

# State Street Global Advisors Limited

PRODUCT: S&P 500 INDEX

**ASSET CLASS**  
Equity

**GEOGRAPHIC EMPHASIS**  
US

**STYLE**  
Index Fund

**SUBSTYLE**  
Market Oriented

## OVERALL EVALUATION



**We recommend that clients consider this manager for new placements and additional cash flow where appropriate.**

**Updated By:** Doug Porter  
**Target Excess Return:** 0 to 0 bp  
**Target Tracking Error:** 5 to 5 bp  
**Time Period:** 5 years  
**Russell-Assigned Benchmark:** S&P 500 - Total Return Index

## Discussion

This opinion is also applicable for State Street Global Advisors' (SSgA) products that attempt to replicate the returns of the Russell 1000® Index (including associated style indexes), Russell Top 200® Index, and S&P 400 Midcap.

SSgA is large provider of passively managed index products. The use of crossing networks and its experienced staff have enabled it to deliver competitive results.

We have not evaluated the merits of any specific commingled vehicle. Any separate account would be subject to client guidelines. Clients who are interested in accessing this manager's indexing capability via a commingled vehicle are advised to evaluate the attributes of the manager's peripheral, return enhancing tools. This includes, but is not limited to, the firm's securities lending capability and associated cash vehicles.

## Investment Staff ① ② ③ ④ ⑤

We believe that SSgA's US Equity Index senior professionals are among the most experienced and knowledgeable regarding passive index management issues within the industry. Resources devoted to this area of the firm are sufficient given the number of products and assets managed.

## Organizational Environment ① ② ③ ④ ⑤

SSgA and its parent bank, State Street Corporation, are facing litigation issues, which can lead to instability within the organization. That said, SSgA has a growing and diversified product base that balances passive index, enhanced index, and actively managed mandates. We have historically observed above average turnover within the broader SSgA organization, especially among underperforming teams, but we believe there is little key professional risk in management of the index products due to the structure of the investment process.

## Security Selection ① ② ③ ④ ⑤

This category is not ranked, as SSgA's passive index products do not attempt to add value via stock selection.



**STATE STREET GLOBAL ADVISORS LIMITED****Research** ① ② ③ ④ ⑤

SSgA has an ongoing commitment to researching passive index related issues and offering new products to the marketplace. Research is conducted by Eric Brandhorst, the team's dedicated quantitative analyst, as well as the group's portfolio managers.

**Asset Allocation** ① ② ③ ④ ⑤

Portfolios remain fully invested. As a result, this category is not ranked.

**Portfolio Construction** ① ② ③ ④ ⑤

SSgA fully replicates its large capitalization passive index products. The majority of all trades are crossed internally or on external networks. As a result, SSgA's ability to limit the adverse effect of market impact on benchmark tracking accuracy is greater than most peers.

**Implementation** ① ② ③ ④ ⑤

SSgA is particularly adept at trading implementation and will take advantage of opportunities as they present themselves, particularly during index reconstitution periods.

Management fees are competitive with those quoted by other major passive index providers. In addition, SSgA's willingness to create customized separate accounts for clients, at a relatively low initial asset base and minimum annual fee, is attractive for clients who wish to start a new account with a lower level of assets.

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