

# Sectors and ETFs: which opportunities do they offer in the current environment?

5 June 2020

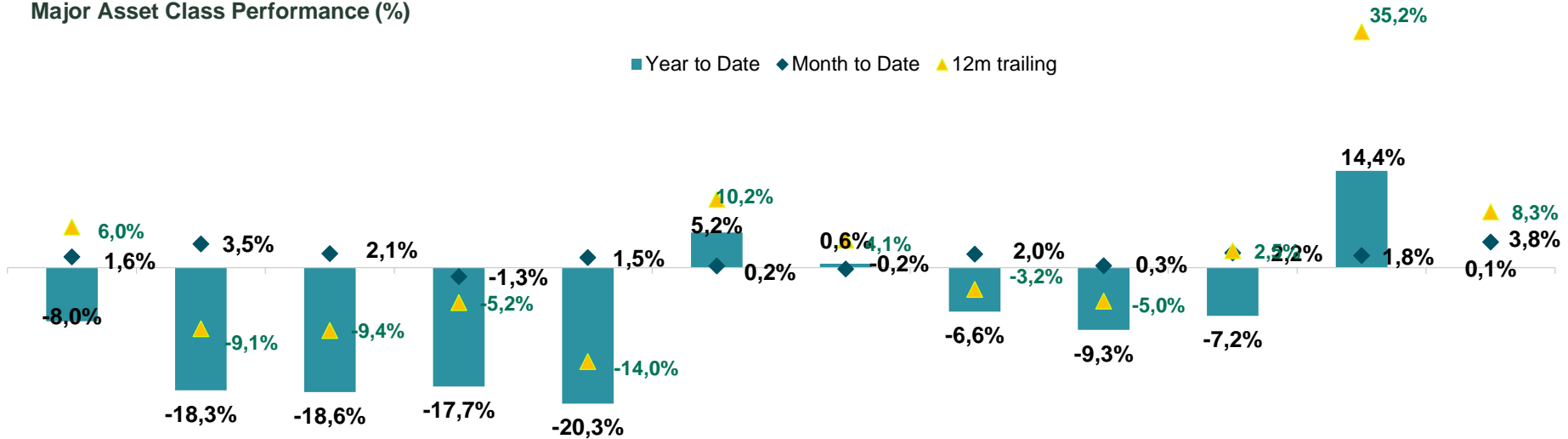
Francesco Lomartire, Head of SPDR ETFs Italy, State Street Global Advisors

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# Asset Class Performance

Post-Crisis rally continues across all major Asset Classes. Aside from Gold, Treasuries and Converts all remain underwater on both YTD and 12-month basis.

Major Asset Class Performance (%)

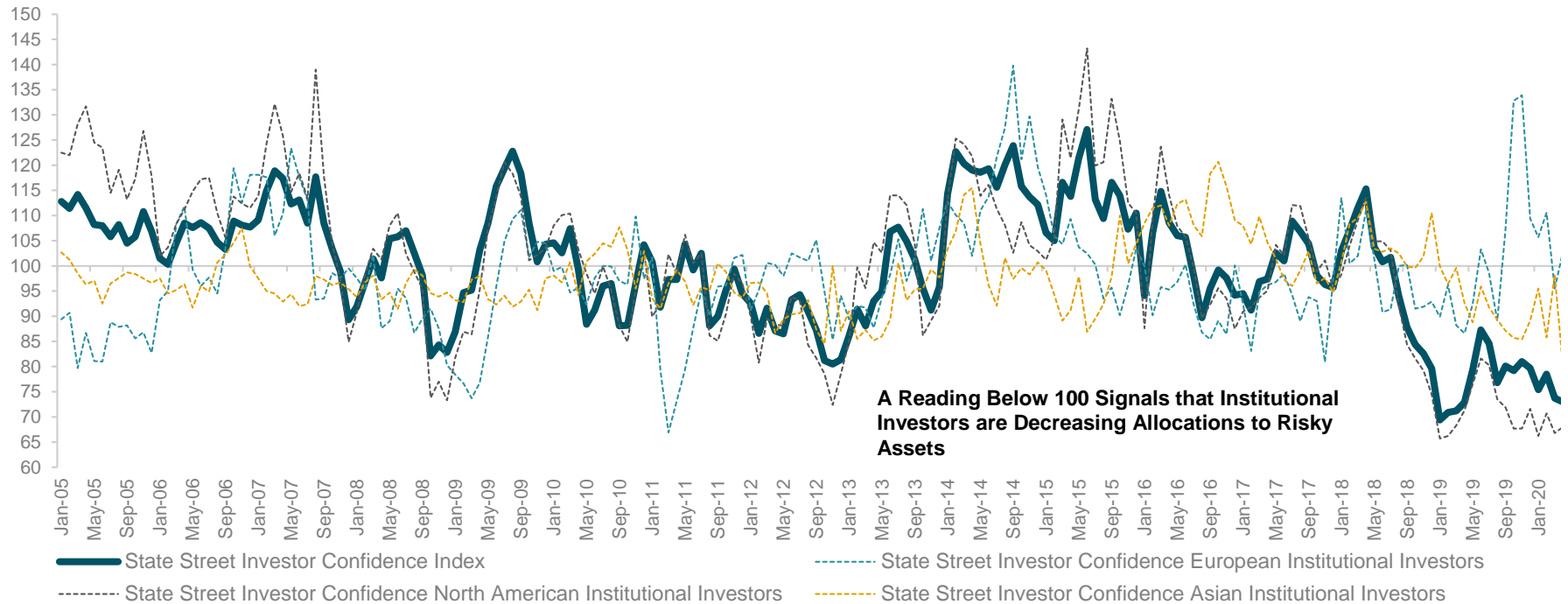


US Large Cap - USD	US Small Cap - USD	Developed - EUR	Emerging - USD	Developed - GBP	Agg - USD	Agg - EUR	High Yield - USD	High Yield - EUR	Emerging - USD	Gold - USD	Global Converts - USD
S&P 500 Index	Russell 2000 Index	MSCI EMU Index	MSCI Emerging Markets	FTSE All Share	Bloomberg Barclays US Aggregate Index	Bloomberg Barclays Euro Aggregate Index	Bloomberg Barclays US 0-5 yr High Yield Index	Bloomberg Barclays Liquidity Screened Euro HY	Bloomberg Barclays EM LC Gvt Index	Gold Bullion	Thomson Reuters Qualified Global Convertible Index

Source: Bloomberg Finance, L.P. As of 25 May 2020. 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

Investor Confidence continues to trend lower across regions despite the market rally, North American Investors are particularly cautious.

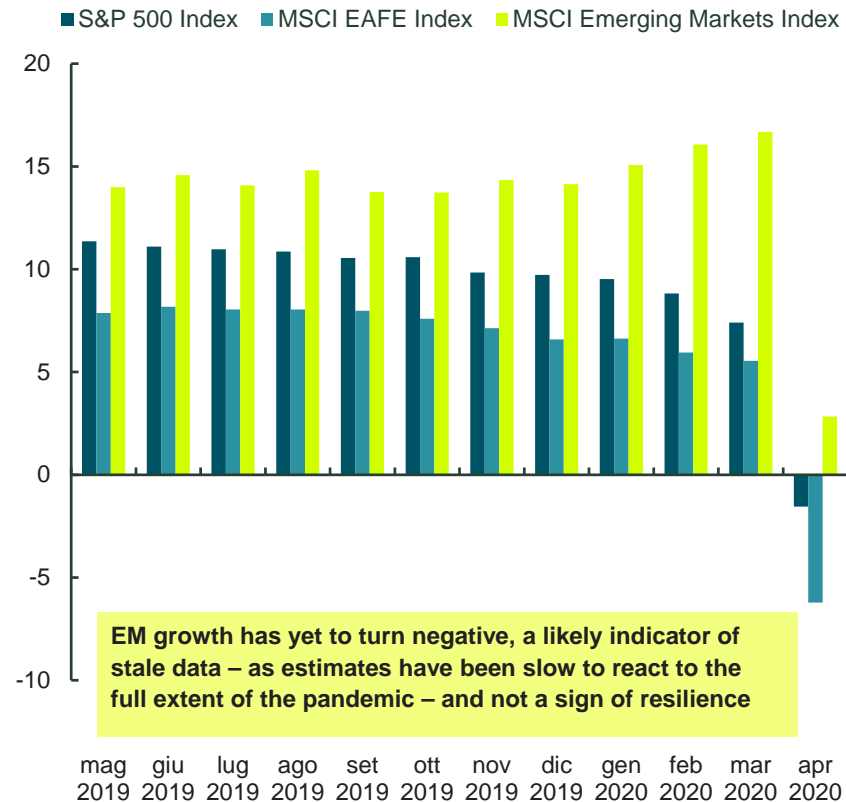


Source: Bloomberg Finance, L.P. As of 30 April 2020. State Street Confidence Indexes Measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The results shown represent current results generated by State Street Investor Confidence Index. The results shown were achieved by means of a mathematical formula in addition to transactional market data, and are not indicative of actual future results which could differ substantially.

