Commentary
**Active Investing**

**April 2024**

# SPDR® Blackstone Senior Loan ETF

# SRLN

## Portfolio Manager Insights

- **During the first quarter, the Fund returned 1.88% at NAV.**
- **Loan credit selection was a positive contributor to total return during the quarter.**
- **The Fund distribution rate of 8.74% continues to benefit from elevated base rates. We anticipate rates remaining relatively high through 2024.**

## Fund Positioning and Outlook

**Seniority of Loans** We continue to have conviction in loans. The loans in which the Fund invests represent the senior-most obligation in the capital structure, offering downside protection but also compelling yield.[1]

**Credit** The Fund selectively added to risk during the quarter, reducing exposure to BBB- and BB-loans and adding exposure to B-loans. The Fund maintained its underweight to CCC-loans versus its benchmarks.

**Sectors** The Fund's largest industry sector overweight at quarter end was Capital Goods and its largest sector underweight was Software and Services.[2]

## Portfolio Allocation

| Sector | Weight (%) | Change Since Prior Quarter (%) |
|---|---|---|
| **Senior Loans** | 94.86 | 4.33 |
| **High Yield Bonds** | 4.73 | -4.29 |
| **Equity** | 0.41 | -0.04 |

Increase No Changes Decrease

Source: Blackstone, as of March 31, 2024. Allocations are of the as of date indicated, are subject to change, and should not be relied upon as current thereafter.

## Fund Performance

| | SPDR® Blackstone Senior Loan ETF SRLN (NAV) | SPDR® Blackstone Senior Loan ETF SRLN (MKT) | Markit iBoxx USD Liquid Leveraged Loan Index | Morningstar LSTA US Leverage Loan 100 Index |
|---|---|---|---|---|
| **YTD** | 1.87 | 1.93 | 2.18 | 1.99 |
| **1 Year (%)** | 10.64 | 10.94 | 10.6 | 12.16 |
| **3 Year (%)** | 3.57 | 3.66 | 4.49 | 5.53 |
| **5 Year (%)** | 4.12 | 4.16 | 3.87 | 5.14 |
| **10 Year (%)** | 3.38 | 3.38 | 3.18 | 4.11 |
| **Since Inception April 3, 2013 (%)** | 3.28 | 3.29 | 3.22 | 4.08 |

Source: State Street Global Advisors, as of March 31, 2024. **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 maybe higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. Visit ssga.com for most recent month-end performance. Performance returns for periods of less than one year are not annualized.** 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, you returns may differ. 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. Gross Expense Ratio: 0.70% Net Expense Ratio: 0.70%. 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.

## Endnotes

1 This product is subject to the risk of capital loss and investors may not get back the amount originally invested.

2 Overweight and underweight stats based on the Fund's allocation relative to the Morningstar LSTA US Leveraged Loan 100 Index.

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**Important Risk Information**

Investing involves risk including the risk of loss of principal.

This communication is not intended to be an investment recommendation or investment advice and should not be relied upon as such.

The views expressed in this material are the views of Portfolio Management Team at Blackstone Capital, LLC through the period ended March 31, 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.

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The value of the debt securities may increase or decrease as a result of the following: market fluctuations, increases in interest rates, inability of issuers to repay principal and interest or illiquidity in the debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. This may result in a reduction in income from debt securities income.

Investments in Senior Loans are subject to credit risk and general investment risk. Credit risk refers to the possibility that the borrower of a Senior Loan will be unable and/or unwilling to make timely interest payments and/or repay the principal on its obligation. Default in the payment of interest or principal on a Senior Loan will result in a reduction in the value of the Senior Loan and consequently a reduction in the value of the Portfolio's investments and a potential decrease in the net asset value ("NAV") of the Portfolio.

The fund is actively managed. The sub-adviser's judgments about the attractiveness, relative value, or potential appreciation of a particular sector, security, commodity or investment strategy may prove to be incorrect, and may cause the fund to incur losses. There can be no assurance that the sub-adviser's investment techniques and decisions will produce the desired results.

Actively managed funds do not seek to replicate the performance of a specified index. The fund is actively managed and may underperform its benchmarks. An investment in the fund is not appropriate for all investors and is not intended to be a complete investment program. Investing in the fund involves risks, including the risk that investors may receive little or no return on the investment or that investors may lose part or even all of the investment.

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.

Investing in high yield fixed income securities, otherwise known as "junk bonds", is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

There can be no assurance that a liquid market will be maintained for ETF shares.

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