SPDR® Emerging Markets ex-China ETF

XCNY

Key Information
Equity

September 2024

- **The SPDR® S&P® Emerging Markets ex-China ETF seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the S&P® Emerging ex-China BMI (the "Index")**
- **The Index is a market capitalization-weighted index of large-, mid-, and small-cap emerging market companies that excludes companies domiciled in China**
- **By removing Chinese equities, XCNY may allow investors to manage their China risk exposure separately, while still seeking high growth and capital appreciation potential from emerging market economies**

Fund Information

Fund Name	SPDR S&P Emerging Markets ex-China ETF
Ticker	XCNY
Inception Date	09/04/2024
Primary Benchmark	S&P Emerging ex-China BMI
Gross/Net Expense Ratio	0.15%/0.15%
Strategy Type	Passive

Source: State Street Global Advisors, as of 09/05/2024.

China's weight in the S&P Emerging Markets BMI has grown over the past two decades (see Figure 1). As a result, China heavily influences the composition and performance of traditional emerging market (EM) indexes. Yet, from a global economy lens, China is underrepresented within the context of a broad global equity portfolio, as China's weight in the S&P Global BMI (2.6%)[1] is well below its weight in the World GDP (17.0%).[2]

This suggests that gaining exposure to China through a traditional EM index results in overweighting the exposure versus other EM nations, while at the same time underweighting it relative to its true economic importance within a global portfolio. As a result, to help manage their China exposure relative to their own risk tolerances and performance goals, investors can pair an EM ex-China strategy with a standalone allocation to China.

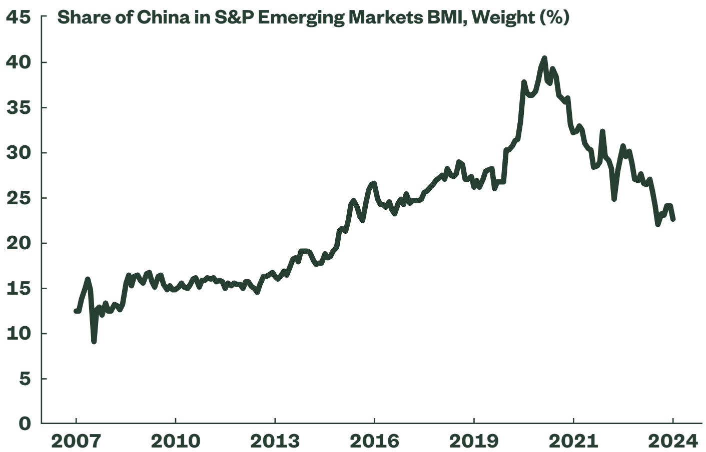
The SPDR® Emerging Markets ex-China ETF seeks to track the performance of the S&P Emerging ex-China BMI. The Index is a float-adjusted market capitalization weighted index designed to define and measure the investable universe of publicly traded companies domiciled in emerging markets, excluding China.

Country classification is reviewed annually and determined based on quantitative criteria and feedback from market participants via a publicly available market consultation. This methodology results in South Korea being classified as a developed country, in contrast to MSCI methodology which treats it as an emerging country. As a result, S&P Emerging ex-China BMI provides greater exposure to high growth nations such as India and Taiwan.[3] Depending on investors' choice of index for exposure to developed international markets, this country classification nuance could also result in a gap or overlap in exposure to South Korea — underscoring the need for due diligence on methodologies.

With this methodology, the S&P Emerging ex-China BMI has consistently outperformed the MSCI Emerging Markets ex-China Index over the past 1-year, 3-year, 5-year and YTD periods, with a lower standard deviation in every period as shown in Figure 2.

Priced at just 15 basis points (bps), XCNY is the lowest-cost fund offering exposure to EM ex-China[4] and may be an ideal complement to the SPDR® S&P China ETF (GXC) — a potential solution to manage China exposure independently.

Figure 1 **Concentration of Chinese Equities in Emerging Market Benchmarks**



Source: Bloomberg Finance L.P., for the period from 06/30/2007 to 06/30/2024.

Figure 2 **Performance Comparison between the S&P and MSCI EM ex-China Indices**

	Year-to-Date		1-Year		3-Year		5-Year		10-Year		Inception-to-Date		Inception Date
	Return (Cuml.)	Std Dev (Ann.)	Return (Cuml.)	Std Dev (Ann.)	Return (Ann.)	Std Dev (Ann.)	Return (Ann.)	Std Dev (Ann.)	Return (Ann.)	Std Dev (Ann.)	Return (Ann.)	Std Dev (Ann.)	
S&P Emerging ex-China BMI TR USD	11.82	6.58	19.14	13.12	6.24	14.70	9.12	19.52	—	—	7.54	18.20	04/05/18
MSCI EM ex China GR USD	9.63	10.61	15.01	16.27	3.01	17.21	7.69	20.36	4.44	17.78	8.60	22.15	31/12/98
Difference	**2.19**	**-4.03**	**4.13**	**-3.15**	**3.23**	**-2.50**	**1.43**	**-0.84**	—	—	—	—	—

Source: Morningstar, as of 07/31/2024. **Past performance is not reliable indicator of future performance.** 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 as applicable.

1 Bloomberg Finance L.P., as of 06/30/2024.
2 World Bank Data Bank, as of 07/01/2024.
3 Bloomberg Finance L.P, as of 06/30/2024.
4 Morningstar, as of 09/05/2024. Based on 17 US domiciled funds in the category of US Diversified Emerging Markets and name containing 'ex-China.'