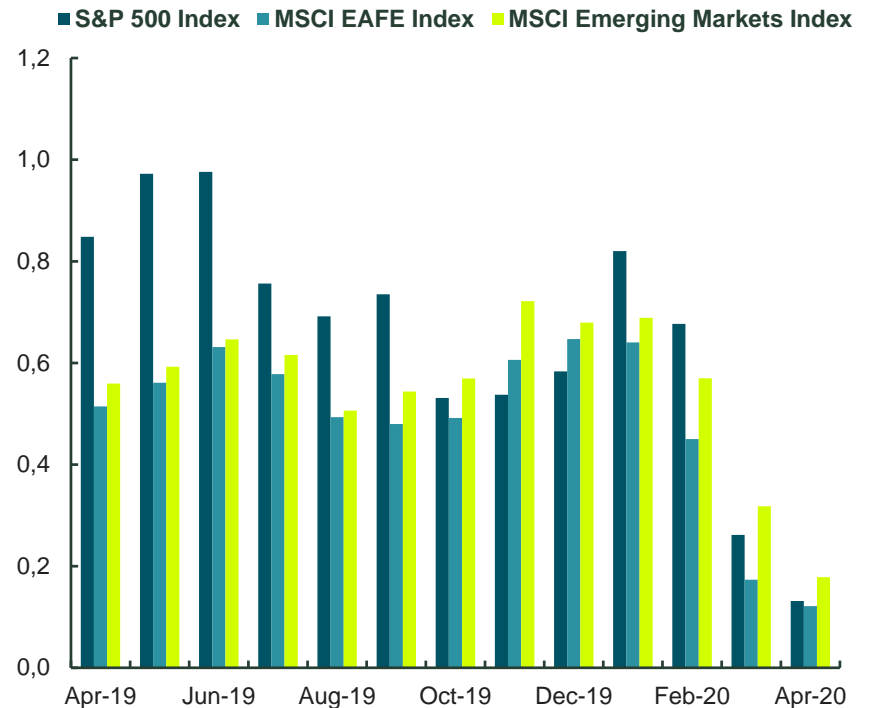
# Global Earnings

Earnings estimates continue to be slashed around the world as firms begin to report, and expectations for a quick rebound are lowered

2020 EPS Growth Estimates (%)



2020 EPS Revision: 3-Month Up-to-Downgrade Ratio



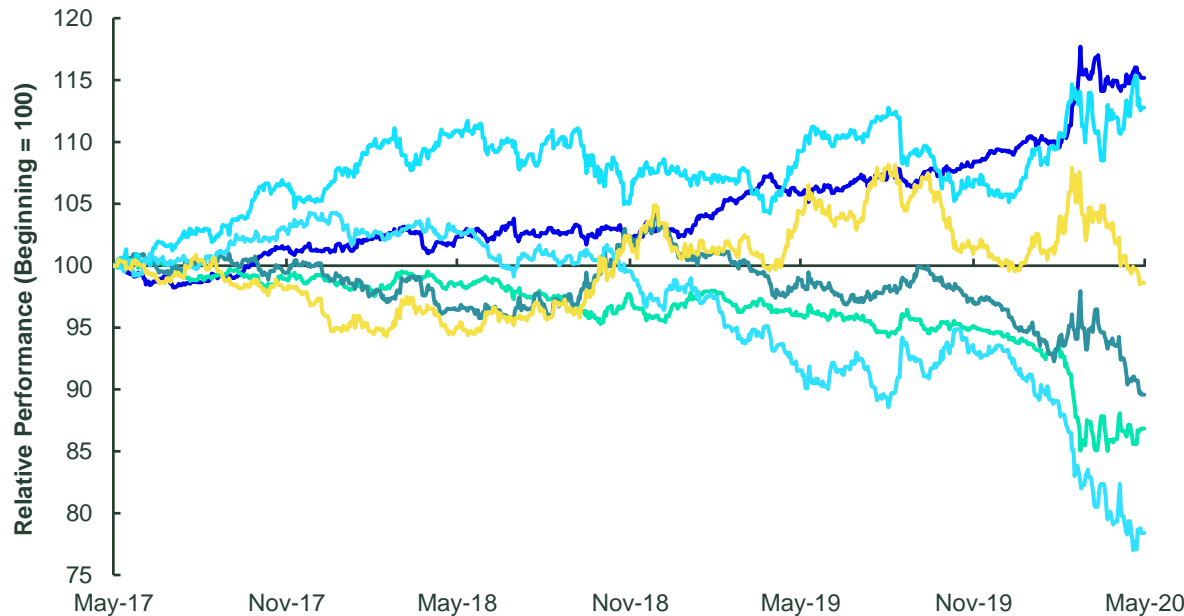
Source: FactSet, as of April 30, 2020. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. EPS growth estimates are based on Consensus Analyst Estimates compiled by FactSet.

# US Factor Trends

As in April and May to date, size saw excess returns, a stark contrast from March, when it posted its worst performance since 2002.

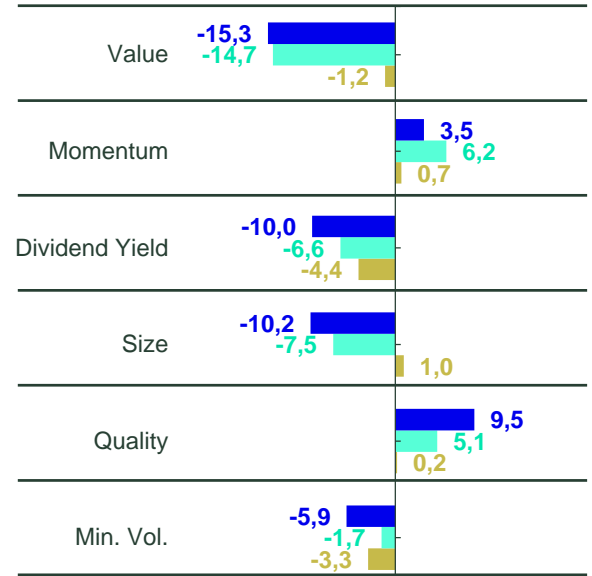
MSCI USA Factor Index Versus MSCI USA Index (3 Years)

Quality Size Dividend Momentum Value Min. Vol.



Period Excess Returns Versus MSCI USA Index (%)

Trailing 12 Month YTD  
Trailing 1 Month



Source: Bloomberg Finance, L.P. as May 25, 2020. **Past performance is not a guarantee of future results.** MSCI USA Minimum Volatility Index, MSCI USA Enhanced Value Index, MSCI USA Quality Index, MSCI USA Equal Weighted Index, MSCI USA High Dividend Yield Index and MSCI USA Momentum Index were used to represent Min. Vol., Value, Quality, Size, Dividend, Momentum. 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.

# Sector Flows & Returns

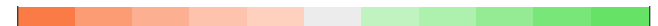
Technology, Health Care, Communications and Materials posted strong inflows in May, after Sector third highest on record flows in April.

