

State Street Eurozone Value Spotlight Fund

Website disclosure for an Article 8 fund



A. Riepilogo

La politica di investimento di State Street Eurozone Value Spotlight Fund (“**Fondo**”) consiste nell’investire attivamente attraverso la Strategia Fundamental Value Equity del Gestore degli investimenti, escludendo al contempo i titoli sulla base di una valutazione del loro rispetto di determinati criteri ESG ossia di norme internazionali in materia di protezione ambientale e sociale.

Il Fondo promuove caratteristiche ambientali o sociali e, pur non avendo come obiettivo un investimento sostenibile, si prefiggerà di collocare almeno il 25% del suo portafoglio in investimenti sostenibili ai sensi dell’articolo 2(17) del SFDR, avvalendosi della metodologia di valutazione proprietaria del Gestore degli investimenti.

Le caratteristiche ambientali e sociali promosse dal Fondo sono filtri di esclusione e basati su norme applicati al portafoglio del Fondo per escludere i titoli sulla base di una valutazione del loro rispetto dei criteri ESG, ossia norme internazionali in materia di protezione ambientale e sociale. Inoltre, il Fondo promuove caratteristiche ambientali investendo in società che presentano emissioni di carbonio inferiori rispetto all’Indice, misurate utilizzando la media ponderata dell’intensità di carbonio (Weighted Average Carbon Intensity, “**WACI**”).

Il Gestore degli investimenti, per conto del Fondo, investirà attivamente utilizzando la Strategia Fundamental Value Equity, come descritto in maggiore dettaglio nella sezione 8.1 del Prospetto e nel Supplemento pertinente. Questa strategia adotta un processo di ricerca proprietario bottom-up e basato sui fondamentali, volto a identificare società in cui esiste una discrepanza tra il valore intrinseco dell’azienda e il prezzo del suo titolo azionario.

Il Gestore degli investimenti adotta una metodologia ESG vincolante che mira a costruire un portafoglio in cui almeno il 90% del patrimonio del Fondo sia investito in titoli allineati alle caratteristiche ambientali e sociali promosse dal Fondo. La quota rimanente (<10%) del portafoglio, costituita da liquidità e disponibilità liquide equivalenti detenute a discrezione del Gestore degli investimenti, non sarà allineata alle caratteristiche ambientali e sociali promosse.

Il Fondo non si impegna a effettuare investimenti sostenibili ai sensi del Regolamento sulla tassonomia.

Il rispetto delle caratteristiche ambientali viene misurato attraverso una maggiore esposizione del portafoglio del Fondo a società in grado di ridurre le emissioni di carbonio complessive del portafoglio (rispetto all’Indice MSCI EMU (l’“**Indice**”)) misurate utilizzando la WACI. Il rispetto delle caratteristiche ambientali e sociali promosse dal Fondo viene ulteriormente dalla percentuale del portafoglio investita in titoli inclusi nel filtro di esclusione e basato su norme.

Per rispettare le caratteristiche ambientali e sociali promosse dal Fondo, il Gestore degli investimenti applica la Strategia Fundamental Value Equity al fine di costruire un portafoglio concentrato di 30-40 titoli, valutando le emissioni di carbonio delle società beneficiarie degli investimenti. Inoltre, al portafoglio del Fondo viene applicato un filtro negativo e basato su norme allo scopo di scartare i seguenti criteri di esclusione:

- Armi controverse
- Violazioni del Global Compact delle Nazioni Unite
- Carbone termico
- Trivellazione dell'Artico
- Sabbie e scisti bituminosi
- Gravi controversie ESG
- Armi da fuoco civili
- Tabacco

Il Fondo si avvale delle seguenti fonti di dati:

1. MSCI per i parametri WACI
2. MSCI e Sustainalytics per i vagli ESG

SSGA attua un processo di due diligence continua in relazione ai fornitori di dati ESG in base al quale vengono generati rapporti periodici sulla qualità dei dati; può inoltre impegnarsi con i rispettivi fornitori di dati in relazione a problemi inerenti ai dati identificati dai team SSGA.

I dati ESG possono essere basati su determinate ipotesi, previsioni, proiezioni, visioni e opinioni, che a loro volta possono basarsi sulle tendenze di mercato attuali o su eventi futuri previsti. Considerata la natura innovativa e in via di sviluppo dei modelli, delle metodologie e delle ipotesi relativi ai dati e l'incertezza intrinseca nella previsione di eventi futuri, non si può garantire che i dati ESG siano sempre accurati o corretti e che soddisfino le finalità o le esigenze di qualsiasi specifico cliente o investitore. Alcuni dati potrebbero inoltre non essere ottenuti a causa della mancata disponibilità di fonti di dati.

