

June 2025  
Trade Rationale

# State Street Active Asset Allocation ETF Portfolios



State of the Market  
Regime Indicator  
(MRI)

▼ Current  
- - - Previous  
*MRI plotted as an estimate.*



Key Takeaways

- Our Market Regime Indicator (MRI) decreased as investor risk appetite strengthened over the past month.
- This improvement has been supported by easing tensions in global trade and a robust May jobs report; however, despite these encouraging developments, a degree of caution persists.
- Given cautious yet tepid risk-on signals from our model, we modestly increased equity exposure in our portfolios, although we continue to maintain a sizable underweight overall.

| INCREASE  |       | DECREASE  |       |
|---|-------|---|-------|
| US Large-Cap Equity   | +4.5% | Intermediate-Term Treasuries  | -3.0% |
| High Yield Bonds  | +3.0% | Long-Term Treasuries  | -3.0% |
| US Real Estate  | +2.0% | Developed ex-US Equity  | -2.5% |
| Intermediate-Term Corporate Bonds   | +1.5% | Emerging Markets Equity   | -2.0% |
| Aggregate Bonds   | +0.5% | Treasury Bills  | -1.0% |
| US Small-Cap Equity   | +0.5% | Gold  | -0.5% |

Source: State Street Global Advisors as of 6/9/2025.

Portfolio  
Positioning

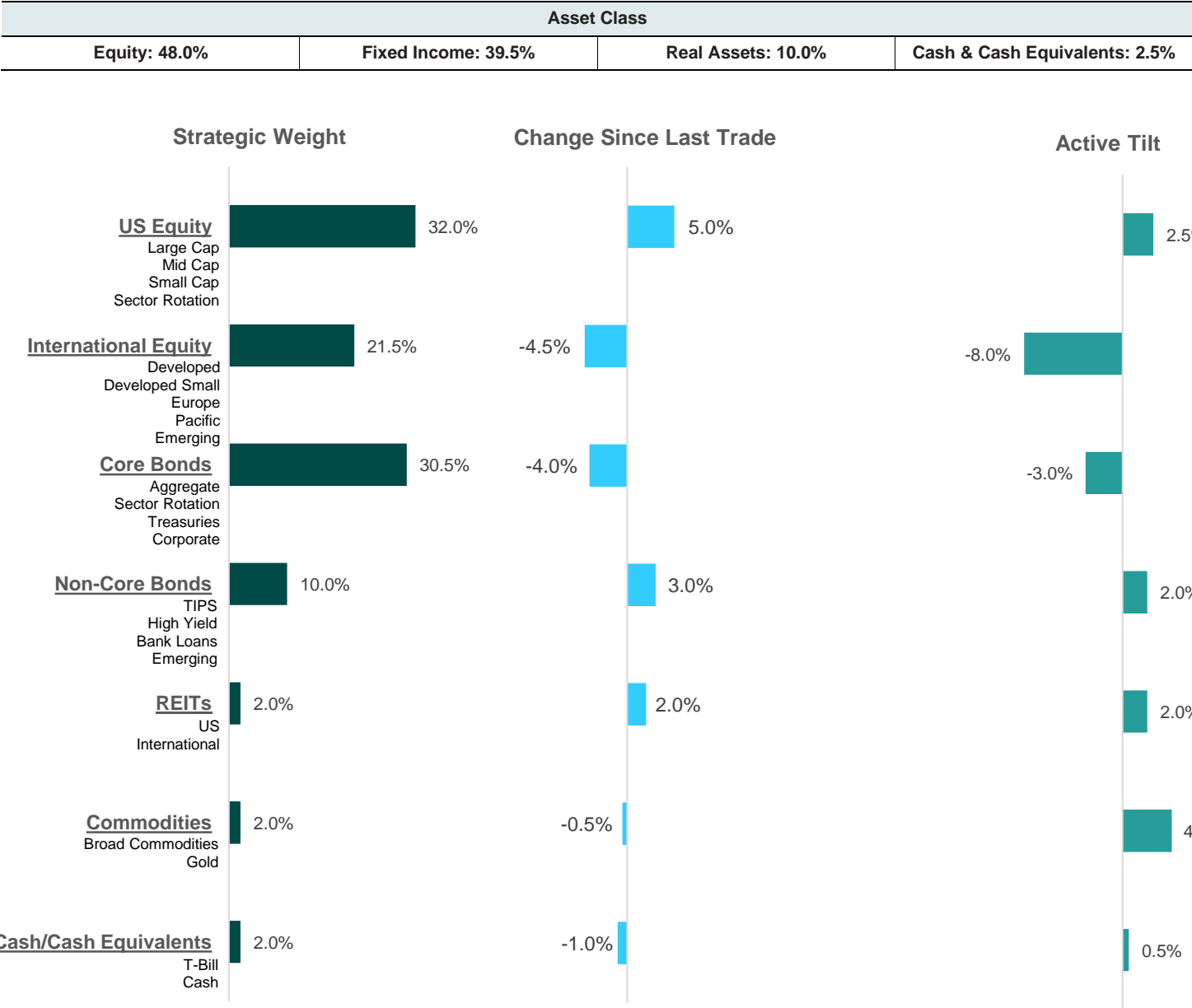
Within equities, our outlook for the US has continued to strengthen following a period of weakness earlier in the year. Meanwhile, our short-term outlook for developed ex-US equity markets deteriorated and consequently, we shifted capital back into domestic equities. The primary driver of this change is sentiment: sales and earnings expectations have meaningfully improved in the US but have weakened across other regions — reversing the trend observed earlier this year. Additionally, US equities remain relatively more attractive across the macroeconomic and quality factors we evaluate, further supporting its position.

