

SPDR Spotlight

The Next Real Estate Magnate? RWR

The Lead

- With the Federal Reserve projected to lower rates over the next few meetings, rate sensitive sectors may more forcefully flip from market laggards to market leaders
- Real Estate has a negative beta to rates (-0.10),¹ and right as the odds of a September (and future months) rate cut have increased, the sector's price momentum has also improved
- Real Estate now has the best 3-month price momentum score among all sectors, but the second worst 6-month score and third worst 12-month score² – illustrating how the recent decline in rates has significantly turned the sector around, with the potential for more upside if rates keep falling, given the sector's negative sensitivity

The Takeaway

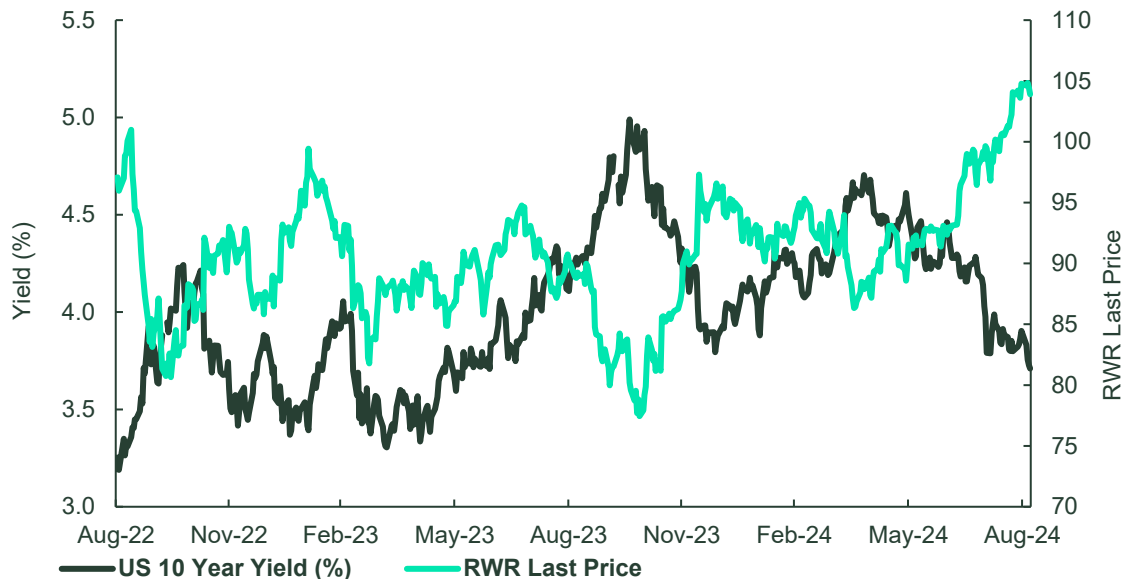
The [SPDR® Dow Jones® REIT ETF \(RWR\)](#) seeks to provide exposure to publicly-traded REITs in the US. And as shown in the chart of the week, its performance has rebounded with rates declining in anticipation of multiple Federal Reserve rate cuts out on the horizon. Yet, this recent surge in momentum has not impaired valuations, given the significant underperformance of the sector leading up to this recent bout of falling rate fueled optimism.

Based on both absolute and relative valuation screens, Real Estate's value score ranks in the top three among all sectors³ – something you can't say for the broader market which still has a price-to-earnings ratio 30% above its long-term average.⁴

Overall, RWR may offer an attractively valued macro fueled momentum sector trade.

Chart of the Week

RWR versus US 10 Year Yield



Source: Bloomberg Finance L.P., as of 9/6/2024. Past performance is not a reliable indicator of future performance.

Standard Performance

		Annualized						Inception Date	Gross Expense Ratio (%)
		YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)		
RWR	SPDR® Dow Jones® REIT ETF (NAV)	-0.67	6.97	-0.33	2.53	4.91	8.46	4/23/2001	0.25
RWR	SPDR® Dow Jones® REIT ETF (MKT)	-0.65	7.03	-0.32	2.53	4.91	8.47		

Source: ssga.com, as of 06/30/2024. **Performance returns for periods of less than one year are not annualized. Past performance is not a reliable indicator of future performance. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. For SPDR ETFs, visit ssga.com for most recent month-end performance.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. The gross expense ratio is the fund's total annual operating expenses ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus.

