Sector & Equity Compass

Q4 2022

Be Ready to Pivot

STATE STREET GLOBAL ADVISORS SPDR®

Themes & Outlook: Stay the Course But Be Ready to Pivot

No one said it would be easy. We have seen not only sharp falls in the equity markets but also abrupt turnarounds in drivers from value to growth, from inflation rising to peaking, from soft landing to recession, from good news to bad news — and back again. These gyrations changed the performance leadership across countries and sectors during the past three months. Overall, we are pleased to have missed the worst performing parts of the market with our picks in Q3 and to have focused on some areas that outperformed, such as US industrials and European financials, as well as the UK and Japan on a regional basis.

In recent months, consideration of the macroeconomic background, the traditional impact of the business cycle, and the relative importance of performance drivers for sectors and equity regions have helped to inform investment decisions. However, given the greater economic uncertainty we now face, sentiment is playing an increasing role aside from fundamentals, which makes selection harder.

Looking ahead, the biggest unknown is when the market might pivot to looking beyond inflation and then beyond rising rates. We cannot know when that will happen but investors will want to be ready early. When the shift comes, we would seek more more growth and less portfolio protection. To that end, we have added a few new ideas this quarter: technology, S&P 500 and S&P MidCap 400.

While we wait for a shift to more positive equity markets, we see four main areas where investors should focus.

1. **Inflation remaining high** Even when year-on-year CPI figures peak, we believe that the problems inflation causes, including input price pressures, will remain. Earnings for Q3 and beyond are likely to see margin damage. **Energy** remains a key way to play inflation, as whatever benefits their profitability is harmful to other areas. An overweight exposure to natural resources is one reason for staying with **UK equities**. The risk from high gas prices and a disruption to supply concern us on prospects for Europe and energy-intensive sectors, such as industrials.

2. **Rates continuing to rise** Rising rates will be with us for months to come. This environment benefits banks and certain areas of insurance; as such, we suggest **Europe financials**. From a regional perspective, **Japan** stands out as the only major market not tightening monetary policy and thus offers diversification. It is difficult to return to **information technology** while interest rates are still rising, given its valuation is under pressure. However, we think that a swing back from value would ease that pressure. Along with this pivot, we move back to **US equities**, given IT's large presence.

3. **Likely economic recession** We worry that this may be the quarter when earnings reports stop beating expectations and the majority of company outlooks turn negative. Cyclically driven demand is particularly vulnerable as economic activity slows. We look for defensive operations and structural growth, such as that found in **technology** and **health care** and, broadly, in the large and mid cap segments of the **US** market. The **energy** and **Europe financials** sectors are still seeing positive earnings momentum.

4. **Strong US dollar** The strength of the USD has many disruptive implications. At this juncture, we do not know if there will be any coordinated central bank action to rectify the situation, but in the meantime we continue to prefer those non-US markets that have greater exposure to exports, such as **Japan** and the **UK**. A strong USD should also help the international operations of **energy** and **health care** in Europe weather a difficult winter.

Sector Picks This Quarter

SPDR Sector Picks reflect the factors mentioned above. As always, we take into account top-down considerations including the State Street Global Advisors economic outlook, the fundamentals of each sector, momentum (taken from the SPDR Sector Momentum Map) and investor behaviour (as visualised by the flows and holdings data that follows in this document).

	World	US	Europe
Health Care	✓	✓	✓
Energy	✓	✓	✓
Technology	✓	✓	
Financials			✓

Equity Regions in Focus

Our reasoning for favouring the following regions is discussed later in the document. These themes take into account many of the considerations above as well as research from State Street Global Advisors.

US: S&P 500 and S&P MidCap 400

UK: FTSE All-Share Index

Japan: MSCI Japan Index

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Sector and Equity Performance

World Sectors

Q3 2022 (%)		YTD 2022 (%)	
Cons Disc	0.2	22.2	Energy
Energy	-1.4	-14.1	Utilities
Industrials	-5.8	-15.9	Cons Staples
Financials	-6.1	-16.4	Healthcare
MSCI World NR	-6.2	-22.5	Financials
Tech	-6.3	-23.9	Materials
Healthcare	-6.8	-25.4	MSCI World NR
Cons Staples	-6.8	-26.4	Industrials
Materials	-7.7	-29.1	Real Estate
Utilities	-8.4	-31.7	Cons Disc
Real Estate	-11.7	-34.1	Tech
Comm Services	-13.0	-37.2	Comm Services

US Sectors

Q3 2022 (%)		YTD 2022 (%)	
Cons Disc	3.8	32.7	Energy
Energy	1.3	-7.1	Utilities
Financials	-3.3	-12.3	Cons Staples
Industrials	-4.8	-13.4	Healthcare
S&P500 NR	-5.0	-21.0	Industrials
Healthcare	-5.3	-21.6	Financials
Utilities	-6.2	-24.1	Materials
Tech	-6.4	-24.1	S&P500 NR
Cons Staples	-7.1	-29.3	Real Estate
Materials	-7.3	-30.0	Cons Disc
Real Estate	-11.2	-31.3	Tech
Comm Services	-11.6	-38.0	Comm Services

Europe Sectors

Q3 2022 (%)		YTD 2022 (%)	
Energy	1.7	23.3	Energy
Cons Staples	-1.8	-9.8	Cons Staples
Industrials	-2.5	-10.2	Healthcare
Tech	-2.8	-14.3	Comm Services
Cons Disc	-2.9	-15.6	Financials
Materials	-3.2	-17.3	Utilities
Financials	-3.9	-17.4	MSCI Europe NR
MSCI Europe NR	-4.1	-18.1	Materials
Utilities	-7.0	-26.6	Cons Disc
Healthcare	-7.4	-26.7	Industrials
Comm Services	-14.4	-34.0	Tech
Real Estate	-17.5	-42.2	Real Estate

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 30 September 2022. Past performance is not a reliable indicator of future performance. The reference indices are in the MSCI World, S&P Select Sectors, and MSCI Europe. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index performance is not meant to represent that of any particular fund. Index performance is net total return. 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. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

Equity Performance by Region	Q3	6M	YTD	1Y
Japan Equities	-1.6	-6.0	-7.5	-8.3
UK Equities	-3.4	-8.3	-7.9	-4.0
Europe Equities	-4.1	-12.7	-17.4	-11.0
Eurozone Developed	-4.5	-14.5	-22.3	-18.0
US Equities	-5.0	-20.4	-24.1	-15.9
Global Equities	-6.2	-21.4	-25.4	-19.6
Global Emerging Markets	-11.6	-21.7	-27.2	-28.1
Asia Emerging Markets	-14.0	-22.0	-28.8	-29.5

Source: Bloomberg Finance L.P., as of 30 September 2022. Past performance is not a reliable indicator of future performance. Returns are net total returns. Reference indices are: UK Equities — FTSE All Share Index; Global Equities — MSCI ACWI (All Country World Index) Index; Asia Emerging Markets — MSCI EM (Emerging Markets) Asia Index; Eurozone Developed — MSCI EMU Index; Global Emerging Markets — MSCI Emerging Markets Index; Europe Equities — MSCI Europe Index; Japan Equities — MSCI Japan Index; US Equities — S&P 500 Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index Performance is not meant to represent that of any particular fund. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

Sector and Equity ETF Flows

Sector ETF Flows	European-Domiciled ($mn)		US-Domiciled ($mn)	
	Q3 2022	YTD 2022	Q3 2022	YTD 2022
Communication Services	-78	-73	-611	-1,781
Consumer Discretionary	-79	-648	-1,125	-8,385
Consumer Staples	265	1,177	1,050	6,642
Energy	-1,026	961	-2,555	-1,165
Financials	-1,222	-3,430	-1,300	-13,963
Health Care	794	1,248	650	9,809
Industrials	-200	224	-1,537	-4,447
Materials	-292	-57	-2,613	-1,628
Real Estate	176	-228	-1,577	-3,270
Technology	-241	670	-1,109	6,237
Utilities	-353	-265	2,167	6,705

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 30 September 2022. Flows shown above 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 or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. **Methodology** We collect and aggregate flow figures for all sector and industry ETFs domiciled in the US and include ETFs invested across all regions (including US, Europe and World). They are calculated as the net figure of buys minus sells. **The green boxes signify the two highest flow figures for each period, while the red boxes signify the two lowest flow figures.**

Equity ETF Flows by Region	European-Domiciled ($mn)			US-Domiciled ($mn)	
	Q3 2022	YTD 2022		Q3 2022	YTD 2022
Global	2,156	26,192	**US**	60,971	224,205
US	-3,032	13,766	**Global**	-2,749	4,309
Europe	-7,210	-7,003	**International — Developed**	14,809	47,460
UK	-569	733	**International — Emerging Markets**	-550	17,210
Other Region	110	857	**International — Region**	-3,634	-8,168
Single Country	-521	-2,109	**International — Single Country**	-5,437	3,812
EM	915	9,715	**Currency Hedged**	-275	-19
Total	-8,152	42,151	**Total**	61,054	207,128

Source: Bloomberg Finance L.P., as of 30 September 2022. Flows shown above are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Single Country exposures are those that include securities from one country of domicile.

