

SPDR Spotlight

# Prepare for Euro 2024

## The Lead

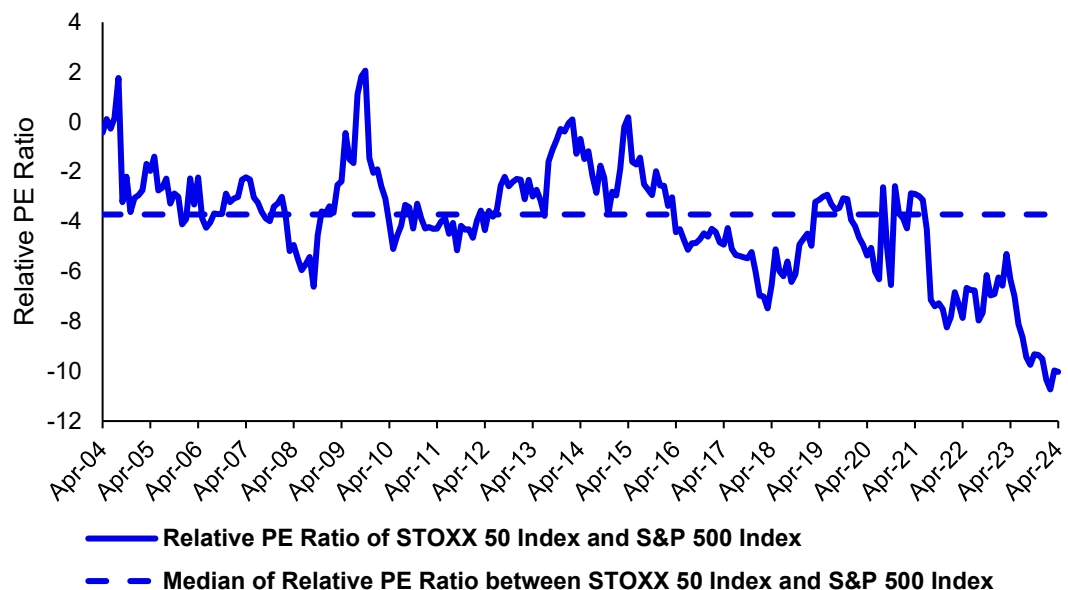
- Driven by the continued strength of the US Tech sector, the US share in the MSCI World Index continues to hover near all-time highs of 70%, which increases the benefit of seeking additional diversification through increased exposure through Eurozone equities
- While US inflation surprised to the upside for three straight months, potentially delaying the first rate cut by the Fed, the ECB has shown more confidence on the disinflation trends in the Eurozone, signaling a rate cut in June
- Eurozone equities' valuations relative to US are at record lows (see chart below), which might potentially reverse as value and cyclical exposures gain momentum

## The Takeaway

Despite the region's weaker growth than the US and the ongoing Russian-Ukraine war, Eurozone equities' relative valuations look attractive given expectations for the ECB to front-run the Fed in interest rate cuts coupled with early signs of an economic turnaround. Steady employment and strong real wage gains have boosted consumer income, potentially lifting consumer spending and supporting economic recovery for the rest of this year. To improve equity portfolio diversification and position for a potential economic recovery in the Eurozone, consider an allocation to [SPDR<sup>®</sup> Euro Stoxx 50<sup>®</sup> ETF \(FEZ\)](#) which tracks an Index consisting of some of the largest companies in the region. Furthermore, relative valuations in the Eurozone are expected to receive a boost from the ECB's rate-cuts where inflation has moderated as expected, unlike in the US.

## Chart of the Week

*Relative value of the PE Ratio between STOXX 50 Index and S&P 500 Index is in its 99<sup>th</sup> percentile*



Source: Bloomberg Finance L.P., 04/12/2004 to 04/12/2024. Past Performance is not a reliable indicator of future performance

## Standard Performance

		Annualized							Inception Date	Gross Expense Ratio (%)
		<u>1</u> <u>Month</u> <u>h (%)</u>	<u>YTD</u> <u>(%)</u>	<u>1 Year</u> <u>(%)</u>	<u>3 Year</u> <u>(%)</u>	<u>5 Year</u> <u>(%)</u>	<u>10</u> <u>Year</u> <u>(%)</u>	<u>Since</u> <u>Inception</u> <u>(%)</u>		
FEZ	SPDR® EURO STOXX 50 ETF (NAV)	4.12	10.25	20.40	8.78	10.53	5.11	6.91	10/15/2002	0.29
FEZ	SPDR® EURO STOXX 50 ETF (MKT)	3.90	10.12	20.34	8.90	10.57	5.11	6.79		-

Source: ssga.com, as of 03/31/2024. **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., as of 04/12/2024. **Past performance is not a reliable indicator of future performance**

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 04/12/2024, 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.

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

**Non-diversified** funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

**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.

**Foreign (non-U.S.) Securities** may be subject to greater political, economic, environmental, credit and information risks. Foreign securities may be subject to higher volatility than U.S. securities, due to varying degrees of regulation and limited liquidity

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](https://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: 07/31/2024 1973422.308.1.GBL.INST

Information Classification: Limited Access