Le politiche di impegno di SSGA non sono direttamente integrate nella strategia di investimento del Fondo. Tuttavia, il programma di Asset Stewardship di SSGA consolida tutte le attività di voto e impegno nelle varie classi di attività, indipendentemente dalla regione geografica o dalla strategia d'investimento, anche per il Fondo.

Per ulteriori informazioni e dettagli, si rimanda alle rispettive sezioni seguenti, al Prospetto e al relativo Supplemento.



B. No sustainable investment objective

The Fund promotes environmental or social characteristics and while it does not have as its objective a sustainable investment, it will seek to invest a minimum of 25% of its portfolio in sustainable investments under article 2(17) of SFDR using the Investment Manager's proprietary assessment methodology.

The Investment Manager applies a negative and norms-based screen to the Fund to screen out securities based on an assessment of their adherence to ESG criteria including securities of companies identified as being non-compliant with UNGC Principles (relating to environmental protection, human rights, labour standards, anti-corruption), and securities of companies associated

with Severe ESG Controversies, controversial weapons, civilian firearms, thermal coal, arctic oil & gas exploration, oil sands extraction and tobacco. By applying the relevant negative and norms-based screen, the Investment Manager deems the Fund's sustainable investments not to cause significant harm to any environmental or social sustainable investment objective.

The Fund considers principal adverse impacts ("PAI") on sustainability factors by applying the negative and norms-based ESG screen prior to the construction of the portfolio. Specifically, the Fund considers:

- Exposure to companies active in the fossil fuel sector
- Violations of UN Global Compact Principles
- Exposure to controversial weapons.

The Fund excludes companies that the Investment Manager has deemed to violate UNGC principles as part of the negative screening utilised by the Fund. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are considered as part of the UNGC principles assessment.



C. Environmental or social characteristics of the financial product

The environmental and social characteristics promoted by the Fund are negative and norms-based screens applied to the portfolio of the Fund to screen out securities based on an assessment of their adherence to ESG criteria, i.e. international norms in relation to environmental and social protection. Specifically, the Fund promotes environmental characteristics through exclusion of investments in companies which violate UNGC principles relating to environment (Principles 7 to 9) and which are active in thermal coal, arctic oil & gas exploration, and oil sands extraction.

The Fund also promotes social characteristics through exclusion of investments in companies which violate UNGC Principles relating to human rights (Principles 1 and 2), labour standards (Principles 3 to 6), anti-corruption (Principle 10) and companies associated with controversial weapons, civilian firearms and tobacco. The UNGC Principles is the world largest corporate sustainability initiative aimed at companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

The Fund may use additional ESG screens from time to time in order to exclude securities based on their involvement with an activity that is deemed non-compliant with one or more of such ESG criteria.

The Fund further promotes environmental and social characteristics through its allocation of a portion of the portfolio to sustainable investments. In order for the security to qualify as a sustainable investment, it must be classified as a "Leader" or "Outperformer" as determined by the Investment Manager using the ESG score generated by its proprietary process.

In addition, the Fund promotes environmental characteristics through investments in companies which exhibit lower carbon emissions than the Index as measured using WACI.

No reference benchmark has been designated to attain the environmental and social characteristics promoted by the Fund.

For further details of the exclusions applied by the Investment Manager at any time please refer to Section G below.



D. Investment Strategy

The Investment Manager, on behalf of the Fund, will invest actively using the Fundamental Value Equity Strategy as further described in section 8.1 of the Prospectus and the Relevant Supplement. This strategy uses a proprietary fundamentally driven and bottom up research process to identify companies with a dislocation between the intrinsic value of the company and the price of its equity security.

In implementing this strategy, the Investment Manager builds a concentrated portfolio of 30-40 securities. The securities in the Fund are selected without taking into account the securities in the Index and the Investment Manager applies the negative and norms-based ESG screen prior to the construction of the portfolio of the Fund and on an ongoing basis.

Application of the ESG screens results in the exclusion of any securities from the portfolio based on an assessment of their adherence to ESG criteria defined by the Investment Manager. The Fund will screen out securities identified as being non-compliant with UNGC Principles relating to environmental protection, human rights, labour standards and anti-corruption, as well as companies associated with Severe ESG Controversies, controversial weapons, civilian firearms and tobacco. The Fund may use additional ESG screening techniques from time to time in order to exclude securities based on their involvement with an activity that is deemed non-compliant with one or more of such ESG criteria referred to in the previous sentence.

