

TRADE RATIONALE
December 2025

State Street Active Asset Allocation ETF Portfolios

State of the Market Regime Indicator (MRI)



▼ Current ---- Previous MRI plotted as an estimate.

Key Takeaways

- Our Market Regime Indicator (MRI) remained almost unchanged over the past month.
- Although market sentiment deteriorated in the middle of November amidst interest rate concerns and fears of exuberance related to AI stocks, overall market conditions improved toward the tail end of the month and our evaluation of the risk environment finished mostly unchanged month over month.
- Our multi-asset portfolios maintained their target allocations with a healthy overweight to equities, an underweight in fixed income and overweight positions in broad commodities and gold.

Increase

No trades were made

Decrease

No trades were made

Source: State Street Investment Management as of 12/8/2025.

Portfolio Positioning

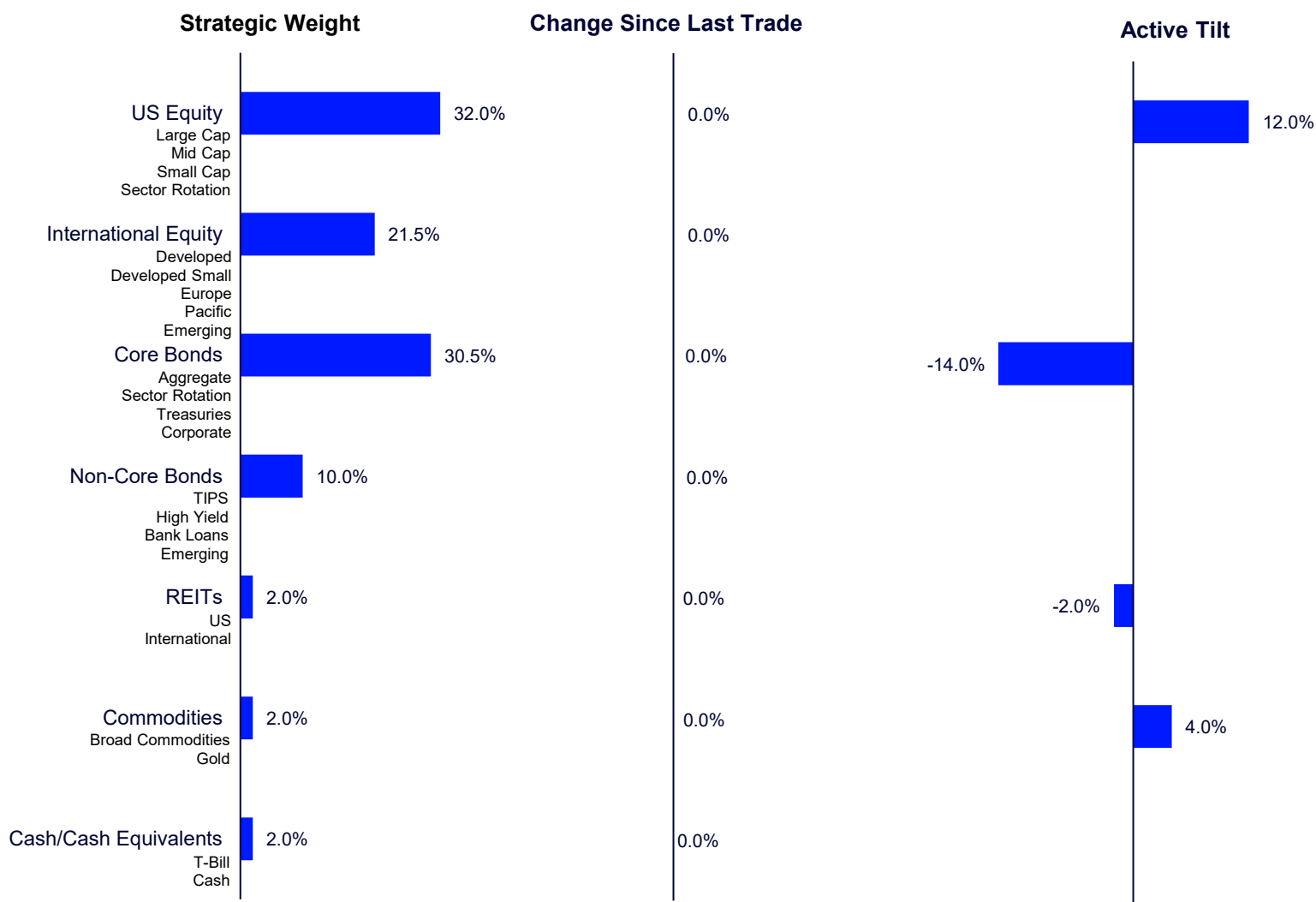
Our portfolio views remain mostly unchanged from our November trade rationale. Our regional equity outlook stays broadly strong, with improvements across most regions and only a slight decline in US small-cap forecasts—which still trend positive. The US continues to rank as our top region, supported by strong signals across nearly all factors except valuations. Outside the US, emerging markets maintain a positive outlook, supported by improved price, momentum, and stronger sentiment indicators.