In fixed income markets, our model has turned less constructive, now projecting no change in interest rate levels. Nonetheless, we maintain a favorable view of credit given that our model anticipates tighter credit spreads, driving our increased allocation to high-yield bonds. This allocation was funded by reducing exposure to intermediate- and long-term US government bonds, where our relative return expectations are less compelling.

Within real assets, our outlook for US real estate investment trusts (REITs) has improved, underpinned by gradually strengthening sentiment indicators and REIT-specific factors, such as our assessment of credit risk. While we marginally reduced our gold allocation, we maintain a relative overweight given its technical and fundamental support.

Positioning Update

State Street Global Advisors Active Asset Allocation ETF Portfolio – Moderate



Source: State Street Global Advisors, as of 6/9/2025. Allocation changes are only shown for the Moderate Portfolio. Allocation changes, active weights and benchmark weights may vary for other portfolios. The benchmark is a custom Active Asset Allocation Benchmark. 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 and our positioning for our active portfolio 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**

| Ticker               | Fund  | Conservative (%) 20/80 | Moderate Conservative (%) 40/60 | Moderate (%) 60/40 | Moderate Growth (%) 75/25 | Growth (%) 90/10 | Maximum Growth (%) 98/2 |
|----------------------|---|------------------------|---------------------------------|--------------------|---------------------------|------------------|-------------------------|
|                      | <b>US Equity</b>  | <b>10.0%</b>           | <b>22.5%</b>                    | <b>34.5%</b>       | <b>42.5%</b>              | <b>50.5%</b>     | <b>56.5%</b>            |
| <a href="#">SPY</a>  | SPDR® S&P 500® ETF Trust  | 4.3%                   | 10.3%                           | 15.5%              | 18.3%                     | 21.5%            | 23.0%                   |
| <a href="#">XLSR</a> | SPDR® SSGA US Sector Rotation ETF                                 | 3.8%                   | 8.8%                            | 13.5%              | 16.3%                     | 19.5%            | 21.0%                   |
| <a href="#">SPMD</a> | SPDR® Portfolio S&P 400® Mid Cap ETF                              | 1.0%                   | 1.5%                            | 2.5%               | 3.8%                      | 4.5%             | 6.0%                    |
| <a href="#">SPSM</a> | SPDR® Portfolio S&P 600® Small Cap ETF                            | 1.0%                   | 2.0%                            | 3.0%               | 4.3%                      | 5.0%             | 6.5%                    |
|                      | <b>International Equity</b>                                       | <b>2.0%</b>            | <b>6.5%</b>                     | <b>13.5%</b>       | <b>20.5%</b>              | <b>26.5%</b>     | <b>30.0%</b>            |
| <a href="#">SPDW</a> | SPDR® Portfolio Developed World ex-US ETF                         | 0.0%                   | 0.0%                            | 4.5%               | 8.5%                      | 12.0%            | 12.5%                   |
| <a href="#">GWX</a>  | SPDR® S&P® International Small Cap ETF                            | 0.0%                   | 2.0%                            | 2.0%               | 3.0%                      | 3.5%             | 4.0%                    |
| <a href="#">SPEM</a> | SPDR® Portfolio Emerging Markets ETF                              | 2.0%                   | 4.5%                            | 7.0%               | 9.0%                      | 11.0%            | 13.5%                   |
|                      | <b>Fixed Income</b>   | <b>77.5%</b>           | <b>58.5%</b>                    | <b>39.5%</b>       | <b>24.5%</b>              | <b>9.5%</b>      | <b>0.0%</b>             |
| <a href="#">SPAB</a> | SPDR® Portfolio Aggregate Bond ETF                                | 20.5%                  | 13.3%                           | 6.3%               | 0.8%                      | 0.0%             | 0.0%                    |
| <a href="#">FISR</a> | SPDR® SSGA Fixed Income Sector Rotation ETF                       | 29.5%                  | 22.3%                           | 15.3%              | 9.8%                      | 1.5%             | 0.0%                    |
| <a href="#">TIPX</a> | SPDR® Bloomberg 1-10 Year TIPS ETF                                | 6.0%                   | 4.5%                            | 2.0%               | 0.0%                      | 0.0%             | 0.0%                    |