Global Equity Sector Heatmap	Positioning					U.S. Sector Returns			
	May to Date Flow (\$M)	Trailing 3-Months Flow (\$M)	Trailing 12-Months Flow (\$M)	Current Short Interest (%)	Apr -30 Short Interest (%)	Prior Month Return (%)	YTD Return (%)	12-Month Return (%)	
Technology	1,946	4,488	10,190	3.1	3.4	8.8	5.5	33.2	
Financial	(703)	(4,015)	(7,877)	12.5	12.7	0.9	-28.4	-16.8	
Health Care	3,393	10,354	6,942	14.8	15.4	-0.7	-2.0	13.5	
Consumer Discretionary	410	(1,722)	(1,858)	7.4	7.0	8.2	-4.0	7.1	
Consumer Staples	(310)	1,465	3,169	4.2	4.3	-2.1	-8.5	2.0	
Energy	333	3,707	5,900	6.7	7.8	11.5	-35.0	-33.1	
Materials	896	(153)	512	5.6	5.3	6.2	-13.6	0.2	
Industrials	(368)	(3,029)	(2,155)	7.6	7.3	3.6	-21.3	-12.0	
Real Estate	(1,916)	(3,282)	1,853	3.0	3.5	-1.1	-14.9	-7.9	
Utilities	(373)	1,241	2,801	9.0	9.5	-3.2	-12.2	-3.2	
Communications	1,128	1,873	3,469	0.9	0.9	10.2	0.1	12.5	

**Promising earnings sentiment and hope for a COVID-19 treatment and vaccine support continued flow strength for the Health Care sector**

Worst-Performing Sector  
Least Flows in Period

Best-Performing Sector  
Most Flows in Period

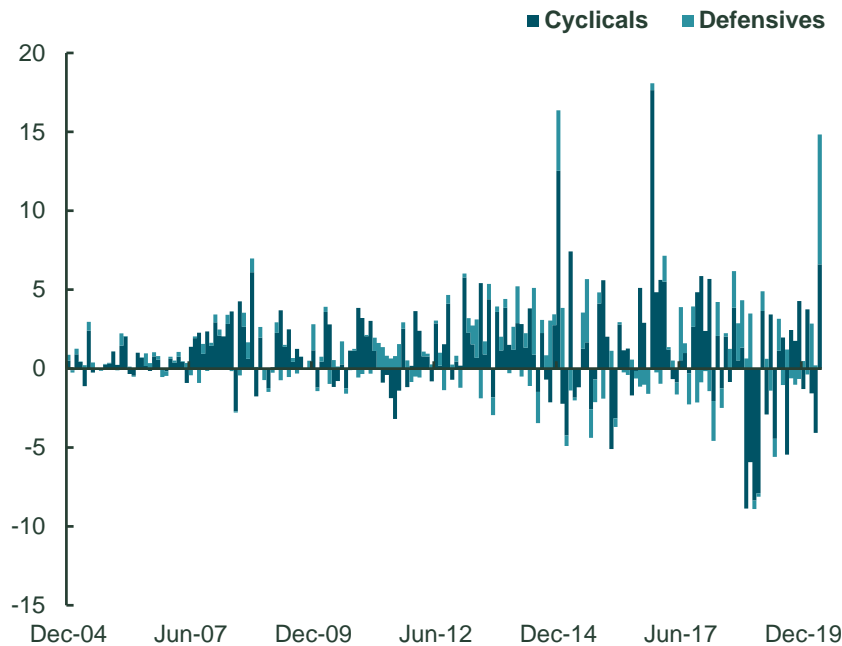


Source: State Street Global Advisors, Bloomberg Finance, L.P., as of May 25, 2020. Flows as of May 22, 2020. For list of indexes used see Appendix. Past performance is not a guarantee of future results. Flows are as of date indicated and shouldn't be relied thereafter. Sectors are taken from the S&P 500.

# Sector Flow Trends

While sector flows posted their third-best month ever, they were not led by cyclical exposures, as they typically are when monthly flows are elevated

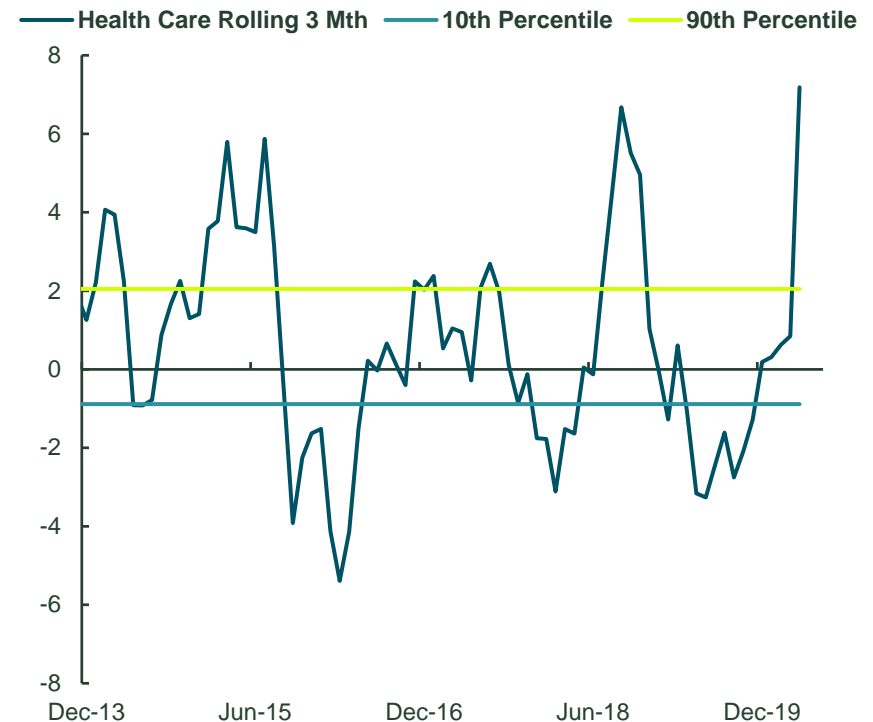
Cyclical Versus Defensive Sector Flows



**Up until the last day of the month, every sector had inflows for the month — a feat not seen since 2005**

Source: State Street Global Advisors, Bloomberg Finance, L.P. as of April 30, 2020. Sectors, asset classes and flows are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Rolling Three-Month Health Care Flows (\$ Billions)

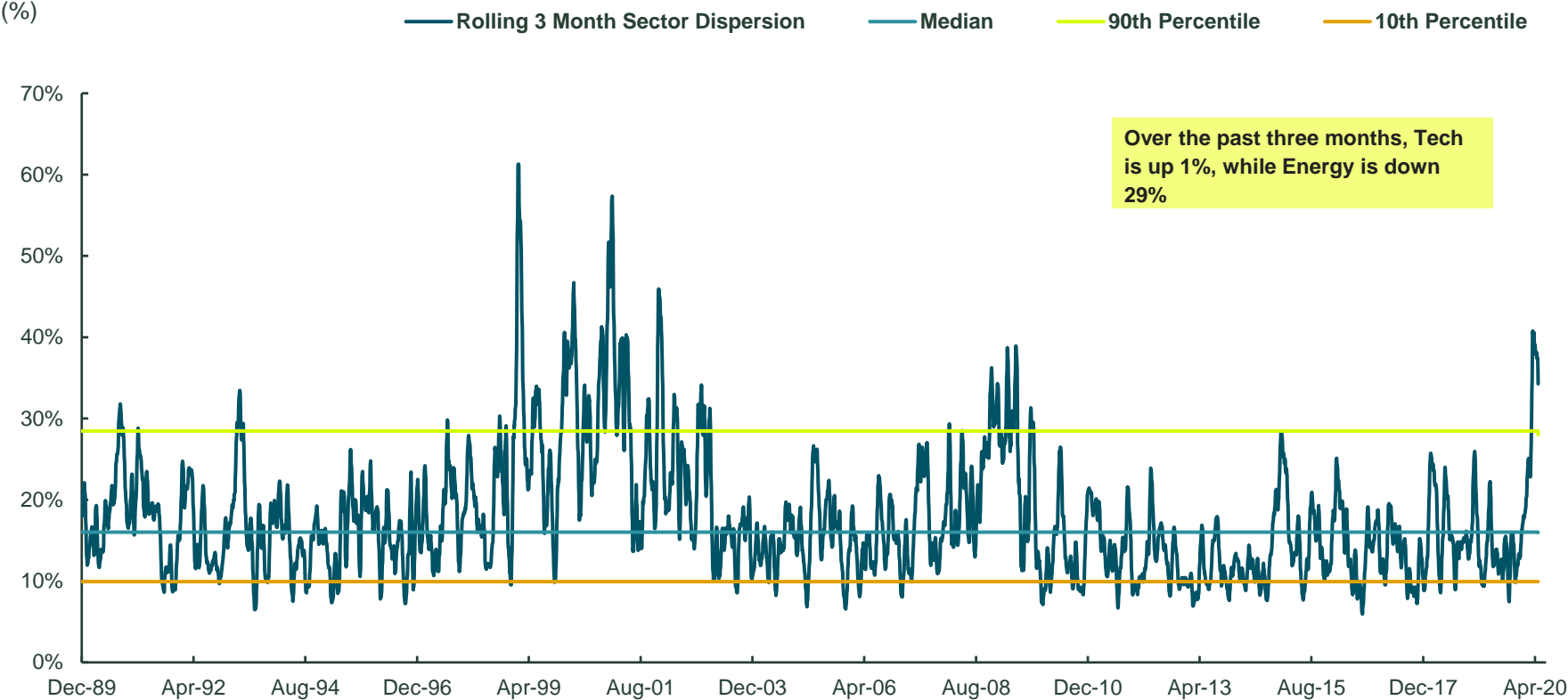


**Health care flows rebounded from a period when political risk during the onset of the primaries curtailed sentiment**

# Sector Return Trends

Sector dispersion was at its highest point since the Dot-Com era, benefiting sector rotation strategies on the right side of outperformers (Tech/Health Care)

Rolling Three-Month Sector Dispersion



Source: State Street Global Advisors, Bloomberg Finance, L.P., as of April 30, 2020. **Past performance is not a guarantee of future results.** Rolling three-month sector dispersion smoothed by taking the 10-day average of a rolling three-month dispersion metric.