Within fixed income, bond forecasts remain positive. Our outlook continues to favor long-dated government bonds and long grade investment grade credit, reflecting our conviction that extending duration and improving credit quality positions the portfolio to capture attractive return potential. These changes underscore our commitment to balancing risk and opportunity in a shifting rate environment.

Positioning Update

State Street Active Asset Allocation ETF Portfolio — Moderate

Asset Class			
Equity 65.5%	Fixed Income 26.5%	Real Assets 6.0%	Cash & Cash Equivalents 2.0%



Source: State Street Investment Management, as of 12/8/2025. Allocation changes are only shown for the Moderate Portfolio. Allocation changes, active weights and benchmark weights may vary for other portfolios. The benchmark is a custom Active Asset Allocation Benchmark. Model portfolio positions are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The model portfolio positions presented above are representative of ISG's market views and our positioning for our active portfolio as of the date given. The results shown were achieved by means of a mathematical formula, and are not indicative of actual future results which could differ substantially. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Current Holdings

Ticker	Fund	Conservative (%) 20/80	Moderate Conservative (%) 40/60	Moderate (%) 60/40	Moderate Growth (%) 75/25	Growth (%) 90/10	Maximum Growth (%) 98/2
	US Equity	21.5%	32.5%	44.0%	52.0%	56.5%	59.0%
<u>SPY</u>	SPDR® S&P 500® ETF Trust	13.8%	18.8%	23.5%	26.3%	26.0%	24.5%
<u>XLSR</u>	State Street® US Sector Rotation ETF	3.8%	8.8%	13.5%	16.3%	19.5%	21.0%
<u>SPMD</u>	State Street® SPDR® Portfolio S&P 400® Mid Cap ETF	1.0%	1.5%	2.5%	3.8%	4.5%	6.0%
<u>SPSM</u>	State Street® SPDR® Portfolio S&P 600® Small Cap ETF	3.0%	3.5%	4.5%	5.8%	6.5%	7.5%
	International Equity	6.0%	14.0%	21.5%	28.5%	34.5%	36.0%
<u>SPDW</u>	SPDR® Portfolio Developed World ex-US ETF	2.0%	5.5%	11.0%	15.0%	18.5%	18.0%
<u>GWX</u>	SPDR® S&P® International Small Cap ETF	0.0%	2.0%	2.0%	3.0%	3.5%	4.0%
<u>SPEM</u>	SPDR® Portfolio Emerging Markets ETF	4.0%	6.5%	8.5%	10.5%	12.5%	14.0%
	Fixed Income	64.5%	45.5%	26.5%	11.5%	1.0%	0.0%
<u>SPAB</u>	State Street® SPDR® Portfolio Aggregate Bond ETF	9.5%	2.3%	0.0%	0.0%	0.0%	0.0%
<u>FISR</u>	State Street® Fixed Income Sector Rotation ETF	29.5%	22.3%	10.5%	1.5%	0.0%	0.0%
<u>TIPX</u>	State Street® SPDR® Bloomberg 1-10 Year TIPS ETF	6.0%	4.5%	2.0%	0.0%	0.0%	0.0%
<u>SPTL</u>	State Street® SPDR® Portfolio Long Term Treasury ETF	5.0%	5.0%	5.0%	3.0%	1.0%	0.0%
<u>SRLN</u>	State Street® Blackstone Senior Loan ETF	4.5%	3.5%	2.5%	2.0%	0.0%	0.0%
<u>EBND</u>	SPDR® Bloomberg Emerging Markets Local Bond ETF	2.5%	2.0%	1.5%	1.0%	0.0%	0.0%
<u>EMHC</u>	State Street® SPDR® Bloomberg Emerging Markets USD Bond ETF	4.5%	3.5%	3.0%	2.0%	0.0%	0.0%
<u>SPLB</u>	State Street® SPDR® Portfolio Long Term Corporate Bond ETF	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%
<u>JNK</u>	State Street® SPDR® Bloomberg High Yield Bond ETF	2.0%	1.5%	1.0%	1.0%	0.0%	0.0%
	Real Assets	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%
<u>CERY</u>	SPDR® Bloomberg Enhanced Roll Yield Commodity Strategy No K-1 ETF	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
<u>GLD®</u>	SPDR® Gold Shares	3.0%	3.0%	3.0%	3.0%	3.0%	1.0%
	Cash/Cash Equivalents	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
N/A	Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: State Street Investment Management as of 12/8/2025. Allocations may not sum to 100% due to rounding.