The assessment of good governance practices is implemented by the Investment Manager through the assessment of potential investments when implementing the Fundamental Value Equity strategy. The Investment Manager deploys a proprietary governance assessment framework that includes a governance scorecard and a qualitative assessment. The framework considers factors such as board independence, diversity and experience as well as the configuration of executive compensation and accounting and tax compliance. The assessment of good governance practices is further implemented through the negative screening utilised by the Fund. Companies deemed by the Investment Manager to not violate UNGC principles are considered to exhibit good governance. The Investment Manager will only invest in companies that they deem to follow good governance practices.



E. Proportion of investments

The Investment Manager employs a binding ESG methodology which aims to build a portfolio where at least 90% of the Fund's assets are invested in securities which are aligned with environmental and social characteristics promoted by the Fund. The remaining portion (<10%) of the portfolio, consisting of cash as well as cash equivalents in place held at the Investment Manager's discretion, will not be aligned with the promoted environmental and social characteristics.

To the extent that the Fund may use financial derivative instruments, these will not be used to attain the environmental or social characteristics promoted by the Fund.

The Fund does not commit to making sustainable investments within the meaning of the Taxonomy Regulation.



F. Monitoring of environmental or social characteristics

The attainment of the environmental characteristics is measured through achieving a higher exposure of the Fund's portfolio to companies such that the Fund's overall portfolio exhibits lower carbon emissions (relative to the Index) as measured using WACI.

A further attainment of the environmental characteristics promoted by the Fund is measured through:

- % of the portfolio invested in securities that are included in the negative and norms based screen specifically related to environmental characteristics, namely companies violating UNGC Principles in regards to the environment and which are active in thermal coal, arctic oil & gas exploration, and oil sands extraction

The attainment of the social characteristics promoted by the Fund is measured through:

- % of the portfolio invested in securities that are included in the negative and norms based screen specifically related to social characteristics, namely companies violating UNGC Principles and companies associated with controversial weapons, civilian firearms and tobacco.

The environmental and social characteristics are embedded in the investment policy of the Fund and the associated sustainability indicators are monitored by the Investment Manager through its investment oversight program including pre- and post-trade compliance monitoring for ESG screens and regular reviews by a sub-committee of the Investment Manager.



G. Methodologies

The investment policy of the Fund is to invest actively using the Investment Manager's Fundamental Value Equity Strategy while screening out securities based on an assessment of their adherence to certain ESG criteria i.e. international norms in relation to environmental and social protection.

ESG Screens

The ESG screens applied to the Fund include the following:

1. Controversial Weapons
2. UNGC Violations
3. Thermal Coal
4. Arctic Drilling
5. Oil and Tar Sands
6. Severe ESG Controversies
7. Civilian Firearms
8. Tobacco

Further details on the methodologies used for the ESG screens is as follows:

- 1. Controversial Weapons:** Companies with focused involvement in the following controversial weapons are excluded.

Landmines Landmines are explosives that are designed to detonate at the presence, proximity or contact of a person or vehicle. After being planted, antipersonnel mines can remain undetonated for years, posing a serious risk to civilians after a conflict has ended.

Biological and chemical weapons Biological or chemical weapons are munitions that utilize pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties, to inflict death or harm. Either type can be dispersed in gas, liquid, or solid forms. As these munitions are based on organisms or chemicals, civilians are often unintended victims since the impact zone is constrained only by how far the particles can disperse. For biological weapons, person-to-person transmission of the illness can further exacerbate the civilian impact.

Cluster weapons Cluster weapons are air-dropped explosives: bombs, missiles, rockets, or shells that carry sub munitions and disperse them over an area. The sub munitions have a wide impact zone, and often remain undetonated on the ground. These munitions can remain dangerous for years after the conflict has ended, posing a serious risk to civilians.

Depleted Uranium Depleted Uranium (DU) munitions are projectiles (bullets, rockets, etc.) that have been equipped with the radioactive chemical substance DU, a byproduct of the uranium enrichment process used to make nuclear weapons and nuclear-reactor fuel. Because of its high density, DU is often used as a penetrator in ammunition to help pierce armor. However, areas where depleted uranium munitions have been used are exposed to its radioactive qualities, causing people living in the area to be more prone to cancers, congenital birth defects, and other illnesses.