# Sector Scorecard

Defensive sectors like Consumer Staples and Utilities lead on earnings sentiment, while beaten-up Financials and Energy have the most appealing valuations

	Sector Composite Z-Score*		
	Valuation Composite Score	Momentum Composite Score	Earnings Sentiment Composite Score
Consumer Discretionary	-1.18	0.15	-0.68
Consumer Staples	-0.35	0.66	0.89
Energy	1.31	-2.56	0.03
Financials	1.00	-0.63	-0.68
Health Care	-0.10	0.94	0.33
Industrials	0.24	-0.48	-0.30
Information Technology	-1.19	1.24	0.37
Materials	0.06	-0.36	0.10
Communication Services	-0.17	0.54	-0.51
Real Estate	0.49	-0.03	-0.28
Utilities	-0.11	0.52	0.75

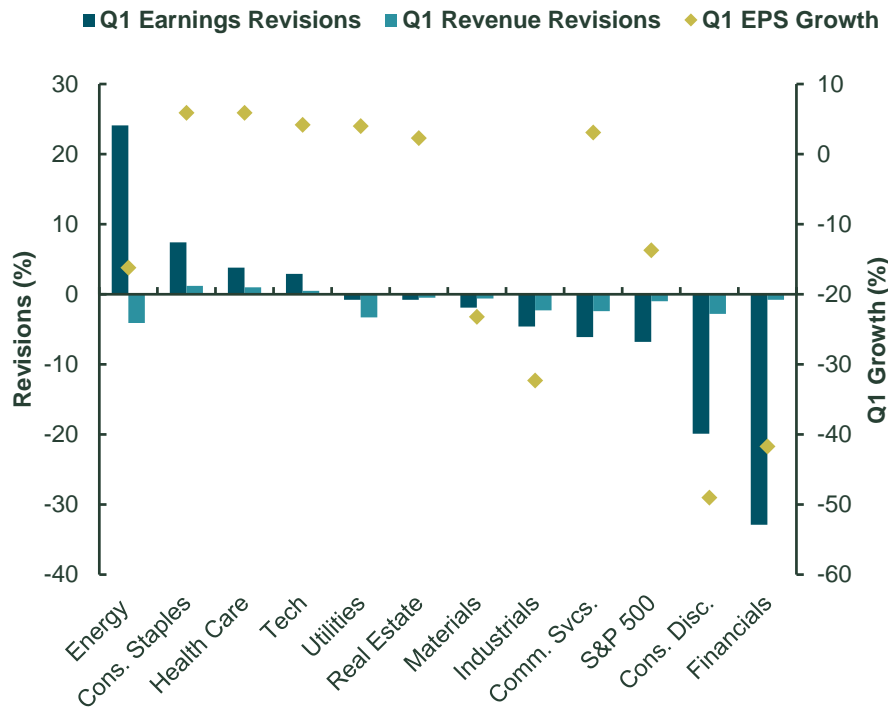
Tech and Health Care both have strong earnings sentiment and returns

Source: State Street Global Advisors, FactSet, Bloomberg Finance, L.P. as of April 30, 2020. Green shading is top 3, red shading is bottom 3. \* The scorecard uses z-score for each metric to standardize numbers across sectors and show relativeness among sectors. Composite score is calculated by equally weighting each metric in the same category. Z-score indicates how many standard deviations an element is from the mean. A z-score can be calculated from the following formula.  $z = (X - \mu) / \sigma$  where X is the value of the sector.  $\mu$  is the mean of the eleven sectors.  $\sigma$  is the standard deviation of eleven sectors. S&P 500 sector indices are used to calculate sector scores. Please refer to Appendix C for the metrics used to measure valuation, momentum and earnings sentiment.

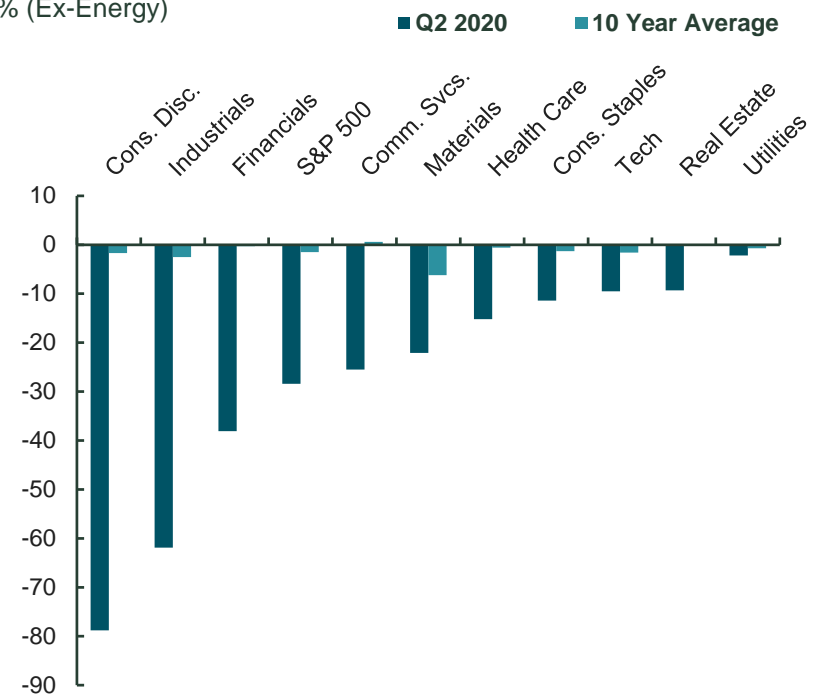
# Sector Earnings Trends

Earnings results and future expectations continue to paint a bleak picture for cyclical sectors like Financials, Industrials, and Consumer Discretionary

Q1 Earnings and Revenue Revisions Since March 31 2020



Q2 2020 1<sup>st</sup> Month of Quarter Earnings Estimate Revisions % (Ex-Energy)



There have been a few large earnings surprises in the Energy sector, however, growth is still decidedly negative (-16%)

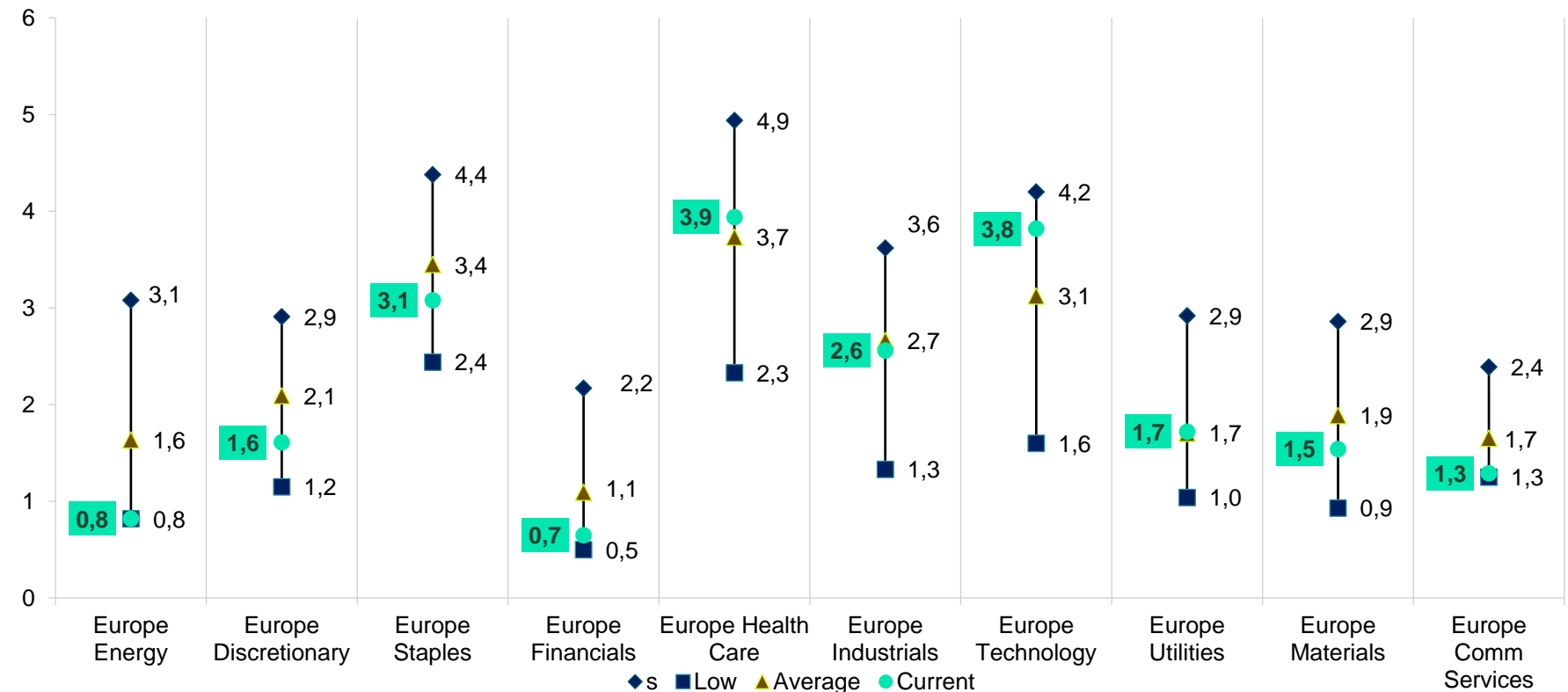
One month into Q2, cyclical sectors have seen the worst downside estimate changes – well in excess of typical averages

