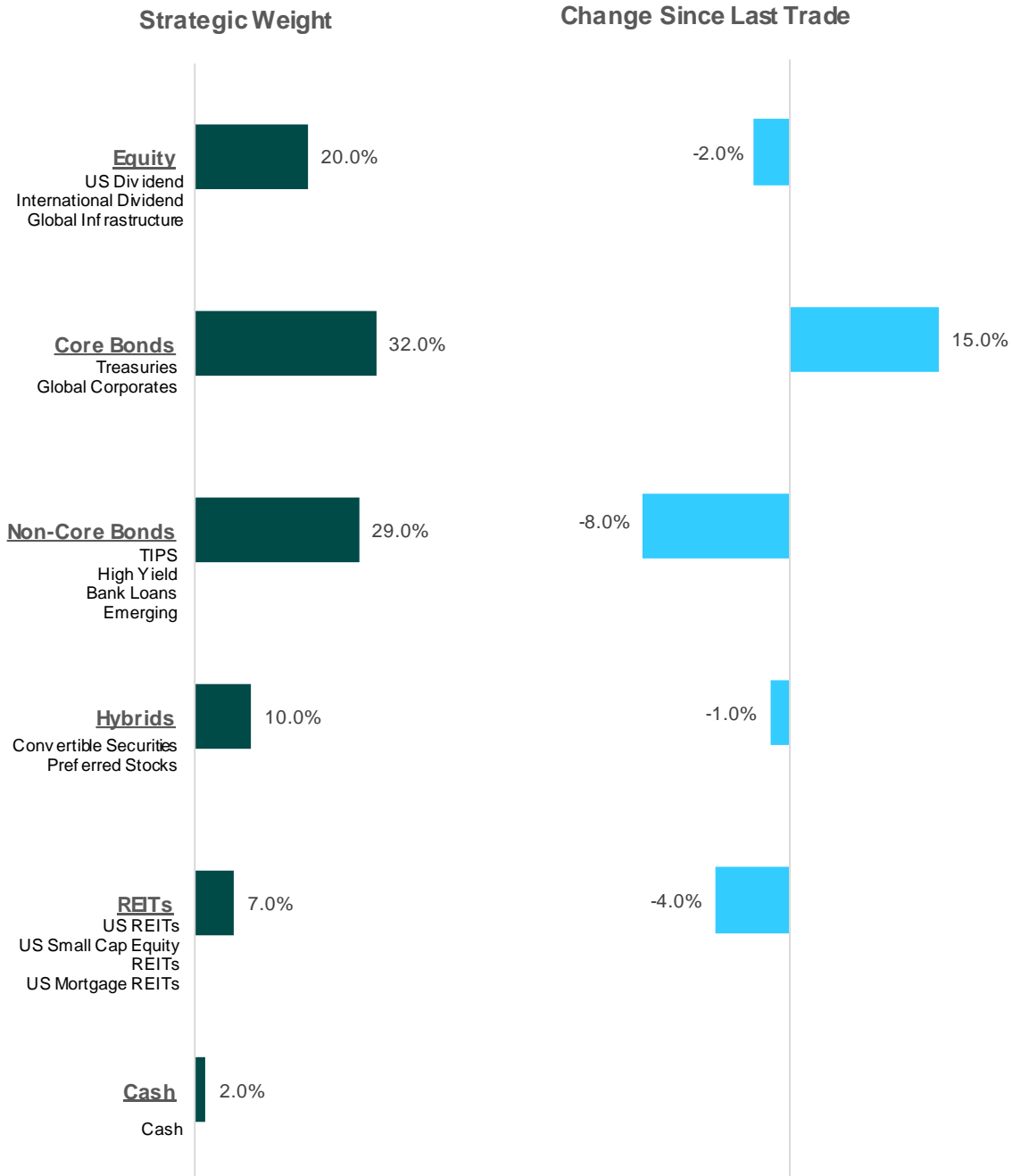
We also added to short-, long- and intermediate-term Treasuries and short-term corporate bonds while reducing exposure to emerging market local bonds, high yield, and senior loans. Intermediate-term Treasuries and short-term corporate bonds appear favorable from both a total return and income perspective.