Investor Behaviour Overview

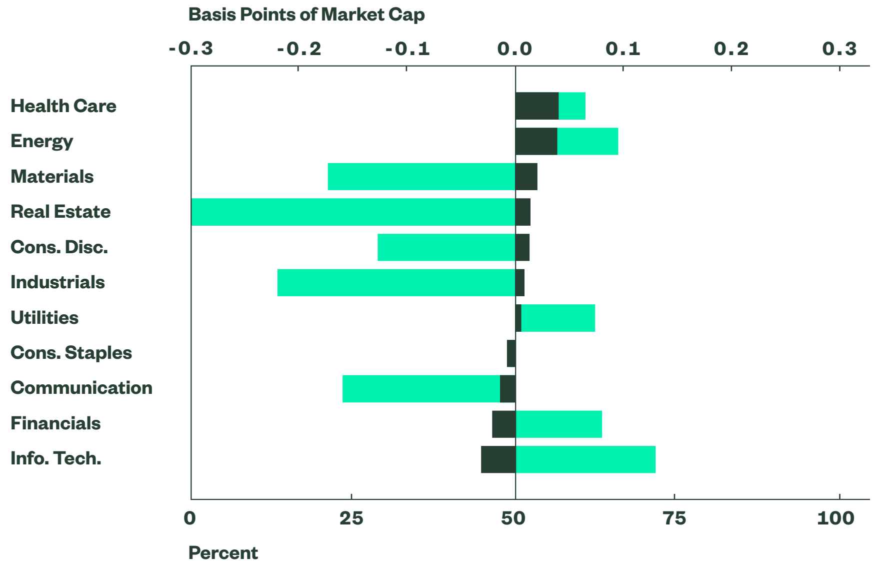
We have seen remarkably strong inflows into US equity ETFs from domestic US investors. This trend was not evident for EMEA-domiciled funds, where market participants have been selling both US and Europe and putting money into global exposures and, to a lesser extent, emerging markets.

Meanwhile, sectors clearly pointed to a risk-off market in Q3. We saw the buying of defensives such as consumer staples, health care and utilities and the selling of cyclical sectors. The selling of materials aligns with declining commodity prices. Outflows from US financials are a function of the expected worsening of economic conditions globally and the inverted curve in the US. Finally, energy sales were related to oil prices pulling back but, as at the beginning of Q4, we believe expectations for further declines may be premature.

Looking at data from the State Street custody business, during Q3, institutional investors also consistently struck a risk-adverse posture, moving back to neutral across most regions. This is reflected in the selling of overweight exposure in US and Japan as well as buying under-owned Europe, including the UK and EM. Within sectors, health care and energy enjoyed relative buying while financials saw mild outflows.

World: Flows and Holdings
Active Flow Over Past Quarter and Relative Holdings vs. Past 5 Years

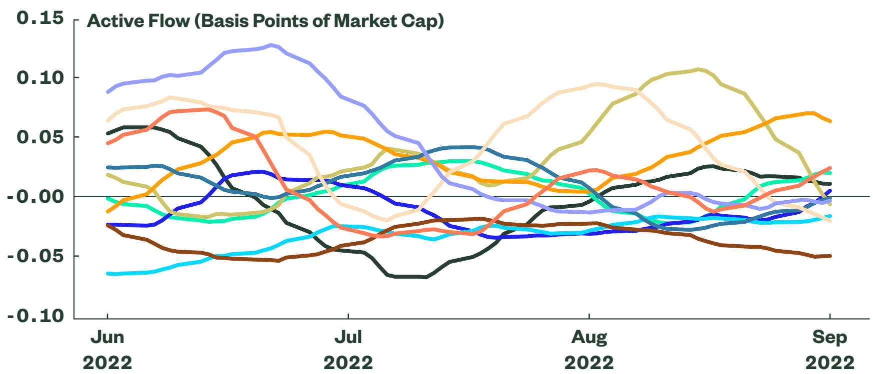
3-Month Flow (upper axis)
Holdings (lower axis)



Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows 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 or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. An explanation of methodology can be found on page 23.

World: Progression of Active Flows
Trend of Flows Over Past Quarter

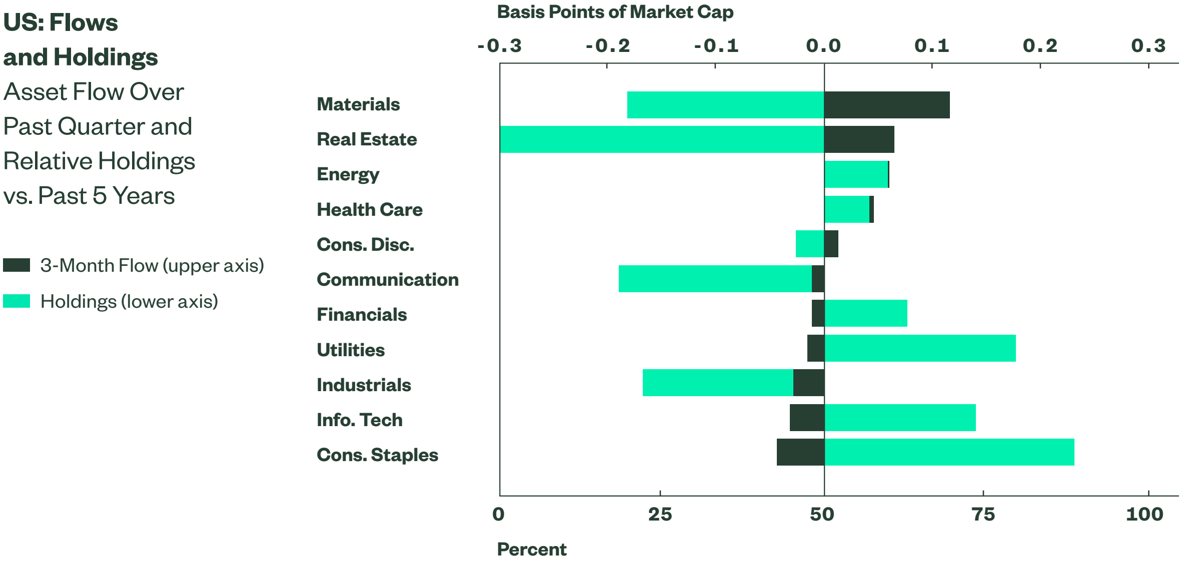
Communication
Cons. Disc.
Cons. Staples
Energy
Financials
Health Care
Industrials
Info. Tech.
Materials
Real Estate
Utilities



Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The universes for the above charts are the MSCI ACWI. 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.

US: Flows and Holdings

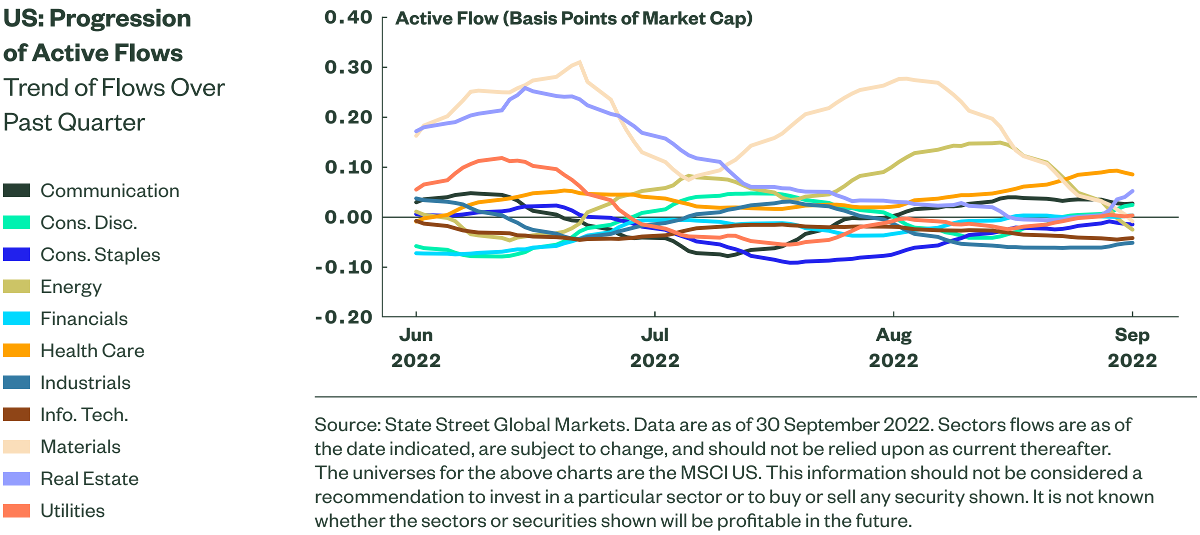
Asset Flow Over Past Quarter and Relative Holdings vs. Past 5 Years



Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows 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 or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

US: Progression of Active Flows

Trend of Flows Over Past Quarter

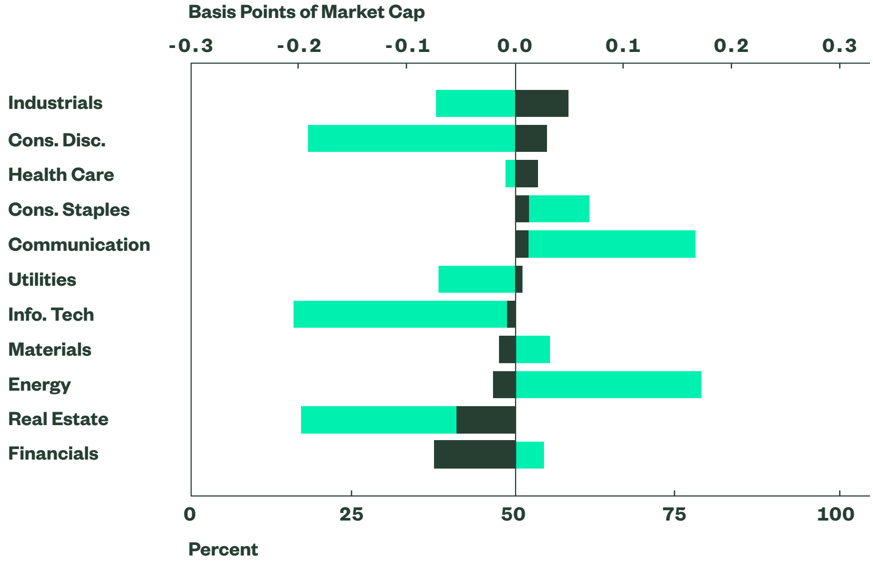


Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The universes for the above charts are the MSCI US. This information should not be considered a recommendation 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.

Europe: Flows and Holdings

Asset Flow Over Past Quarter and Relative Holdings vs. Past 5 Years

- 3-Month Flow (upper axis)
- Holdings (lower axis)

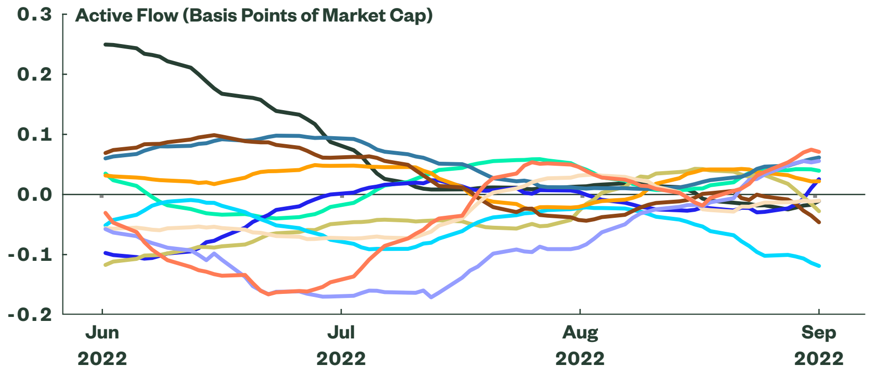


Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Europe: Progression of Active Flows

Trend of Flows Over Past Quarter

- Communication
- Cons. Disc.
- Cons. Staples
- Energy
- Financials
- Health Care
- Industrials
- Info. Tech.
- Materials
- Real Estate
- Utilities

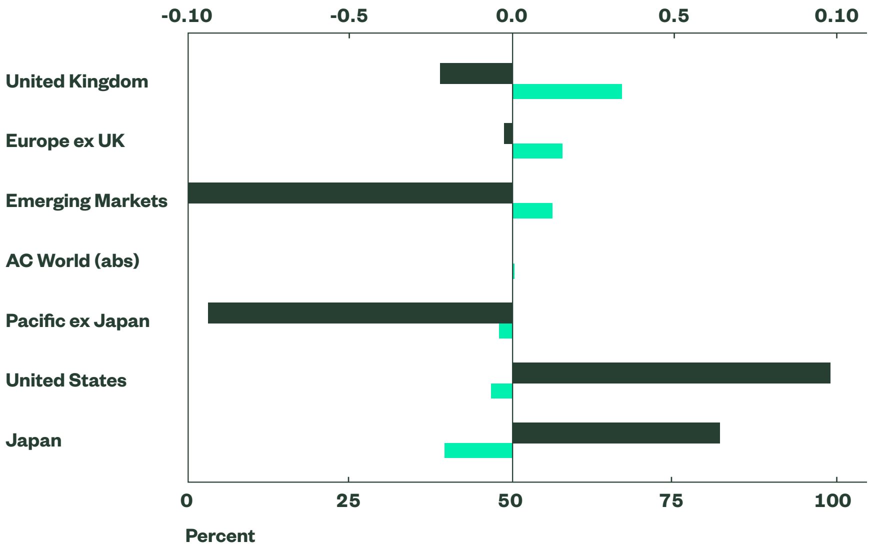


Source: State Street Global Markets. Data are as of 30 September 2022. Sectors flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The universes for the above charts are the MSCI Europe. This information should not be considered a recommendation 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.

Equity Flows and Holdings by Region

Active Flow Over Past Quarter and Relative Holdings vs. Past 5 Years

- Holdings (lower scale)
- 3 Month Flow



Source: State Street Global Markets, Thomson Datastream, as of 30 September 2022. Flows 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 or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Health Care

Keeping Healthy

World	US	Europe
✓	✓	✓

Still Producing the Goods

The sector has outperformed consistently from March 2022, showcasing its defensive earnings, lower volatility, dividends and low beta. The health care sector boasts a mix of large, quality producers, innovative developers and expanding providers for goods and services that are increasingly seen as essential to human life. For these reasons we have retained this SPDR Sector Pick since Q4 last year.

Over 12 months, MSCI World Health Care has outperformed by 10% courtesy of the three largest industries in the sector, which have held up relatively well. Returns from pharmaceuticals (40% of MSCI World Health Care) are almost flat (c. -1.0% versus MSCI World Index at -20%), biotechnology (14%) is down just 3%, while providers and services companies (including managed care) (18%) are up 15%. This relative strength only took a small hit on the long-awaited news from the US administration on restricting prescription pricing (eventually passed in the Inflation Reduction Act) as it was not very extensive or robust.

We believe that good visibility of earnings, continued recovery in medical care demand, and a relative lack of pressure from energy costs will continue to support the sector in Q4. With the sector's cyclically adjusted P/E now at a premium in all regions, the valuation case is not as compelling as it was previously, and earnings momentum has weakened, but health care is still our favourite defensive sector.

The Importance of Catalysts

With macro news continuing to hit equity markets, the possibility of positive news flow is an important investment angle. While company news usually has an idiosyncratic impact, owning a basket of stocks via a sector ETF improves investors' risk-reward opportunity.

Research results on Alzheimer's treatments, for example, could continue to boost the sector. Meanwhile, biotechnology has the biggest capacity to surprise in terms of clinical trials, drug approvals by the FDA and other national bodies, and potential company takeovers.

Accessing Health Care in All Three Regions

We have seen institutional investors adding to their positions throughout the year, but they still have modest relative weights (see pages 7–9), which suggests the trend could continue. Our Sector Pick works in the three regions we cover:

US Despite the overhang of political interference in drug pricing, US health care has produced the highest long-term performance of the three regions, benefiting from stronger earnings growth and larger exposure to biotech than the sector in other regions.

Europe It has produced the best performance (absolute and relative) this year. One of the sector's relative attractions is its global sales base, including the huge potential in emerging markets. Weakness in the euro should continue to support sales results and would be seen in Q3 reporting.

World It is dominated by US companies (73% of market cap) and therefore possesses similar opportunities and risks, albeit with less US dollar exposure. An interesting aspect is the 16 Japanese constituents, which have shown solid performance this year.