Source: State Street Global Advisors, FactSet. as of April 30, 2020. Earnings are based on blended earnings results which includes actual results and consensus analyst estimates for firms that have not reported as of 04/30/2020. Sectors are taken from the S&P 500.

# Europe Sector Valuation

Energy and Comm Services trading at long term lows, while Financials not much above. Technology and Health Care are now the only two sectors above average.

## Sector Price to Book Value – 15 Year History



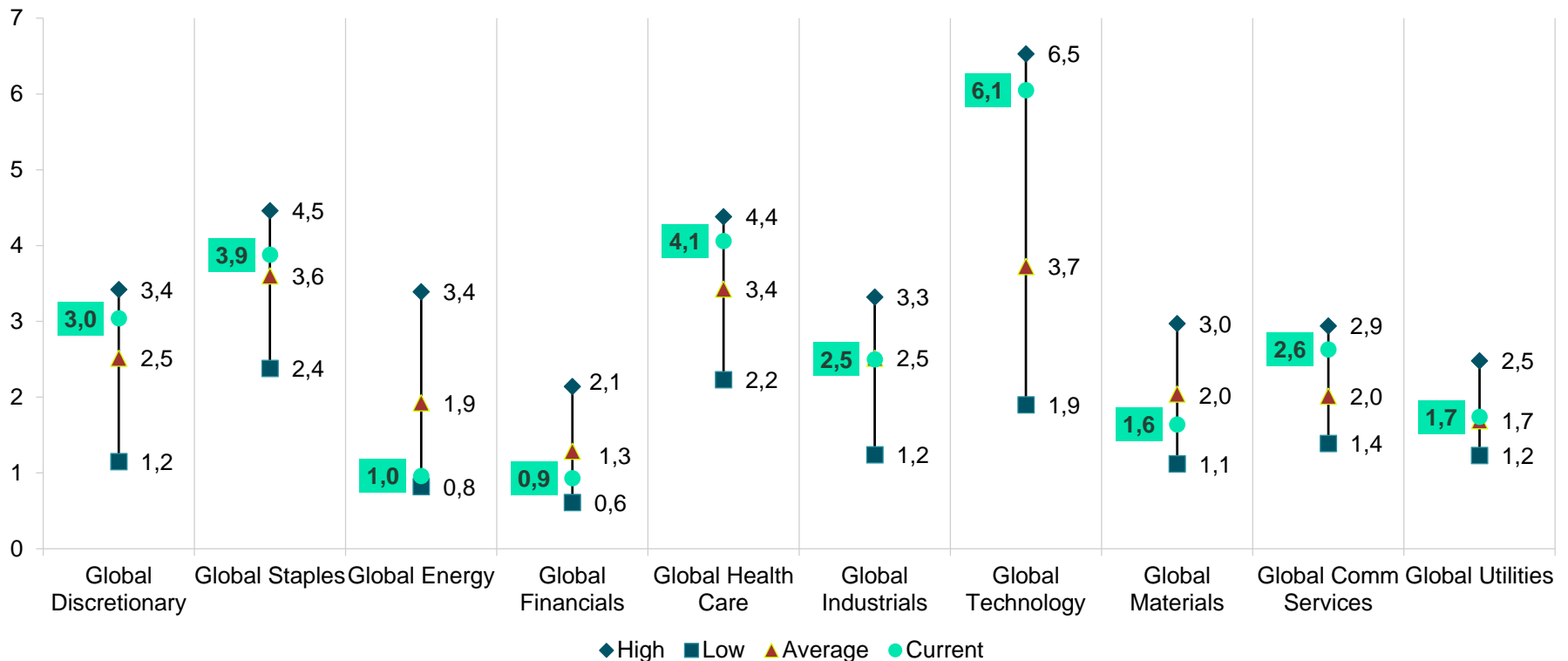
Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 30 April 2020. Price to book shown above are as of the date given and should not be relied upon as current thereafter. Europe Energy — MSCI Europe Energy Index; Europe Financials — MSCI Europe Financials Index; Europe Materials — MSCI Europe Materials Index; Europe Utilities — MSCI Europe Utilities Index; Europe Industrials — MSCI Europe Industrials Index; Europe Technology — MSCI Europe Technology Index; Europe Healthcare — MSCI Europe Healthcare Index; Europe Staples — MSCI Europe Staples Index; Europe Discretionary — MSCI Europe Discretionary Index; Europe Telecoms — MSCI Europe Communication Services Index 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.

# Global Sector Valuation

Energy comes off historic lows as oil price dislocation eases. Technology and Health Care still look relatively expensive on strong performance through the crisis.

## Sector Price to Book Value – 15 Year History



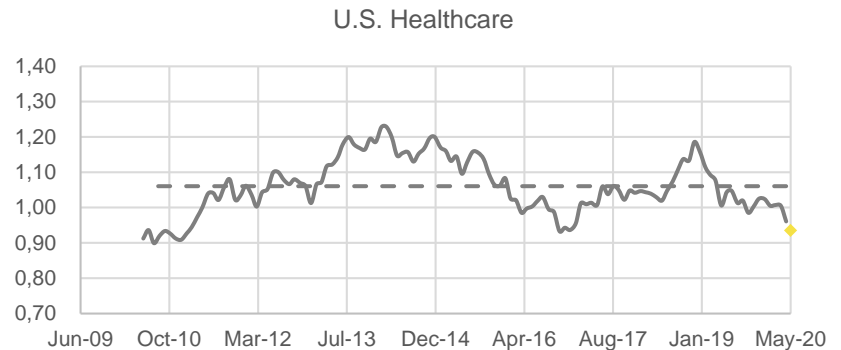
Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 30 April 2020. Price to book shown above are as of the date given and should not be relied upon as current thereafter. Global Energy — MSCI World Energy Index; Global Financials — MSCI World Financials Index; Global Materials — MSCI World Materials Index; Global Utilities — MSCI World Utilities Index; Global Industrials — MSCI World Industrials Index; Global Technology — MSCI World Technology Index; Global Healthcare — MSCI World Healthcare Index; Global Staples — MSCI World Staples Index; Global Discretionary — MSCI World Discretionary Index; Global Telecoms — MSCI World Communication Services Index. 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.

# Sector Valuation

Despite Covid-19 immunity, Healthcare forward P/E relative to Global Equities is below 10y average. European Communications screens relatively inexpensive as well.

