
Market Announcement

Investor Communication

SPDR S&P World ex Australia (Hedged) Fund (WXHG)

State Street Global Advisors,
Australia Services Limited

www.ssga.com/au

December 1, 2021

The attached notice will be sent to all investors in WXHG today.

If you have any queries, please contact the registrar, Link Market Services Limited on 1300 665 385.

This announcement has been authorised by:

Peter Hocking

Company Secretary
State Street Global Advisors, Australia Services Limited

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December 1, 2021

Dear Investor,

Important Product Changes to the SPDR® S&P® World ex Australia (Hedged) Fund

We regularly review our ETFs to ensure they continue to meet investors' needs. I am writing to inform you about enhancements being made to the SPDR® S&P® World ex Australia (Hedged) Fund (ASX: WXHG) ("Fund").

Effective from 1 February 2022, the following changes will be made:

- **New benchmark:** S&P Developed Ex-Australia LargeMidCap Carbon Control AUD Hedged Index
- **New fund name:** SPDR® S&P® World ex Australia Carbon Control (Hedged) Fund

While the changes aren't expected to significantly alter the risk / return profile of the Fund, they will give investors exposure to attractive environmental, social and governance (ESG) criteria and greatly reduce the Fund's carbon intensity. The Fund will continue to offer a diverse portfolio of international developed market companies while hedging foreign currency exposures at the same management fee.

These changes allow the Fund to provide exposure to international companies in developed markets with:

- **Improved ESG characteristics:** including the exclusion of companies that derive significant revenue from objectionable practices, industries or product lines.
- **Less carbon:** Using carbon data from a leading provider to greatly reduce average carbon intensity.
- **Similar risk and return characteristics:** Maintaining industry, country and diversification features similar to the current benchmark, the S&P Developed ex-Australia LargeMidCap Index (AUD Hedged).

Do I need to do anything?

- No response or action is required from you as a result of this change.
- Information about the Fund's new features is included in the Supplementary Product Disclosure Statement which is available on our website.

About the new benchmark

The new benchmark is designed to represent the local currency performance of large- and mid-cap companies in developed markets outside Australia, but with a greatly reduced average carbon intensity and with the exclusion of companies that fail to pass ESG-focused screens.

The new benchmark methodology includes:

- **Exclusion of companies:**
 - engaged in fossil fuels, controversial weapons, tobacco, alcohol, gambling and adult entertainment
 - ranked in the bottom 25% of S&P DJI ESG Scores within each global GICS Industry Group
 - involved in severe ESG controversies as assessed by S&P's Index Committee following an S&P Media and Stakeholder Analysis
 - non-compliant with United Nations Global Compact (UNGC) Principles
- **Weighting the remaining companies to minimise the weighted average carbon intensity.** S&P uses an optimisation process to overweight (or underweight) those companies that have lower (or higher) levels of greenhouse gas emissions per unit of revenue. The new benchmark is compared to the parent index, the S&P Developed ex-Australia LargeMidCap Index (AUD Hedged), and constraints are applied to active share, active industry group weights, active country weights and stock level diversification.

For more information on the benchmark methodology, please refer to <https://www.spglobal.com/spdji/en/indices/esg/sp-developed-ex-australia-largemidcap-carbon-control-index/>.

Why are you making these changes?

We are making these changes to meet the evolving needs and demands from investors for improved sustainability and lower greenhouse gas emissions.

How will these changes impact the performance of the Fund?

The performance of the Fund is not expected to be significantly altered by the changes. The new benchmark methodology has been designed to deliver a risk / return profile that is consistent with the current benchmark, the S&P Developed ex Australia LargeMidCap Index (AUD Hedged).

What is the expected portfolio turnover?

We expect one-way turnover of approximately 25% of the Fund's holdings to implement the new benchmark. Portfolio turnover generally involves a number of direct and indirect costs and expenses to the Fund, including, for example, brokerage commissions, dealer mark-ups and bid/offer spreads, and transaction costs on the sale of the securities and reinvestment in other securities. The one-off costs related to portfolio turnover have the effect of reducing the Fund's investment return, and we have estimated (subject to change) the reduction from this change to be approximately 0.05%.

Are there any tax considerations?

Sale of securities by the Fund to implement the new benchmark may result in the Fund realising taxable capital gains, including short-term gains. We expect to include any realised capital gains from the transition in the Fund's distribution for the financial year ending 30 June 2022.

While the amount of the realised gains is hard to predict, it is expected to result in a modestly higher distribution at the end of the financial year.

Questions?

If you have any questions regarding this change or your SPDR ETF investments in general, please contact Link Market Services on 1300 665 385 or email SPDR@linkmarketservices.com.au.

We thank you for your continued support.

Yours sincerely,



Meaghan Victor

Head of SPDR ETF Asia Pacific Distribution

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The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value. ETFs typically invest by sampling an 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. Investing involves risk including the risk of loss of principal. Diversification does not ensure a profit or guarantee against loss.

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