Energy

Staying with it for the Long Term

World	US	Europe
✓	✓	✓

Beneficial to Risk & Return

Energy is another long-lasting SPDR Sector Pick, first featured in Q3 2021. Since then, net returns are 29% for world exposure, 43% for US energy and 41% for Europe energy (compared with a broad market fall of 20%). Over these 15 months, energy has become less correlated with the broader equity market, thus offering investors an opportunity of diversification to help satisfy risk as well as return generation.

Given that we remain in a global energy crisis, we retain this SPDR Sector Pick. While every other sector suffers from high energy costs, energy still stands to benefit, as positive earnings momentum has shown throughout 2022.

Oil & Gas Prices will Continue to be Volatile But High

Having reached a high of $127 per barrel in March 2022, Brent crude oil traded in a range above $100 per barrel until mid-summer when a surge in the USD provoked demand concerns and pushed prices lower. We expect crude oil prices to rise, given we are in an environment where oil inventories are still tight, US production growth remains subdued, and OPEC+ is cutting production. On the demand side, one variable that has little transparency is the mobility situation in China, which is still affected by COVID restrictions. Any relaxation of Zero-COVID policy would have a major impact on price.

Natural gas prices, both in European and US markets, have also been volatile, trading off highs in August. International gas markets are extremely tight, causing concerns that high prices and limited availability are driving demand destruction and a potential reduction in economic activity. This behavioural change is particularly an issue in Europe and especially bad news for cyclical sectors, which we are seeking to avoid. Again, while there is this flux, we prefer to remain with the sector that stands to gain from inflation. In the long term, natural gas prices will probably remain supported by structural tailwinds, including the switch from the much dirtier source of hydrocarbons in coal.

Long-Term Security & Support for Transition

We have seen rising demand for national energy security. At the same time, multinational energy companies have demonstrated how, in terms of their skills and resources, they can help to secure energy transition. These two themes help to drive the longer-term thesis for the sector. Institutional investors have continued to add to holdings despite having closed the underweight positions of the previous five years. Energy sector ETFs have also seen some of the strongest inflows in 2022.

Exploring Energy in All Three Regions

In the **US,** the larger share of upstream activity among quoted companies gives greater leverage to oil prices and is seen in relative the performance of recent years.

Europe gives broader coverage across activities and high exposure to natural gas, a key transition fuel. The more enhanced transition plans of European companies has resulted in a significant discount rating, giving greater rerating potential. See page 16 for P/E comparisons and the relatively attractive dividend yield. **World** offers a broader operational and regional exposure with the inclusion of Canadian and Australian listings.

Technology

Pivot Play

World	US	Europe
✓	✓	

Long-Duration Sector

For many investors, S&P 500 Information Technology is synonymous with US equities; the sector accounts for 26% of the market. However, with a high beta and high correlation to the S&P 500, the sector has suffered larger price falls and greater volatility than the broader market so far this year. The sector is down 31% YTD and the forward P/E has fallen from a high of 30 to less than 20 currently, similar to levels at March 2020.

There are three high-valuation, long-duration sectors to compare: information technology (IT), consumer discretionary and communication services. They tend to follow similar trends and the broad business models of the FAANG stocks have blurred sector clarity; all have been sensitive to rising bond yields this year, which reduce the present value of their future cashflows.

Looking at an investment scenario of rates peaking, we favour IT. We believe IT offers an element of defensive, structural growth to ease the impact of potential economic recession. While lower economic activity would challenge spending, IT goods and services would be seen as essential to corporate development, with companies rearranging their operations post the shock of COVID. Moreover, from an earnings quality perspective, there appears to be less headline risk and regulatory action than in consumer discretionary or communication services.

Structural Growth

One driver across hardware, software and IT services is the continuing roll-out of cloud computing. The obvious beneficiaries are hosting providers, of which Microsoft* Azure is the second largest. The spending on infrastructure to facilitate cloud computing has taken over as the most important category from device spending. Within the software industry, most spending is still on applications, with an increasing amount going to the development and deployment of apps.

The semiconductor industry (18% of market cap) has arguably a trickier outlook, with share price returns of -44% year to date, reflecting the nervousness of end markets such as consumer electronics. However, this neglects the continued demand from cloud computing and a normalisation of demand and supply in the PC and smartphone markets post the COVID disruption. Another helpful tailwind could be fiscal spending. For example, the US government announced investment of nearly $250 billion in domestic semiconductor and scientific research and development in the CHIPS and Science Act passed in August.

We Favour US & Large Cap for Technology

Buying the whole sector gives access to a wide spectrum of long-term technology growth themes. There may be smaller firms outside the sector that better target emerging technologies such as robotics and AI, but it is easy to forget the reach of the largest sector constituent, Apple*, which now has augmented reality and iCar products in its pipeline, and Nvidia*, a major player in machine learning, metaverse and autonomous vehicles. Large cap stocks in S&P 500 Information Technology are predominantly profitable, with healthy cashflows and balance sheets that are less vulnerable in a more difficult economy.

We are less keen on Europe technology given its concentrated index profile. However, World technology is relatively attractive with its 187 constituents and earnings growth rate of 16 p.a. over the next two years.

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Financials

Increasing Rate of Interest in the Sector

World	US	Europe
		✓

Rates Beneficiary

Until we see a pivot in the markets, and of course this may not happen in Q4, buying a rates beneficiary is still a relatively attractive option. Financials sector earnings are highly sensitive to bond yields, with Europe being our preferred exposure. We believe the margin benefits of rate rises seen recently and their impact on earnings have been overlooked in a risk-off market.

In the case of certain European banks, their international nature means they see an impact from the interest rate policy of the Federal Reserve as well the ECB and Bank of England. Expectations for all of these central banks became much more hawkish in the last few months, with the standout being the ECB, which in Q3 ended the use of negative rates and has seen its swaps-implied target rate more than double to 2% for its last meeting of the year, set for 15 December.

Higher rates, particularly when accompanied by a normal upward-sloping yield curve, have a direct impact on banks' borrowing and lending rates, feeding through to the net interest income (NII) margin. High street banks account for almost 50% of MSCI Europe Financials. There is more banking exposure within the diversified financials grouping, but the NII of investment banks tends to have a lower gearing because of the larger contribution from fee income and trading.

Elsewhere in the sector, rising interest rates tend to be positive for insurance (31% of market capitalisation), helping to incentivise savers and increasing the yield on life insurance portfolios, but there is less impact on property and casualty insurance and reinsurance.

Positive Earnings Sentiment

Earnings sentiment for this sector is relatively strong. Revenue expectations, courtesy of NII, have been rising ahead of cost inflation, of which wages are important, improving the operating jaws. Helpfully, the sector is also less affected by energy prices than others in Europe. Earnings forecasts rose in July against a flat — at best — scenario for the rest of European equities. This momentum helps financials' relative P/E rating and dividend yield to remain compelling.

Risks Need to be Acknowledged

In our view, the sector's low valuation should compensate for the higher risks inherent on facing tougher financial conditions and potential economic recession. Inevitably, lending will slow and bad debts will rise but the comfortable starting position, ongoing benefits of COVID provisioning and tight funding positions enforced by regulators are reassuring. Other measures to watch are the credit spreads between different eurozone countries, with fears that any fragmentation would lead to higher costs of funding for banks in peripheral countries.

The Whole Sector in Europe

While some investors may prefer to buy just a banks ETF, as they are most leveraged to rates, investing in the whole financials sector offers a potentially safer and less volatile exposure given the benefits of diversification in this fragile market. Insurance businesses bring the quality aspects in terms of return stability and less cyclicality, while diversified financials offer a structural growth element from asset managers and the expansion of exchanges.

We prefer the European sector over US financials given the dynamics of the rates market, valuation and the industrial breakdown of both.