## Sector Price to Earnings– 10 Year History



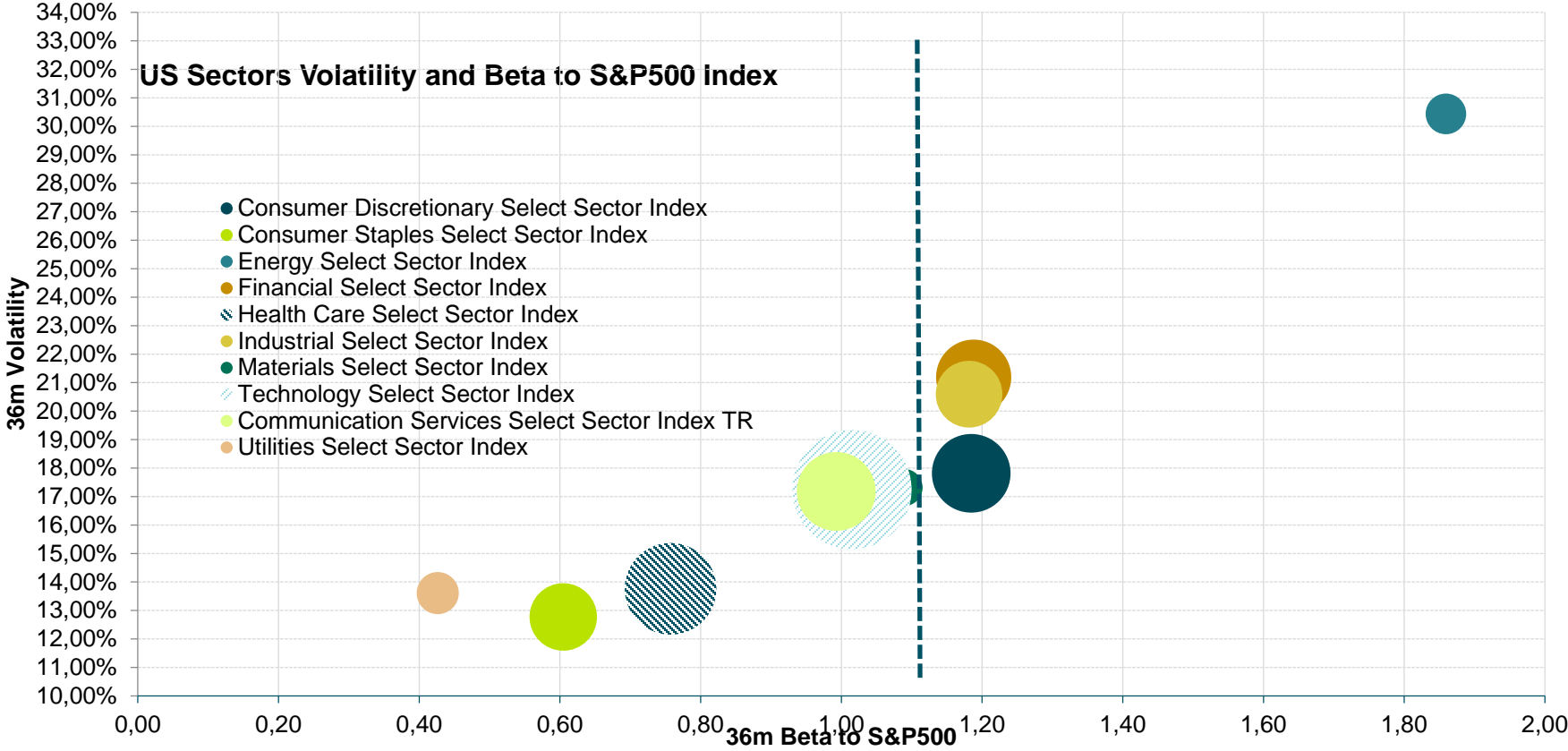
— Relative P/E    - - - Average Relative P/E    ♦ Current relative P/E

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 25 May 2020. Price to Earnings shown above are as of the date given and should not be relied upon as current thereafter. Europe Telecoms — MSCI Europe Communication Services Index; Europe Healthcare - MSCI Europe Health Care Index; World Healthcare - MSCI World Health Care Index; U.S. Healthcare - MSCI USA Health Care Index. All metrics relative to MSCI ACWI Index. 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 Sectors In A Portfolio

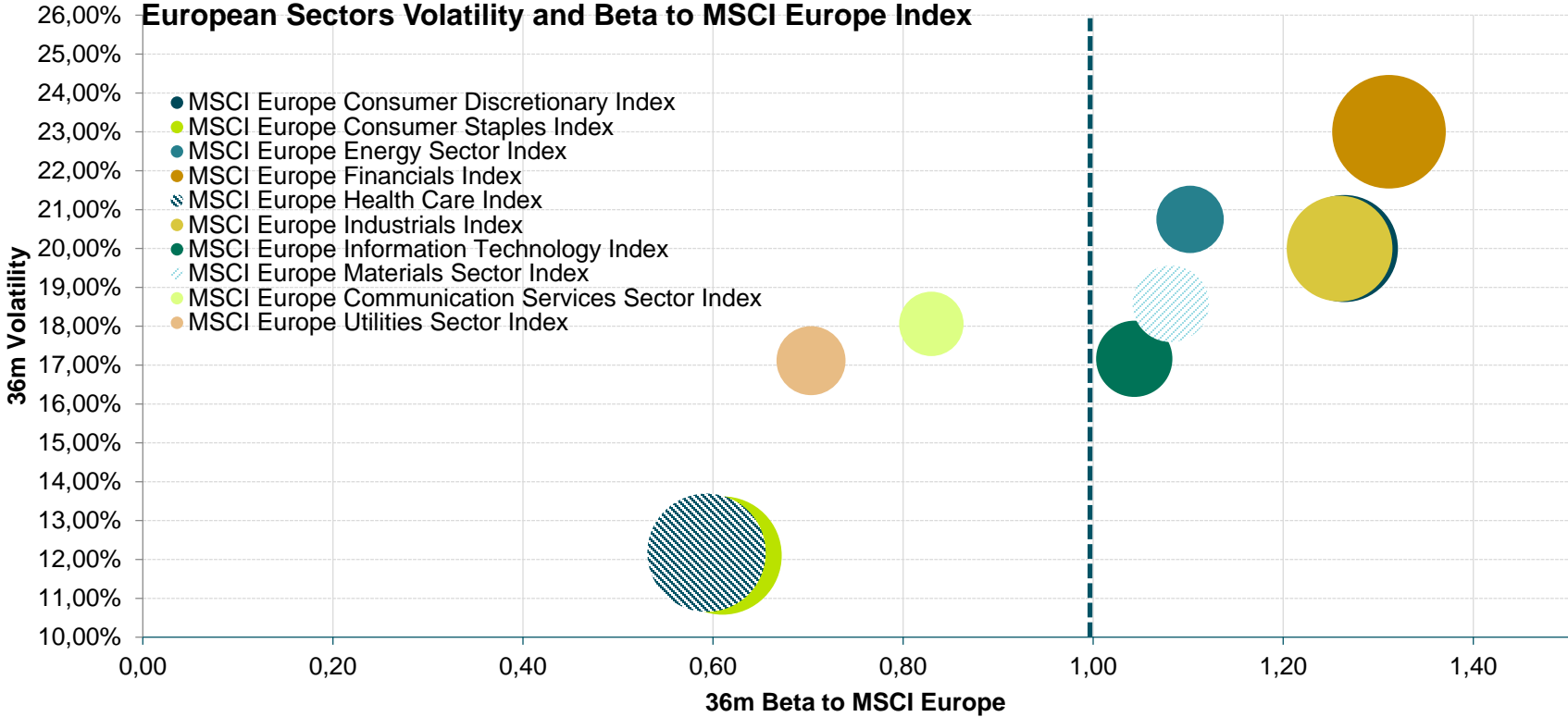
Utilities, Staples and Health Care For A Defensive Bias – Energy extremely high risk; Financials and Industrials to bet on a rebound



Source: Bloomberg Finance L.P., S&P, State Street Global Advisors.  
As of 30 April 2020. Volatility & Beta above are as of the date given and should not be relied upon as current thereafter

# European Sectors In A Portfolio

Defense Play With Staples & Healthcare – Financials risky looking for a rebound – Technology a broad market play;