Nuclear Weapons A nuclear weapon is a device that is capable of releasing nuclear energy in an uncontrolled manner, due to fusion and/or fission reactions, making it a highly destructive explosive. The indiscriminate and disproportionate impact on civilians makes nuclear weapons a controversial weapon.

White Phosphorus White phosphorus (WP) is an allotrope of the chemical element phosphorus, which burns fiercely when exposed to oxygen. A WP munition is any projectile (eg flares, grenades, or mortars) that is equipped with WP, in order to act as a smoke-producing agent, or as tracer, illumination, or incendiary munition.

2. **UNGC Principles:** Companies directly complicit in violations of core international norms and conventions, as described in the UNGC Principles are excluded.

The UNGC is the world's largest corporate sustainability initiative with 13,000 participants from 170 countries. It consists of a set of internationally recognized principles that encompass important issues, such as human rights, labour, the environment, and anti-corruption practices. The 10 principles are as follows:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Thermal Coal: Companies involved in the extraction or power generation of thermal coal are excluded.

Arctic Drilling: Companies involved in oil and gas exploration in the Arctic regions are excluded.

Oil and Tar Sands: Companies for whom a meaningful portion of their average daily production comes from oil sands are excluded.

Severe ESG Controversies: Companies involved in incidents/events that may pose business or reputational risk due to the potential impact on stakeholders, the environment, or the company's operations are excluded.

Civilian Firearms: Companies involved in the manufacturing and/or retailing of small arms and associated ammunition/components for civilian use are excluded.

Tobacco: Companies that are involved in the production and manufacturing of tobacco-related products are excluded.

The exclusion list generated by the ESG screening process is updated once per quarter.

The ESG screen methodology and screening criteria applied to the Fund are subject to SSGA's governance approval process.



H. Data sources and processing

The Fund utilises the following data sources:

- MSCI for WACI metric

The Fund utilises the following data sources to derive the ESG screens:

Controversial Weapons State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment

Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

UNGC Violations Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee

Thermal Coal Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Arctic Drilling Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Oil and Tar Sands Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Severe ESG Controversies Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee

Civilian Firearms State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

Tobacco State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

SSGA receives ESG data from a wide variety of data providers covering various themes including, but not limited to, climate, controversies and governance and leverages multisource data architecture for the analysis and dissemination of ESG data.

SSGA implements an ongoing due diligence process in relation to ESG data providers resulting in regular data quality reports. Such process tracks correlation and coverage dimensions of key ESG and climate metrics and scores between a selection of data providers over time for the covered universe. SSGA may engage with the relevant data providers in relation to any data issues identified by the SSGA teams.



I. Limitations to methodologies and data

ESG data may be based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. To assess company involvement in different activities and to estimate revenue shares as accurately as possible, data providers strive to obtain information directly from companies and issuers. Sources of data include annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Given the developing and innovative nature of data models, methodologies and assumptions and the inherent uncertainty in predicting forward-looking events, it cannot be guaranteed that the ESG data is always accurate or correct or that the ESG data will satisfy the aims or requirements of any specific client or investor. Furthermore, there may be data that cannot be sourced due to the lack of availability of data sources.



J. Due diligence

The Investment Manager, on behalf of the Fund, will invest actively using the Fundamental Value Equity Strategy as further described in section 8.1 of the Prospectus and the Relevant Supplement.

This strategy uses a proprietary fundamentally driven and bottom up research process to identify companies with a dislocation between the intrinsic value of the company and the price of its equity security. The Investment Manager employs a negative and norms-based screen prior to the construction of the portfolio and on an ongoing basis.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes

No

While SSGA engagement policies are not directly embedded into the Fund's investment strategy, for SSGA the informed exercise of voting rights coupled with targeted and value-driven engagement is the most effective mechanism of creating value and managing Sustainability Risk for the investors. SSGA's Asset Stewardship programme consolidates all voting and engagement activities across asset classes, irrespective of investment strategy or geographic region. The engagement strategy is built on SSGA's ability to prioritise and allocate resources to companies and issues that have the greatest potential impact. SSGA's Asset Stewardship programme is underpinned by 3 separate pillars, that is, (i) providing information and guidance to investee companies on the development of ESG practices across key issues, (ii) engaging with portfolio companies to encourage transparent,

accountable, high performing boards and companies, and (iii) by exercising voting rights in a manner that reflects long term investment objectives for the purpose of influencing the activity or behaviour of the issuers. To support this process, SSGA has developed proprietary in-house tools to help identify companies for active engagement based on various financial and ESG indicators.



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the Fund?

- Yes
 No

The MSCI EMU Index is a trademark of MSCI Inc.