Top 5 Holdings by Index

Name	Index Weight (%)
MSCI World Energy 35/20 Capped Index	
Exxon Mobil	15.5
Chevron	11.3
Shell	7.8
ConocoPhillips	5.6
TotalEnergies	4.9
MSCI Europe Energy 35/20 Capped Index	
Shell	33.9
TotalEnergies	18.9
BP	18.5
Equinor	7.5
ENI	6.3
S&P Energy Select Sector Daily Capped 25/20 Index	
Exxon Mobil	23.0
Chevron	18.8
Pioneer Natural Resources	4.6
ConocoPhillips	4.5
Schlumberger	4.5
MSCI Europe Financials 35/20 Capped Index	
HSBC	8.5
Allianz	5.2
Zurich Insurance	4.9
UBS	4.2
BNP Paribas	3.8
MSCI World Technology 35/20 Capped Index	
Apple	23.2
Microsoft	17.2
Nvidia	3.2
Visa	3.0
Mastercard	2.6
S&P Technology Select Sector Daily Capped 25/20 Index	
Apple	23.3
Microsoft	19.3
Nvidia	4.2
Visa	4.0
Mastercard	3.4

Source: MSCI, S&P and State Street Global Advisors, as of 30 September 2022. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. Weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Top 5 Holdings by Index (cont'd)

Name	Index Weight (%)
MSCI World Health Care 35/20 Capped Index	
UnitedHealth	7.0
Johnson & Johnson	6.7
Pfizer	4.2
Abbvie	3.9
Eli Lilly	3.8
MSCI Europe Health Care 35/20 Capped Index	
Roche	16.0
AstraZeneca	13.9
Novo Nordisk	12.7
Novartis	12.7
Sanofi	7.8
S&P Health Care Select Sector Daily Capped 25/20 Index	
UnitedHealth	10.0
Johnson & Johnson	9.7
Pfizer	6.1
Abbvie	5.6
Eli Lilly	5.3

Source: MSCI, S&P and State Street Global Advisors, as of 30 September 2022. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. Weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Sector Index Metrics

	Fundamental Growth Forecasts & Valuations									
	Est. 2yr EPS Growth (% p.a.)*	3mth Change to 1yr EPS Growth Forecast (%)	Forward Relative P/B**	Forward Relative P/E**	Relative CAPE	Relative CAPE (10yr Avg)	ROE (%)	Debt/ Equity (%)	Est 3-5 Years EPS Growth (%)	12mth Div. Yield (%)***
MSCI World Sector Indices										
MSCI World Index	**5.9**	**-1.1**		**13.4**			**15.4**	**135**	**-10.45**	**2.37**
Comm. Services	-2.2	-6.1	0.90	12.9	1.14	1.44	16.4	98	5.98	1.64
Consumer Disc.	9.5	-6.5	1.41	16.4	1.14	1.16	10.6	115	5.60	1.48
Consumer Staples	3.8	-1.8	1.67	17.3	1.03	1.10	20.5	95	5.90	2.89
Energy	47.7	17.3	0.63	6.6	0.71	0.49	24.8	55	11.00	4.18
Financials	-0.9	-4.1	0.46	9.3	0.63	0.62	9.1	248	2,146.13	3.67
Health Care	3.4	-1.9	1.56	15.3	1.32	1.19	29.8	75	-57.72	1.89
Industrials	8.8	-1.6	1.08	14.0	1.03	1.08	15.2	92	5.59	2.46
Materials	-6.2	-1.8	0.70	10.5	0.79	0.88	27.7	49	8.80	4.08
Real Estate	4.2	0.2	0.48	20.8	1.06	1.22	5.5	83	5.78	3.88
Technology	7.2	-1.8	2.35	18.1	1.48	1.35	37.9	61	14.24	1.16
Utilities	6.6	-3.1	0.74	15.0	1.01	0.92	11.2	144	6.34	3.85
US S&P Select Sector Indices										
S&P 500 Index	**7.8**	**-0.4**	–	**14.8**	–	–	**22.3**	**115**	**-11.37**	**1.81**
Comm. Services	1.2	-5.5	0.64	12.1	0.89	1.44	18.3	101	4.95	1.23
Consumer Disc.	13.3	-8.2	2.05	19.0	1.40	1.27	10.2	220	8.34	0.95
Consumer Staples	5.4	0.6	1.59	17.8	0.83	0.89	33.0	110	4.96	2.88
Energy	52.4	20.6	0.58	8.0	0.86	0.53	26.8	48	13.72	3.54
Financials	-1.5	-1.2	0.40	10.5	0.67	0.62	11.0	157	14.83	2.39
Health Care	2.8	-1.1	1.21	15.1	1.04	1.04	33.8	82	-14.36	1.75
Industrials	22.2	-0.6	1.23	14.6	0.89	0.95	22.5	140	7.06	2.01
Materials	1.8	1.8	0.70	12.7	0.87	0.97	18.4	63	14.78	2.40
Real Estate	6.6	6.1	0.46	29.7	1.57	1.72	8.6	113	9.94	3.58
Technology	7.0	-1.3	1.86	17.6	1.09	1.02	39.7	68	11.57	1.20
Utilities	6.6	0.9	0.62	17.7	1.01	1.01	11.5	147	5.82	3.26
MSCI Europe Sector Indices										
MSCI Europe Index	**12.0**	**4.4**		**10.2**			**12.7**	**170**	**13.30**	**3.96**
Comm. Services	8.6	2.4	0.81	11.9	0.69	0.82	6.7	123	90.34	4.93
Consumer Disc.	10.9	2.8	1.00	10.3	1.03	1.40	17.7	82	1.78	3.45
Consumer Staples	9.5	1.7	2.00	16.1	1.14	1.31	15.4	86	11.77	3.10
Energy	59.3	28.2	0.63	4.3	0.82	0.58	24.6	54	5.39	5.05
Financials	5.1	-0.4	0.47	7.1	0.68	0.66	8.8	346	-3.52	5.98
Health Care	12.1	2.6	2.11	14.2	1.32	1.25	25.0	65	8.17	2.76
Industrials	11.3	2.0	1.62	13.5	1.40	1.46	20.9	98	6.17	3.21
Materials	-6.3	4.4	0.91	9.5	1.04	1.09	34.2	47	31.24	5.74
Real Estate	2.7	-0.8	0.34	10.2	0.63	1.09	5.0	87	1.63	5.88
Technology	14.3	-1.6	2.36	17.0	3.19	3.43	14.8	47	-4.11	1.50
Utilities	8.2	-4.6	0.99	11.8	0.89	0.77	12.7	145	19.01	5.49

Source: State Street Global Advisors, FactSet, Bloomberg Finance L.P., Morningstar, as of 30 September 2022. Past performance is not a reliable indicator of future performance. The above estimates based on certain assumptions and analysis made. There is no guarantee that the estimates will be achieved.
* Calculated as a 2-year average of consensus forecasts for adjusted EPS using BEst (Bloomberg Estimates).
** Forward estimates refer to 12 months.
*** This measures the weighted average of gross dividend yield of the relevant index and the underlying stocks from the relevant ETF.

Sector Index Metrics (cont'd)

	Macro Sensitivities****			Risk Metrics*****		
	US 10yr Yield Sensitivity (36 Months)	Brent Crude Oil Price Sensitivity (36 Months)	Inflation (5yr-5yr Forward) Sensitivity (36 Months)	Beta (36 Months)	Volatility (36 Months) (%)	Correlation (36 Months)
MSCI World Sector Indices						
MSCI World Index	**-0.03**	**0.23**	**0.62**	**1.00**	**19.94%**	–
Comm. Services	-0.05	0.22	0.54	0.96	21.05%	0.93
Consumer Disc.	-0.06	0.24	0.82	1.17	25.29%	0.95
Consumer Staples	-0.02	0.11	0.45	0.56	14.15%	0.81
Energy	0.11	0.53	0.77	1.19	36.61%	0.67
Financials	0.02	0.34	0.65	1.08	24.56%	0.90
Health Care	-0.03	0.13	0.34	0.66	15.86%	0.85
Industrials	-0.02	0.27	0.70	1.06	22.44%	0.97
Materials	0.00	0.27	0.68	1.02	22.69%	0.92
Real Estate	-0.02	0.23	0.66	0.94	20.77%	0.93
Technology	-0.09	0.21	0.68	1.12	24.47%	0.94
Utilities	-0.03	0.14	0.53	0.65	17.71%	0.75
US S&P Select Sector Indices						
S&P 500 Index	**-0.04**	**0.22**	**0.63**	**1.00**	**20.30**	–
Commun. Services	-0.05	0.24	0.57	1.01	22.77	0.92
Consumer Disc.	-0.06	0.22	0.81	1.18	26.35	0.93
Consumer Staples	0.00	0.11	0.48	0.55	14.98	0.77
Energy	0.13	0.62	0.86	1.32	43.81	0.63
Financials	0.02	0.32	0.64	1.04	24.77	0.88
Health Care	-0.03	0.12	0.36	0.66	16.35	0.84
Industrials	0.00	0.28	0.71	1.03	23.27	0.93
Materials	0.00	0.25	0.73	1.01	23.35	0.90
Real Estate	-0.03	0.19	0.63	0.90	21.35	0.88
Technology	-0.09	0.20	0.70	1.09	24.19	0.94
Utilities	-0.01	0.10	0.50	0.59	19.51	0.63
MSCI Europe Sector Indices						
MSCI Europe Index	**-0.02**	**0.27**	**0.59**	**1.00**	**20.71**	–
Comm. Services	0.01	0.27	0.57	0.80	19.27	0.88
Consumer Disc.	-0.03	0.31	0.73	1.15	25.84	0.94
Consumer Staples	-0.03	0.12	0.44	0.62	15.72	0.85
Energy	0.08	0.41	0.52	1.04	33.13	0.67
Financials	0.04	0.41	0.65	1.24	29.26	0.90
Health Care	-0.05	0.12	0.32	0.60	16.27	0.79
Industrials	-0.04	0.32	0.79	1.18	26.06	0.97
Materials	-0.02	0.29	0.63	1.04	23.51	0.94
Real Estate	-0.09	0.33	0.97	1.27	29.59	0.91
Technology	-0.09	0.27	0.66	1.18	27.45	0.92
Utilities	-0.06	0.24	0.61	0.90	22.66	0.85

Source: State Street Global Advisors, FactSet, Bloomberg Finance L.P., Morningstar, as of 30 September 2022. Past performance is not a reliable indicator of future performance.
**** Sensitivity is beta to the macro variable, e.g. 10-year Treasury yield, Brent oil, and US 5yr–5yr forward as shown here.
***** Beta and volatility are based on index returns. Correlation is the 36-month correlation to the parent index.