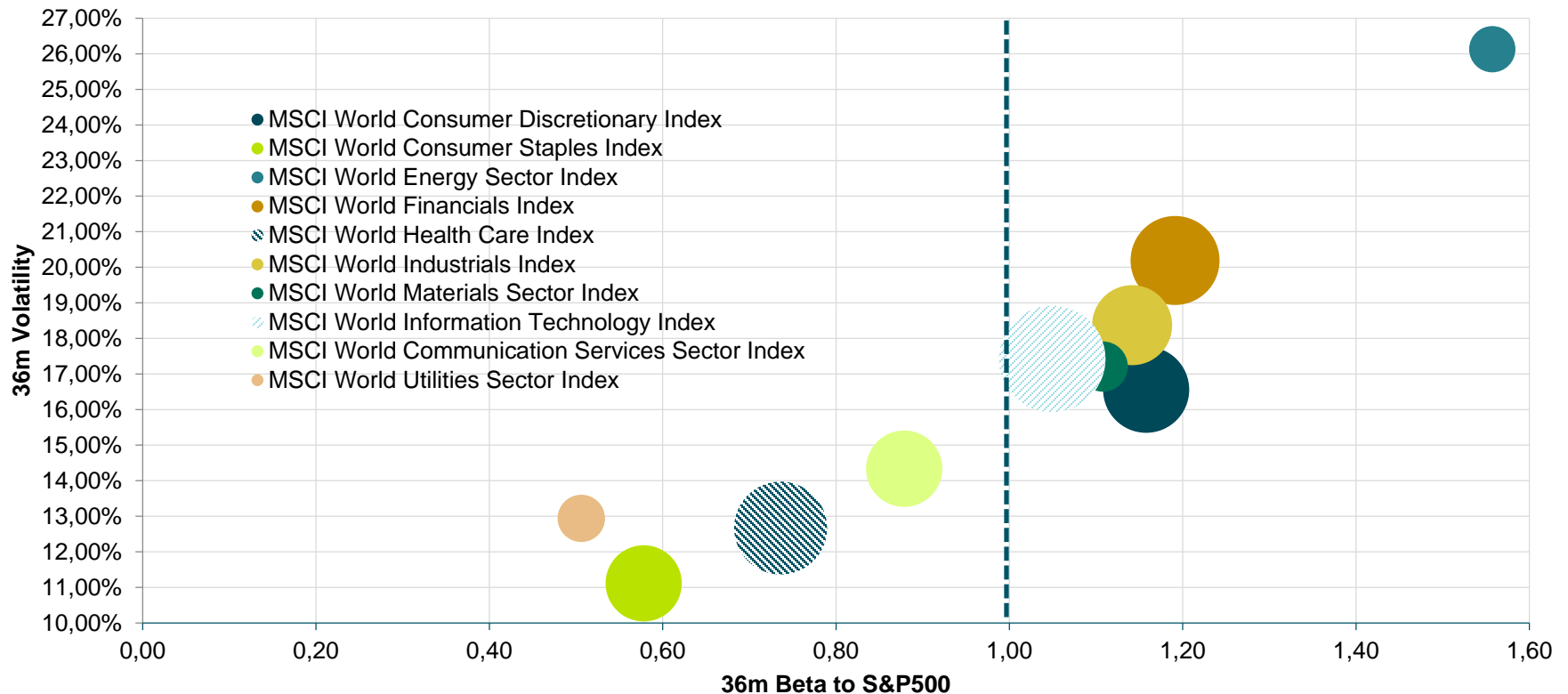


Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.  
 As of 30 April 2020. Volatility & Beta above are as of the date given and should not be relied upon as current thereafter

# World Sectors In A Portfolio

Defense Play With Staples & Utilities – Energy in a different universe

World Sectors Volatility and Beta to MSCI World Index



Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 30 April 2020. Volatility & Beta above are as of the date given and should not be relied upon as current thereafter



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# SPDR Sector Powerhouse

## Experienced Management

- A leader in sector ETFs >\$120bn AUM
- Track record of managing sector ETFs since 1998

## Physical Replication

- Full suite of physically - replicated ETFs
- World, US & Europe Sectors

## Cost Efficient

- US UCITS ETFs: TER 0.15%
- World UCITS ETFs: TER 0.30%
- Europe UCITS ETFs: TER 0.30%

## Thought Leadership & Content

- Quarterly Sector Compass
- Monthly Compass update – flows & holdings
- White papers

Source: State Street Global Advisors, as of 31 March 2020.

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

# SPDR Sector Powerhouse

	Europe Sectors	US Sectors	World Sectors	
	SPDR MSCI Europe Communication Services UCITS ETF	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	SPDR MSCI World Communication Services UCITS ETF	
	SPDR MSCI Europe Consumer Discretionary UCITS ETF	SPDR S&P U.S. Consumer Discretionary Select Sector UCITS ETF	SPDR MSCI World Consumer Discretionary UCITS ETF	
	SPDR MSCI Europe Consumer Staples UCITS ETF	SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	SPDR MSCI World Consumer Staples UCITS ETF	
Standard GICS Sectors	SPDR MSCI Europe Energy UCITS ETF	SPDR S&P U.S. Energy Select Sector UCITS ETF	SPDR MSCI World Energy UCITS ETF	
	SPDR MSCI Europe Financials UCITS ETF	SPDR S&P U.S. Financials Select Sector UCITS ETF	SPDR MSCI World Financials UCITS ETF	
	SPDR MSCI Europe Health Care UCITS ETF	SPDR S&P U.S. Health Care Select Sector UCITS ETF	SPDR MSCI World Health Care UCITS ETF	
	SPDR MSCI Europe Industrials UCITS ETF	SPDR S&P U.S. Industrials Select Sector UCITS ETF	SPDR MSCI World Industrials UCITS ETF	
	SPDR MSCI Europe Materials UCITS ETF	SPDR S&P U.S. Materials Select Sector UCITS ETF	SPDR MSCI World Materials UCITS ETF	
	SPDR MSCI Europe Technology UCITS ETF	SPDR S&P U.S. Technology Select Sector UCITS ETF	SPDR MSCI World Technology UCITS ETF	
	SPDR MSCI Europe Utilities UCITS ETF	SPDR S&P U.S. Utilities Select Sector UCITS ETF	SPDR MSCI World Utilities UCITS ETF	
	Real Estate	SPDR FTSE EPRA Europe ex-UK Real Estate UCITS ETF		SPDR Dow Jones Global Real Estate UCITS ETF

Source: State Street Global Advisors, as of 31 March 2020

# Performance – Global Sectors

Communication Services, Technology and Healthcare demonstrated relative resilience during the Covid Crisis, albeit Healthcare performance lagged, last month.

## Sector Price to Earnings– 10 Year History

Sectors Global	Performance					Fundamentals			
	1w	1m	3m	YTD	12m	P/E	Div. yield	EV/EBITDA	P/B
World Industrials	1.91%	6.76%	-14.71%	-19.08%	-9.13%	19.5x	2.4%	11.8x	2.3x
World Communication Services	1.66%	7.74%	-1.82%	-3.58%	7.14%	19.3x	1.8%	9.8x	2.5x
World Consumer Discretionary	1.60%	7.26%	-2.92%	-6.19%	6.07%	28.9x	1.5%	13.3x	3.0x
World Technology	1.51%	9.63%	4.60%	4.58%	29.96%	23.4x	1.3%	15.4x	6.0x
Global Real Estate	0.81%	1.78%	-27.50%	-27.73%	-23.33%	25.3x	4.8%	19.0x	1.1x
World Materials	0.71%	7.27%	-5.27%	-13.69%	-1.19%	18.8x	3.0%	9.0x	1.6x
World Financials	-0.07%	2.27%	-25.41%	-29.70%	-20.71%	11.9x	4.4%	n.a.	0.8x
World Utilities	-0.30%	-0.72%	-16.00%	-12.08%	-3.15%	15.9x	4.2%	10.2x	1.6x
World Healthcare	-0.55%	1.12%	3.74%	0.19%	16.80%	17.5x	2.1%	13.1x	3.8x
World Energy	-0.61%	7.88%	-23.65%	-35.72%	-34.15%	n.a.	6.1%	8.2x	1.1x
World Consumer Staples	-0.99%	-0.82%	-6.62%	-9.27%	-1.92%	19.0x	3.1%	12.9x	3.5x

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 25 May 2020. P/E is 12m fwd BEST\_PE\_RATIO, Dividend yield is 12m fwd BEST\_DIV\_YLD, EV/EBITDA is 12m fwd BEST\_CUR\_EV\_TO\_EBITDA, P/B is 12m fwd BEST\_PX\_BPS\_RATIO. Those metrics are as of the date given and should not be relied upon as current thereafter. For list of indexes used see Appendix. 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.

# Performance – U.S. Sectors

Communication Services, Technology and Healthcare were the only three sectors delivering positive returns for the last 3M. Energy remains the most volatile sector.