Important Disclosure: The model portfolios primarily utilize ETFs that make payments to SSGA Funds Management, Inc. or its affiliates (collectively "SSGA") for advisory or other services, which presents a conflict of interest for SSGA. Income earned by SSGA would be lower, and the returns generated by implementing one or more model portfolios might be higher, if the model portfolios were to be constructed using ETFs or other investments that do not pay fees to SSGA.

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Glossary

Commodities Basis goods used in commerce that are interchangeable, or “fungible,” with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. For example, crude oil is a commodity that is used to make motor fuels, and heating oil and lubricants.

Emerging Markets Developing countries where the characteristics of mature economies, such as political stability, market liquidity and accounting transparency, are beginning to manifest. Emerging market investments are generally expected to achieve higher returns than developed markets but are also accompanied by greater risk, decreasing their correlation to investments in developed markets.

High Yield A company or bond that is rated ‘BB’ or lower is known as junk grade or high yield, in which case the probability that the company will repay its issued debt is deemed to be speculative.

Real Assets Physical or tangible assets that have value and often are investable. Real assets include precious metals, commodities, real estate, agricultural land and oil, and their inclusion in most diversified portfolios is considered appropriate.

TIPS or Treasury Inflation Protected Securities Treasury securities that are indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are backed by the US government and are thus considered an extremely low-risk investment. The par value of TIPS rises with inflation, as measured by the Consumer Price Index, while the interest rate remains fixed.

Developed Markets Refers to countries or market areas with relatively high levels of economic growth, market liquidity and transparency as well as political stability, rule of law and safety.

Treasuries The debt obligations of a national government. Also known as “government securities,” Treasuries are backed by the credit and taxing power of a country, and are thus regarded as having relatively little or no risk of default.

Small Cap Stocks Stocks with a relatively small market capitalizations — generally companies with market values of between \$300 million and \$2 billion. Small-cap stocks are more volatile than mid- or large-cap stocks, but tend to deliver higher returns over longer time periods.

Yield Curve A graph or line that plots the interest rates or yields of bonds with similar credit quality but different durations, typically from shortest to longest duration. When the yield curve is said to be “flat,” it means the difference in yields between bonds with shorter and longer durations is relatively narrow. When the yield curve is said to be “steep,” it means the difference in yields between bonds with shorter and longer durations is relatively wide.

REITs or Real Estate Investment Trust Companies that own and operate commercial properties, such as office buildings and apartment complexes.

Bond A debt investment in which an investor loans money to an entity — typically a corporate or governmental entity — that borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer.

Important Risk Information

The views expressed are those of SSGA’s Investment Solutions Group (ISG) as of December 8, 2025 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.

Past performance is not a guarantee of future results.

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

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.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

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

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