Within global real estate, we removed small-cap US equity real estate investment trusts (REITs) from the portfolio due to the less compelling diversification benefit.

Within hybrids, expected long-term returns for the convertible securities decreased, while the expected risk increased slightly.

Positioning Update

State Street Income Allocation ETF Portfolio



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

Current Holdings: Income ETF Portfolio

Ticker	Fund	Current Weight (%)
	Equity	20.0%
SPYD	SPDR® Portfolio S&P 500® High Dividend ETF	4.0%
DWX	SPDR® S&P® International Dividend ETF	4.0%
GI	SPDR® S&P® Global Infrastructure ETF	8.0%
SCHD	Schwab U.S. Dividend Equity ETF	4.0%
	Fixed Income	61.0%
SPTL	SPDR® Portfolio Long Term Treasury ETF	13.0%
SPTI	SPDR® Portfolio Intermediate Term Treasury ETF	5.0%
SPSB	SPDR® Portfolio Short Term Corporate Bond ETF	3.0%
SPTS	SPDR® Portfolio Short Term Treasury ETF	5.0%
SRLN	SPDR® Blackstone Senior Loan ETF	6.0%
SPHY	SPDR® Portfolio High Yield Bond ETF	8.0%
TIPX	SPDR® Bloomberg 1-10 Year TIPS ETF	3.0%
EMHC	SPDR® Bloomberg Emerging Markets USD Bond ETF	6.0%
IBND	SPDR® Bloomberg International Corporate Bond ETF	6.0%
EBND	SPDR® Bloomberg Emerging Markets Local Bond ETF	6.0%
	Hybrids	10.0%
CWB	SPDR® Bloomberg Convertible Securities ETF	4.0%
PSK	SPDR® Wells Fargo® Preferred Stock ETF	6.0%
	Global Real Estate	7.0%
RWR	SPDR® Dow Jones® REIT ETF	5.0%
REM	iShares Mortgage Real Estate Capped ETF	2.0%
	Cash	2.0%
N/A	Cash	2.0%

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

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

ssga.com

Glossary

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

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

Hybrid Securities Financial securities that combines two or more different financial instruments. Hybrid securities, often referred to as "hybrids," generally combine both debt and equity characteristics.

High Dividend Equities Stocks that have relatively high dividends, usually measured by yields. One underappreciated problem associated with investing in high-dividend equities is that their yields are often high because their share prices are low and sometimes languishing.

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

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

TIPS or Treasury Inflation Protected Securities Treasury securities that are indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are backed by the US government and are thus considered an extremely low-risk investment. The par value of TIPS rises with inflation, as measured by the Consumer Price Index, while the interest rate remains fixed.

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

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

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

Preferred Securities Subordinated to bonds and other debt instruments and will be subject to greater credit risk.

Real Estate Investment Trusts (REITs) Companies that own or finance income-producing real

estate across a range of property sectors. These real estate companies have to meet a number of requirements to qualify as REITs. Most REITs trade on major stock exchanges, and they offer a number of benefits to investors.

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

Important Information

The views expressed are those of SSGA's Investment Solutions Group (ISG) as of December 18, 2023 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Past performance is not a guarantee of future results.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

The S&P 500® Index is a product of S&P Dow Jones Indices LLC or its affiliates ("S&P DJI") and have been licensed for use by State Street

Global Advisors. S&P®, SPDR®, S&P 500®, US 500 and the 500 are trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and has been licensed for use by S&P Dow Jones Indices; and these trademarks have been licensed for use by S&P DJI and sublicensed for certain purposes by State Street Global Advisors. The fund is not sponsored, endorsed, sold or promoted by S&P DJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of these indices.

State Street Global Advisors
One Iron Street, Boston MA 02210.
T: +1 617 786 3000

3393679.5.1.AM.RTL

Expiration Date: 1/31/2025