## Sector Price to Earnings– 10 Year History

Sectors U.S.	Performance					Fundamentals			
	1w	1m	3m	YTD	12m	P/E	Div. yield	EV/EBITDA	P/B
U.S. Communication Services	2.49%	10.16%	1.68%	0.09%	12.48%	21.1x	1.3%	11.4x	3.1x
U.S. Consumer Discretionary	1.19%	8.24%	-1.56%	-3.97%	7.08%	37.7x	1.1%	18.1x	8.0x
U.S. Technology	0.74%	8.80%	4.97%	5.54%	33.24%	23.6x	1.3%	16.0x	7.4x
U.S. Industrials	0.63%	3.59%	-17.65%	-21.33%	-12.04%	21.2x	2.1%	13.0x	3.7x
U.S. Materials	-0.55%	6.17%	-5.31%	-13.58%	0.17%	20.1x	2.5%	11.1x	2.1x
U.S. Financials	-0.94%	0.92%	-23.27%	-28.36%	-16.80%	13.6x	3.6%	n.a.	1.1x
U.S. Utilities	-1.05%	-3.22%	-16.40%	-12.18%	-3.16%	17.0x	3.8%	11.3x	1.8x
U.S. Energy	-1.15%	11.48%	-20.56%	-35.05%	-33.10%	n.a.	5.7%	9.9x	1.3x
U.S. Consumer Staples	-1.47%	-2.12%	-7.00%	-8.49%	1.96%	19.3x	3.1%	13.7x	4.8x
U.S. Healthcare	-1.65%	-0.73%	2.89%	-1.98%	13.48%	17.0x	1.9%	13.0x	3.9x

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 25 May 2020. P/E is 12m fwd BEST\_PE\_RATIO, Dividend yield is 12m fwd BEST\_DIV\_YLD, EV/EBITDA is 12m fwd BEST\_CUR\_EV\_TO\_EBITDA, P/B is 12m fwd BEST\_PX\_BPS\_RATIO. Those metrics are as of the date given and should not be relied upon as current thereafter. For list of indexes used see Appendix. 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.

# Performance – Europe Sectors

Healthcare is the only sector with positive returns YTD. Comm.Services are down 20% YTD despite healthy demand for telco services and undemanding fundamentals.

## Sector Price to Earnings– 10 Year History

Sectors Europe	Performance					Fundamentals			
	1w	1m	3m	YTD	12m	P/E	Div. yield	EV/EBITDA	P/B
Europe Technology	4.88%	8.40%	-4.36%	-3.42%	9.52%	23.8x	1.3%	14.7x	3.7x
Europe Industrials	2.72%	10.29%	-16.89%	-19.63%	-6.63%	20.2x	2.9%	10.6x	2.5x
Europe ex-UK Real Estate	2.23%	4.44%	-24.96%	-21.54%	-13.62%	15.5x	4.9%	30.2x	0.8x
Europe Utilities	1.41%	5.45%	-17.84%	-8.85%	5.54%	14.8x	5.2%	8.3x	1.6x
Europe Healthcare	1.24%	3.04%	4.31%	6.08%	24.55%	17.7x	2.9%	12.9x	3.8x
Europe Consumer Discretionary	1.12%	6.31%	-15.53%	-22.07%	-9.48%	22.5x	2.2%	8.5x	1.5x
Europe Materials	1.11%	7.27%	-8.79%	-15.38%	-5.03%	17.6x	3.9%	8.0x	1.5x
Europe Communications	-0.07%	4.55%	-18.92%	-20.30%	-16.10%	13.4x	5.0%	6.2x	1.3x
Europe Financials	-0.64%	4.11%	-30.43%	-33.28%	-26.04%	10.5x	5.4%	n.a.	0.5x
Europe Consumer Staples	-0.88%	0.77%	-7.14%	-7.96%	-3.34%	18.1x	3.3%	12.4x	2.9x
Europe Energy	-1.55%	2.15%	-24.96%	-34.87%	-35.17%	21.3x	7.3%	5.7x	0.8x

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors.

As of 25 May 2020. P/E is 12m fwd BEST\_PE\_RATIO, Dividend yield is 12m fwd BEST\_DIV\_YLD, EV/EBITDA is 12m fwd BEST\_CUR\_EV\_TO\_EBITDA, P/B is 12m fwd BEST\_PX\_BPS\_RATIO. Those metrics are as of the date given and should not be relied upon as current thereafter. For list of indexes used see Appendix. 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.

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# Appendix A

## Indexes Used

# Appendix – Indexes Used 1/2

Name	Index Used - Fundamentals	Index Used - Performance
Global Real Estate	Dow Jones Global Select Real Estate Securities Total Return Net Index	Dow Jones Global Select Real Estate Securities Total Return Net Index
Europe ex-UK Real Estate	FTSE EPRA/NAREIT Developed Europe Ex UK Index Net TRI	FTSE EPRA/NAREIT Developed Europe Ex UK Index Net TRI
Europe Communications	MSCI Europe Communication Services Net Return EUR Index	MSCI Europe Communication Services Net Return EUR Index
Europe Consumer Discretionary	MSCI Europe Consumer Discretionary Net Return EUR Index	MSCI Europe Consumer Discretionary Net Return EUR Index
Europe Consumer Staples	MSCI Europe Consumer Staples Net Return EUR Index	MSCI Europe Consumer Staples Net Return EUR Index
Europe Energy	MSCI Europe Energy Net Return EUR Index	MSCI Europe Energy 35/20 Capped Net Return EUR Index
Europe Financials	MSCI Europe Financials Net Return EUR Index	MSCI Europe Financials Net Return EUR Index
Europe Healthcare	MSCI Europe Health Care Net Return EUR Index	MSCI Europe Health Care Net Return EUR Index
Europe Industrials	MSCI Europe Industrials Net Return EUR Index	MSCI Europe Industrials Net Return EUR Index
Europe Materials	MSCI Europe Materials Net Return EUR Index	MSCI Europe Materials Net Return EUR Index
Europe Technology	MSCI Europe Information Technology Net Return EUR Index	MSCI Europe Information Technology Net Return EUR Index
Europe Utilities	MSCI Europe Utilities Net Return EUR Index	MSCI Europe Utilities Net Return EUR Index
World Communication Services	MSCI World Communication Services Sector A Net Total Return USD Index	MSCI World Communication Services Sector A Net Total Return USD Index
World Consumer Discretionary	MSCI World Consumer Discretionary Net Total Return USD Index	MSCI World Consumer Discretionary Net Total Return USD Index
World Consumer Staples	MSCI World Consumer Staples Net Total Return USD Index	MSCI World Consumer Staples Net Total Return USD Index
World Energy	MSCI World Energy Sector Net Total Return USD Index	MSCI World Energy Industry Group Net TR USD
World Financials	MSCI World Financials Net Total Return USD Index	MSCI World Financials Net Total Return USD Index
World Healthcare	MSCI World Health Care Net Total Return USD Index	MSCI World Health Care Net Total Return USD Index
World Industrials	MSCI World Industrials Net Total Return USD Index	MSCI World Industrials Net Total Return USD Index
World Materials	MSCI World Materials A Net Total Return USD Index	MSCI World Materials A Net Total Return USD Index
Global Small Cap	MSCI World Small Cap Net Total Return USD Index	MSCI World Small Cap Net Total Return USD Index
World Technology	MSCI World Information Technology Net Total Return USD Index	MSCI World Information Technology Net Total Return USD Index
World Utilities	MSCI World Utilities Net Total Return USD Index	MSCI Daily TR World Net Utilities Sector USD

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors. As of 25 May 2020.

# Appendix – Indexes Used 2/2

Name	Index Used - Fundamentals	Index Used - Performance
U.S. Communication Services	MSCI USA Communication Services Index	S&P Communication Services Select Sector Daily Capped 25/20 Index NTR
U.S. Consumer Discretionary	MSCI USA Consumer Discretionary Index	S&P Consumer Discretionary Select Sector Daily Capped 25/20 Index NTR
U.S. Consumer Staples	MSCI USA Consumer Staples Index	S&P Consumer Staples Select Sector Daily Capped 25/20 Index NTR
U.S. Energy	MSCI USA Energy Index	S&P Energy Select Sector Daily Capped 25/20 Index NTR
U.S. Financials	MSCI USA Financials Index	S&P Financial Select Sector Daily Capped 25/20 Index NTR
U.S. Healthcare	MSCI USA Health Care Index	S&P Health Care Select Sector Daily Capped 25/20 Index NTR
U.S. Industrials	MSCI USA Industrials Index	S&P Industrial Select Sector Daily Capped 25/20 Index NTR
U.S. Materials	MSCI USA Materials Index	S&P Materials Select Sector Daily Capped 25/20 Index NTR
U.S. Technology	MSCI USA Information Technology Index	S&P Technology Select Sector Daily Capped 25/20 Index NTR
U.S. Real Estate	N.A.	Real Estate Select Sector Total Return Index
U.S. Utilities	MSCI USA Utilities Index	S&P Utilities Select Sector Daily Capped 25/20 Index NTR

Source: Bloomberg Finance L.P., MSCI, State Street Global Advisors. As of 25 May 2020.



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# Appendix B

## Important Disclosures

# Important Disclosures

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

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