SPDR Sector ETFs

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Cost-Efficient*
World UCITS Sector ETFs: **0.30%**
US UCITS Sector ETFs: **0.15%**
Europe UCITS Sector ETFs: **0.18%**

SPDR ETF Information	ISIN	TER (%)	Euro-next	LSE	Xetra	Borsa Italiana	SIX	Mexico BMV	3 Month Fund Flow ($mn)	YTD Net Flows ($mn)	AUM ($mn)
World Sector Funds											
SPDR MSCI World Communication Services UCITS ETF	IE00BYTRRG40	0.30	WTEL	WTEL	–	–	WTEL	WTELN	0	-3	16
SPDR MSCI World Consumer Discretionary UCITS ETF	IE00BYTRR640	0.30	WCOD	WCOD	–	–	WCOD	CDISN	0	0	28
SPDR MSCI World Consumer Staples UCITS ETF	IE00BYTRR756	0.30	WCOS	WCOS	–	–	WCOS	–	-2	3	73
SPDR MSCI World Energy UCITS ETF	IE00BYTRR863	0.30	WNRG	WNRG	–	WNRG	WNRG	WNRGN	-26	-23	548
SPDR MSCI World Financials UCITS ETF	IE00BYTRR970	0.30	WFIN	WFIN	–	WFIN	WFIN	WFINN	-40	-100	264
SPDR MSCI World Health Care UCITS ETF	IE00BYTRRB94	0.30	WHEA	WHEA	–	WHEA	WHEA	–	-2	-4	416
SPDR MSCI World Industrials UCITS ETF	IE00BYTRRC02	0.30	WIND	WNDU	–	–	WIND	–	-11	-24	38
SPDR MSCI World Materials UCITS ETF	IE00BYTRRF33	0.30	WMAT	WMAT	–	–	WMAT	WMATN	-12	12	93
SPDR Dow Jones Global Real Estate UCITS ETF	IE00B8GF1M35	0.40	–	GLRE	SPYJ	GLRE	GBRE	–	-47	-60	166
SPDR MSCI World Technology UCITS ETF	IE00BYTRRD19	0.30	WTCH	WTEC	–	WTEC	WTEC	WTECN	30	27	349
SPDR MSCI World Utilities UCITS ETF	IE00BYTRRH56	0.30	WUTI	WUTI	–	–	WUTI	–	0	5	18
US Sector Funds											
SPDR S&P U.S. Communication Services Select Sector UCITS ETF	IE00BFWFPX50	0.15	SXLC	SXLC	ZPDK	SXLC	SXLC	SXLCN	-5	-4	153
SPDR S&P U.S. Consumer Discretionary Select Sector UCITS ETF	IE00BWBXM278	0.15	SXLY	SXLY	ZPDD	SXLY	SXLY	SXLYN	-4	-17	82
SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	IE00BWBXM385	0.15	SXLP	SXLP	ZPDS	SXLP	SXLP	SXLPN	43	102	245
SPDR S&P U.S. Energy Select Sector UCITS ETF	IE00BWBXM492	0.15	SXLE	SXLE	ZPDE	SXLE	SXLE	SXLEN	1	250	526
SPDR S&P U.S. Financials Select Sector UCITS ETF	IE00BWBXM500	0.15	SXLF	SXLF	ZPDF	SXLF	SXLF	SXLFN	-55	-103	357
SPDR S&P U.S. Health Care Select Sector UCITS ETF	IE00BWBXM617	0.15	SXLV	SXLV	ZPDH	SXLV	SXLV	SXLVN	6	138	388
SPDR S&P U.S. Industrials Select Sector UCITS ETF	IE00BWBXM724	0.15	SXLI	SXLI	ZPDI	SXLI	SXLI	SXLIN	-46	-76	208
SPDR S&P U.S. Materials Select Sector UCITS ETF	IE00BWBXM831	0.15	SXLB	SXLB	ZPDM	SXLB	SXLB	SXLBN	-12	12	61
SPDR S&P U.S. Technology Select Sector UCITS ETF	IE00BWBXM948	0.15	SXLK	SXLK	ZPDT	SXLK	SXLK	SXLKN	11	12	451
SPDR S&P U.S. Utilities Select Sector UCITS ETF	IE00BWBXMB69	0.15	SXLU	SXLU	ZPDU	SXLU	SXLU	SXLUN	0	9	41
Europe Sector Funds											
SPDR MSCI Europe Communication Services UCITS ETF	IE00BKWQ0N82	0.18	STT	TELE	SPYT	STTX	STTX	TELEN	9	86	74
SPDR MSCI Europe Consumer Discretionary UCITS ETF	IE00BKWQ0C77	0.18	STR	CDIS	SPYR	STRX	STRX	–	0	-111	119
SPDR MSCI Europe Consumer Staples UCITS ETF	IE00BKWQ0D84	0.18	STS	CSTP	SPYC	STSX	STSX	CSTPN	157	364	494
SPDR MSCI Europe Energy UCITS ETF	IE00BKWQ0F09	0.18	STN	ENGY	SPYN	STNX	STNX	ENGYN	28	665	1,004
SPDR MSCI Europe Financials UCITS ETF	IE00BKWQ0G16	0.18	STZ	FNCL	SPYZ	STZX	STZX	FNCLN	-108	-124	271
SPDR MSCI Europe Health Care UCITS ETF	IE00BKWQ0H23	0.18	STW	HLTH	SPYH	STWX	STWX	HLTHN	146	-68	708
SPDR MSCI Europe Industrials UCITS ETF	IE00BKWQ0J47	0.18	STQ	NDUS	SPYQ	STQX	STQX	NDUSN	-113	-76	254
SPDR MSCI Europe Materials UCITS ETF	IE00BKWQ0L68	0.18	STP	MTRL	SPYP	STPX	STPX	MTRLN	-3	8	45
SPDR FTSE EPRA Europe ex UK Real Estate UCITS ETF	IE00BSJCQV56	0.30	–	EURE	ZPRP	EURE	EURE	–	-2	-9	31
SPDR MSCI Europe Technology UCITS ETF	IE00BKWQ0K51	0.18	STK	ITEC	SPYK	STKX	STKX	ITECN	5	-4	55
SPDR MSCI Europe Utilities UCITS ETF	IE00BKWQ0P07	0.18	STU	UTIL	SPYU	STUX	STUX	UTILN	-251	-313	82

1 Sources: Bloomberg Finance L.P., State Street Global Advisors, as of 30 September 2022. To view additional fund details, including full performance history, please click on the fund name.
* Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

US Large and Mid Cap Equities

Tides May Turn as the Fed is Nearing Peak Rates

US equities have endured heavy losses year to date. The S&P 500 has dropped 24%, driven by a hawkish pivot from the Fed, stronger USD, and economic slowdown globally. Issues related to inflation and subsequent tightening are universal, and US equities may see more volatility as the Fed stays focused on fighting inflation. We expect the Fed to raise interest rates 125bps by year end.

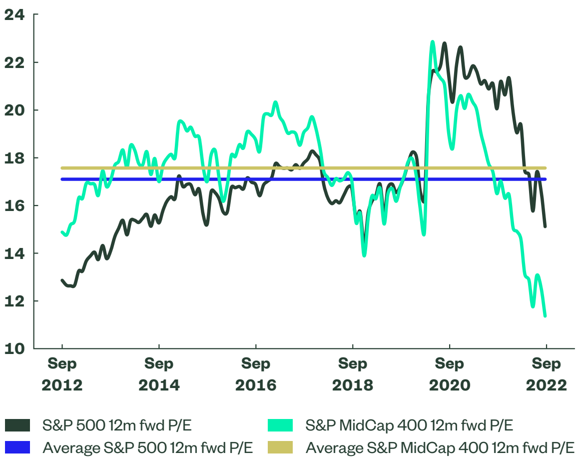
However, the upcoming tightening is well communicated and appears to be largely priced by markets. Moreover, leading indicators such as commodity prices, ISM Manufacturing PMI and producer prices all tell a consistent story of moderating inflation, according to SSGA economists. We believe that nearing peak rates and some moderation in inflation expectations may trigger a risk-on pivot in investor sentiment as we progress through Q4. This scenario could be even more plausible if we take into account the sell-off seen during the first nine months of 2022, which has led to current valuation levels.