Footnotes

- 1 – Bloomberg Finance L.P., SPDR Americas Research as of 08/30/2024. Based on monthly returns for the S&P 500 Real Estate Sector and the movements in the US 10 Year Yield from 2014-2024.
- 2 – Factset, SPDR Americas Research as of 08/30/2024. Based on results from Sector scorecard.
- 3 – Factset, SPDR Americas Research as of 08/30/2024. Based on results from Sector scorecard.
- 4 – Factset, SPDR Americas Research as of 08/30/2024. Based on results from Sector scorecard

ssga.com

For Investment Professional Use Only/For Qualified Investor Use Only

Marketing Communication

Important Risk Information

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

All information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

The views expressed in this material are the views of the SPDR Research and Strategy team through the period ended 09/06/2024, and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investing involves risk including the risk of loss of principal.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Real Estate Investment Trusts (REITS) investing may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrowers

The Fund is classified as "diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"); however, the Fund may become "non-diversified," as defined under the 1940

Act, solely as a result of tracking the Index (e.g., changes in weightings of one or more component securities). When the Fund is non-diversified, it may invest a relatively high percentage of its assets in a limited number of issuers

Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of **market stress**.

The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, or other events could have a significant impact on the Fund and its investments.

The information contained in this communication is not a research recommendation or 'investment research' and is classified as a 'Marketing Communication' in accordance with the Markets in Financial Instruments Directive (2014/65/EU) or applicable Swiss regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication is directed at professional clients (this includes eligible counterparties as defined by the appropriate EU regulator who are deemed both knowledgeable and experienced in matters relating to investments. The products and services to which this communication relates are only available to such persons and persons of any other description (including retail clients) should not rely on this communication.

No action has been taken or will be taken in Israel that would permit a public offering of the Securities or distribution of this sales brochure to the public in Israel. This sales brochure has not been

approved by the Israel Securities Authority (the 'ISA').

Accordingly, the Securities shall only be sold in Israel to an investor of the type listed in the First Schedule to the Israeli Securities Law, 1978, which has confirmed in writing that it falls within one of the categories listed therein (accompanied by external confirmation where this is required under ISA guidelines), that it is aware of the implications of being considered such an investor and consents thereto, and further that the Securities are being purchased for its own account and not for the purpose of re-sale or distribution.

This sales brochure may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Nothing in this sales brochure should be considered investment advice or investment marketing as defined in the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 ("the Investment Advice Law"). Investors are encouraged to seek competent investment advice from a locally licensed investment advisor prior to making any investment. State Street is not licensed under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder.

This sales brochure does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Securities offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

United Kingdom: State Street Global Advisors Limited. Authorized and regulated by the Financial Conduct Authority. Registered in England. Registered No. 2509928. VAT No. 5776591 81. Registered office: 20 Churchill Place, Canary Wharf, London, E14 5HJ. T: 020 3395 6000. F: 020 3395 6350.

Intellectual Property Information: The S&P 500® Index is a product of S&P Dow Jones Indices LLC or its affiliates ("S&P DJI") and have been licensed for use by State Street Global Advisors. S&P®, SPDR®, S&P 500®, US 500 and the 500 are trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and has been licensed for use by S&P Dow Jones Indices; and these trademarks have been licensed for certain purposes by State Street Global Advisors. The fund is not sponsored, endorsed, sold or promoted by S&P DJI, Dow Jones, S&P, their respective affiliates, and none of such parties make

any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of these indices.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

State Street Global Advisors Funds Distributors, LLC member FINRA, SIPC, an indirect wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or visit ssga.com Read it carefully.

Not FDIC Insured • No Bank Guarantee • May Lose Value

State Street Global Advisors, One Iron Street, Boston, MA 02210-1641

©2024 State Street Corporation. All Rights Reserved.

Expiration Date: 10/31/2024 1973422.330.1.GBL.INST

Information Classification: Limited Access