| <a href="#">SPTL</a> | SPDR® Portfolio Long Term Treasury ETF                            | 1.0%                   | 1.0%                            | 1.0%               | 1.0%                      | 1.0%             | 0.0%                    |
| <a href="#">SRLN</a> | SPDR® Blackstone Senior Loan ETF                                  | 4.5%                   | 3.5%                            | 2.5%               | 2.0%                      | 0.0%             | 0.0%                    |
| <a href="#">EBND</a> | SPDR® Bloomberg Emerging Markets Local Bond ETF                   | 2.5%                   | 2.0%                            | 1.5%               | 1.0%                      | 0.0%             | 0.0%                    |
| <a href="#">EMHC</a> | SPDR® Bloomberg Emerging Markets USD Bond ETF                     | 4.5%                   | 3.5%                            | 3.0%               | 2.0%                      | 0.0%             | 0.0%                    |
| <a href="#">SPIB</a> | SPDR® Portfolio Intermediate Term Corporate Bond ETF              | 1.5%                   | 1.5%                            | 1.5%               | 1.5%                      | 1.5%             | 0.0%                    |
| <a href="#">SPLB</a> | SPDR® Portfolio Long Term Corporate Bond ETF                      | 3.5%                   | 3.5%                            | 3.5%               | 3.5%                      | 3.5%             | 0.0%                    |
| <a href="#">JNK</a>  | SPDR® Bloomberg High Yield Bond ETF                               | 4.0%                   | 3.5%                            | 3.0%               | 3.0%                      | 2.0%             | 0.0%                    |
|                      | <b>Real Assets</b>  | <b>8.0%</b>            | <b>10.0%</b>                    | <b>10.0%</b>       | <b>10.0%</b>              | <b>11.0%</b>     | <b>11.0%</b>            |
| <a href="#">CERY</a> | SPDR® Bloomberg Enhanced Roll Yield Commodity Strategy No K-1 ETF | 2.5%                   | 2.5%                            | 2.5%               | 2.5%                      | 2.5%             | 2.5%                    |
| <a href="#">GLD®</a> | SPDR® Gold Shares   | 3.5%                   | 3.5%                            | 3.5%               | 3.5%                      | 3.5%             | 2.5%                    |
| <a href="#">RWR</a>  | SPDR® Dow Jones® REIT ETF   | 1.0%                   | 3.0%                            | 3.0%               | 3.0%                      | 3.5%             | 4.0%                    |
| <a href="#">RWX</a>  | SPDR® Dow Jones® International Real Estate ETF                    | 1.0%                   | 1.0%                            | 1.0%               | 1.0%                      | 1.5%             | 2.0%                    |
|                      | <b>Cash/Cash Equivalents</b>                                      | <b>2.5%</b>            | <b>2.5%</b>                     | <b>2.5%</b>        | <b>2.5%</b>               | <b>2.5%</b>      | <b>2.5%</b>             |
| <a href="#">BIL</a>  | SPDR® Bloomberg 1-3 Month T-Bill ETF                              | 0.5%                   | 0.5%                            | 0.5%               | 0.5%                      | 0.5%             | 0.5%                    |
| N/A                  | Cash  | 2.0%                   | 2.0%                            | 2.0%               | 2.0%                      | 2.0%             | 2.0%                    |

Source: State Street Global Advisors as of 6/9/2025. 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.

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## Glossary

**Commodities** Basic goods used in commerce that are interchangeable, or “fungible,” with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. For example, crude oil is a commodity that is used to make motor fuels, and heating oil and lubricants.

**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.

**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.

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

**REITs or Real Estate Investment Trust** Companies that own and operate commercial properties, such as office buildings and apartment complexes.

**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.

## Important Information

The views expressed are those of SSGA's Investment Solutions Group (ISG) as of June 9, 2025 and are subject to change based on market and other conditions. This document contains certain statements that

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## Past performance is not a guarantee of future results.

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

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates raise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

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Expiration Date: 6/30/2026