At the start of Q4, the economic outlook remains difficult. Given the significant presence of high end companies, such as technology, which enjoy strong and stable demand, large caps could provide a degree of protection against economic slowdown, especially if the pressure on monetary tightening eases. At the very least, US equites could help alleviate the impact of the energy crunch that Europe will face during the winter.

Until recently, the key challenge that US large cap investors faced was elevated S&P 500 valuations. However, the 12-month forward P/E has compressed to 15.2x, which is below the 10-year average — a level unthinkable at the start of the year. While we do not exclude the possibility of further compression, given the level of US short-term yields, a market rebound is likely as we progress through Q4.

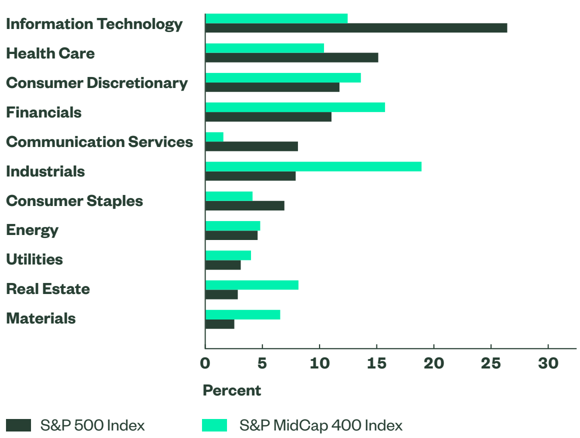
As rates remain restrictive, investors may also look for US exposures that offer a higher yield premium to US bonds. Interestingly, mid cap equities, which are more domestic but also more cyclical, trade at an even more relatively attractive 12-month forward P/E of 11.5x, or equivalent to a generous 8.7% forward earnings yield. This level is not only compelling relative to local bonds but also comparable to regions with a more challenging outlook, such as Europe.

US Large and Mid Cap Equities — 12m Forward P/E



Source: Bloomberg Finance L.P., as of 30 September 2022. P/E is 12m forward Bloomberg BEST_PE_RATIO.

US Large and Mid Cap Equities — Sector Split



Source: FactSet, as of 30 September 2022. Sector splits are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Japan Equity
Staying on the Dovish Course

Japan equities have not been immune to the challenges of the global economic slowdown, losing 7.5% over the first three quarters of 2022. Nevertheless, on a relative basis and in local terms, MSCI Japan has remained one of the best-performing regions. The outperformance relative to global equities was consistent during all three quarters and was driven by remarkably low inflation levels in Japan, at least in CPI terms.

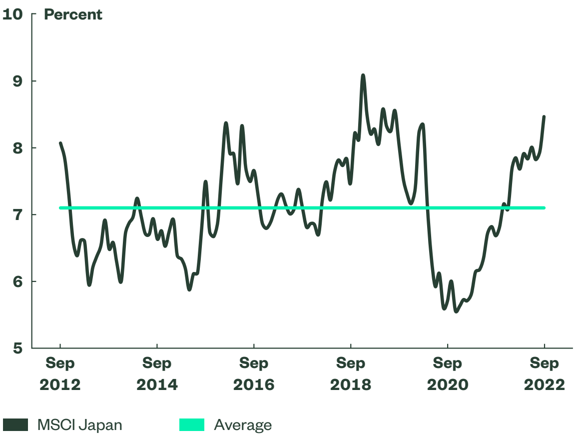
Low inflation has allowed the Bank of Japan (BoJ) to maintain its dovish course while the vast majority of central banks raise rates. The BoJ is relentless in its defiance, continuing the lower-for-longer approach when it comes to both policy decisions and the narrative around them. To illustrate this commitment, the Japanese government has gone to great lengths to protect the depreciating yen, intervening in the currency market for the first time since 1998. At the same time, the BoJ has kept rates unchanged.

While currency is often a double-edged sword, the falling yen was and is the single most important driver of outperformance for the MSCI Japan this year, as nearly half of the revenue of companies within the index comes from outside the country. This allows exporters to improve their top line while global companies generating revenues and bearing costs in foreign currencies are positively impacted upon translating earnings into a weaker yen. The impact on the domestic consumer is mitigated by fiscal actions from the government, including energy subsidies. Moreover, the Japanese economy is still enjoying some of the post-COVID reopening effects, a tailwind that is fading elsewhere.

Interestingly, during Q3, even though the yen did not depreciate against the euro, MSCI Japan outperformed MSCI EMU by 9%. This leads to the conclusion that currently it is the level of the yen, and not further currency depreciation, that translates into the relative outperformance of MSCI Japan. Equally, a mild yen appreciation should not harm companies within MSCI Japan in a significant way.

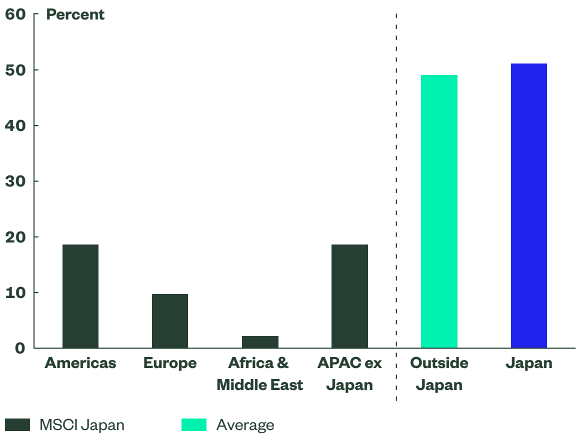
Despite relative outperformance, valuations for MSCI Japan remain undemanding, in our view. Equities have derated globally but, given the continued monetary easing by the BoJ and tailwinds coming from the weak yen, the earnings yield of 8.7% (equivalent to P/E of 11.5x) looks appealing.

MSCI Japan: 12-Month Forward Earnings Yield Spread to 10-Year Local Government Bonds Yields



Source: Bloomberg Finance L.P., State Street Global Advisors, as of 30 September 2022. Earnings Yields Spread is calculated using the difference between reciprocal of 12m forawrd Bloomberg BEST_PE_RATIO and Japan 10y government bond yield.

MSCI Japan Revenue Breakdown



Source: FactSet, State Street Global Advisors, as of 30 September 2022. Revenue weighted by market cap of constituents. Break down is as of the date indicated, is subject to change, and should not be relied upon as current thereafter.

UK Equities

Short-Term Headwinds, Long-Term Value

UK equities held up remarkably well during the first three quarters of 2022, declining 7.9% (in GBP) while global equities lost more than 25% (in USD). This outperformance was driven by a fit-for-purpose sector split and a weakening pound, which helped exporters and energy companies.

Announced fiscal easing in the form of tax cuts should have a positive effect on earnings. Given it has led to further depreciation of sterling, global companies domiciled in the UK should see a continued positive impact.

The key risk that needs to be monitored is the effect of fiscal easing on the inflation outlook and capital flows, as tax cuts may lead to even higher levels of inflation. This outcome could spook foreign investors, who are crucial for UK funding. These factors may cause short-term volatility and, if exacerbated, will make us less positive on UK equities overall.

However, if we observe stabilisation rather than an inflation spiral, the UK could remain one of the best-performing regions in relative terms. It is one of the least expensive markets in the world, with a 12-month forward P/E of 8.4, a level that seems to price in most of the headwinds.

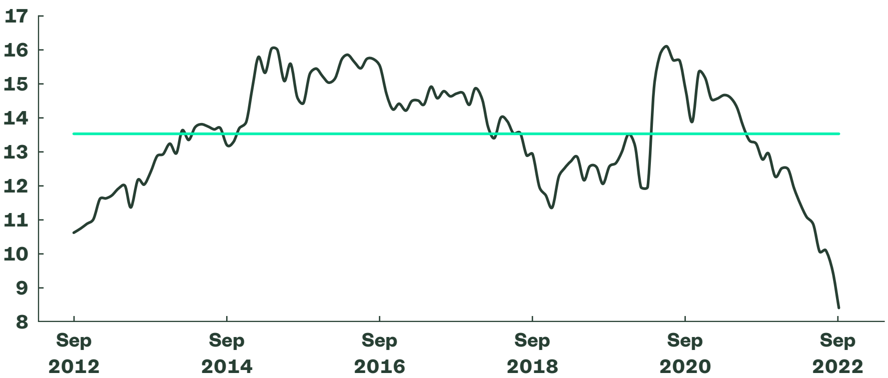
The sector split of the FTSE All-Share Index can also help to mitigate global challenges. The defensive consumer staples and health care are traditionally well positioned for recession, while energy and materials still benefit from elevated commodity prices. And while commodity prices expressed in USD are slowing, a weak GBP offers a cushion. Depreciated sterling in general enhances the earnings of global companies listed in the UK, an important factor given that a significant majority FTSE All-Share Index revenue comes from outside the UK.

While the UK macro outlook may be suboptimal, the undemanding valuation, weak currency and significant portion of revenue generated abroad makes UK equities an appealing opportunity for investors who expect stabilisation and no further significant deterioration in the inflation outlook.

FTSE All-Share 12-Month Forward Price to Earnings

P/E

Average P/E



Source: Bloomberg Finance L.P., as of 30 September 2022. P/E is 12-month forward Bloomberg BEST_PE_RATIO.

SPDR Broad Equity ETFs

Fund Name	Ticker	ISIN	Inception Date	Index	TER (%)	AUM ($Mn)
Global						
SPDR® MSCI ACWI UCITS ETF	**ACWD**	IE00B44Z5B48	05/13/2011	MSCI ACWI Net Total Return USD Index	0.40	2,156
SPDR® MSCI ACWI EUR Hdg UCITS ETF (Acc)	**SPP1**	IE00BF1B7389	10/01/2019	MSCI ACWI with DM Hedged EUR Index	0.45	479
SPDR® MSCI ACWI UCITS ETF USD Hdg Acc	**SPP2**	IE00BF1B7272	10/22/2020	MSCI ACWI with DM Hedged USD Index	0.45	40
SPDR® MSCI ACWI IMI UCITS ETF	**IMID**	IE00B3YLTY66	05/13/2011	MSCI ACWI IMI Net Total Return USD Index	0.40	438
SPDR® MSCI ACWI Climate Paris Aligned UCITS ETF (Acc)	**SPF8**	IE00BYTH5370	04/20/2022	MSCI ACWI Climate Paris Aligned Net USD	0.20	3
SPDR® MSCI World UCITS ETF	**SWRD**	IE00BFY0GT14	03/01/2019	MSCI World Net Total Return USD Index	0.12	1,469
SPDR® MSCI World Climate Paris Aligned UCITS ETF (Acc)	**SPFW**	IE00BYTH5594	03/07/2022	MSCI World Climate Paris Aligned Net USD	0.15	2
SPDR® MSCI World Small Cap UCITS ETF	**WDSC**	IE00BCBJG560	11/25/2013	MSCI World Small Cap Net Total Return USD Index	0.45	661
US						
SPDR® S&P 500 UCITS ETF	**SPY5**	IE00B6YX5C33	03/19/2012	S&P 500 Net Total Return Index	0.09	4,963
SPDR S&P 500 UCITS ETF EUR Acc H	**SPPE**	IE00BYYW2V44	10/31/2018	S&P 500 EUR Dynamic Hedged Index NTR	0.12	412
SPDR® S&P 400 US Mid Cap UCITS ETF	**SPY4**	IE00B4YBJ215	01/30/2012	S&P 400 Net Total Return Index	0.30	1,068
SPDR® Russell 2000 US Small Cap UCITS ETF	**R2US**	IE00BJ38QD84	06/30/2014	Russell 2000 Net 30% Return	0.30	1,333
SPDR® MSCI USA Climate Paris Aligned UCITS ETF (Acc)	**SPF9**	IE00BYTH5719	03/07/2022	MSCI USA Climate Paris Aligned Net USD	0.12	1
SPDR S&P 500 ESG Screened UCITS ETF	**500X**	IE00BH4GPZ28	12/03/2019	S&P 500 ESG Leaders Index (USD) NTR	0.10	595
Europe						
SPDR® MSCI Europe UCITS ETF	**ERO**	IE00BKWQ0Q14	12/05/2014	MSCI Europe Net Total Return EUR Index	0.25	435
SPDR® MSCI Europe Climate Paris Aligned UCITS ETF (Acc)	**SPF5**	IE00BYTH5487	03/07/2022	MSCI EUROPE CLIMATE PARIS ALIGNED Net EUR Index	0.15	1
SPDR® MSCI EMU UCITS ETF	**ZPRE**	IE00B910VR50	01/25/2013	MSCI EMU Net Total Return EUR Index	0.18	217
SPDR® MSCI Europe Small Cap UCITS ETF	**SMC**	IE00BKWQ0M75	12/05/2014	MSCI Europe Small Cap Net Return EUR Index	0.30	154
SPDR® STOXX Europe 600 SRI UCITS ETF (Acc)	**ZPDX**	IE00BK5H8015	10/01/2019	STOXX Europe 600 SRI Net Return EUR	0.12	110
Emerging Markets						
SPDR® MSCI Emerging Markets UCITS ETF	**EMRD**	IE00B469F816	05/13/2011	MSCI Emerging Net Total Return USD Index	0.42	303
SPDR® MSCI EM Asia UCITS ETF	**EMAD**	IE00B466KX20	05/13/2011	MSCI Emerging Asia Net Total Return USD Index	0.55	1,033
SPDR® MSCI Emerging Markets Climate Paris Aligned UCITS ETF (Acc)	**SPF7**	IE00BYTH5263	07/18/2022	MSCI EM Climate Paris Aligned Net USD	0.23	4
SPDR® MSCI Emerging Markets Small Cap UCITS ETF	**EMSD**	IE00B48X4842	05/13/2011	MSCI EM EMerging Markets Small Cap USD Net	0.55	141
Single Country						
SPDR® FTSE UK All Share UCITS ETF Acc	**FTAL**	IE00B7452L46	02/28/2012	FTSE UK Series FTSE All Share TR	0.20	662
SPDR® FTSE UK All Share UCITS ETF GBP (Dist)	**ZPRD**	IE00BD5FCF91	04/26/2018	FTSE UK Series FTSE All Share TR	0.20	105
SPDR® MSCI Japan UCITS ETF	**JPJP**	IE00BZ0G8B96	11/30/2015	MSCI Japan Net Return JPY Index	0.12	248
SPDR® MSCI Japan EUR Hdg UCITS ETF	**ZPDW**	IE00BZ0G8C04	11/30/2015	MSCI Japan Hedged to EUR Net Index	0.17	14
SPDR® MSCI Japan Climate Paris Aligned UCITS ETF (Acc)	**SPF6**	IE00BQQPV184	03/07/2022	MSCI JAPAN CLIMATE PARIS ALIGNED in JPY Net Index	0.12	2

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 30 September 2022. To view additional fund details, including full performance history, please click on the fund name.

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Methodologies

SPDR Sector Picks Explained Looking out three months, we consider which sectors stand to potentially benefit from a combination of top-down and bottom-up factors. Macroeconomic indicators greatly inform our research, along with aggregated earnings and valuation metrics. We also consider investor flows and positioning. Most importantly, we reflect on the likely drivers of each sector over the forecast period.[1]

Unique Custody Data As part of State Street, we have access to information gleaned from our large global custody business. By aggregating $43 trillion of financial assets, we can observe behavioural trends of this important investor constituent.[2] This includes not only the direction of flows, but also the relative positioning of portfolios. These metrics are generated from regression analysis based on aggregated and anonymous flow data in order to better capture investor preference and to ensure the safeguarding of client confidentiality.

Investor Behaviour Indicators Explained Holdings measure investors' actual positions over and above the neutral positions embedded in their benchmarks. The figures are shown as percentiles and represent the investor holdings at month-end versus the last five years. This approach provides perspective on the size of holdings compared with their historical trends, whereas a single, dollar figure provides less context; 100% represents the largest holding in the last five years whilst 0% is the lowest holding.

Active Flows Indicates the value of net buying by large institutional investors (buys minus sells) expressed in terms of basis points of market capitalisation. These are flows in addition to the purchases or sales driven by shareholders allocating to the benchmark.

Top Chart Records the asset flow over the previous three months (60 trading days) versus the last five years.

Bottom Chart Shows trend of flows over previous three months (60 trading days).

Endnotes

1 Targets such as the type noted above are estimates based on certain assumptions and analysis made by State Street Global Advisors. There is no guarantee that the estimates will be achieved.

2 Source: State Street, as of 31 August 2022.

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