

Women, Philanthropy & Investments

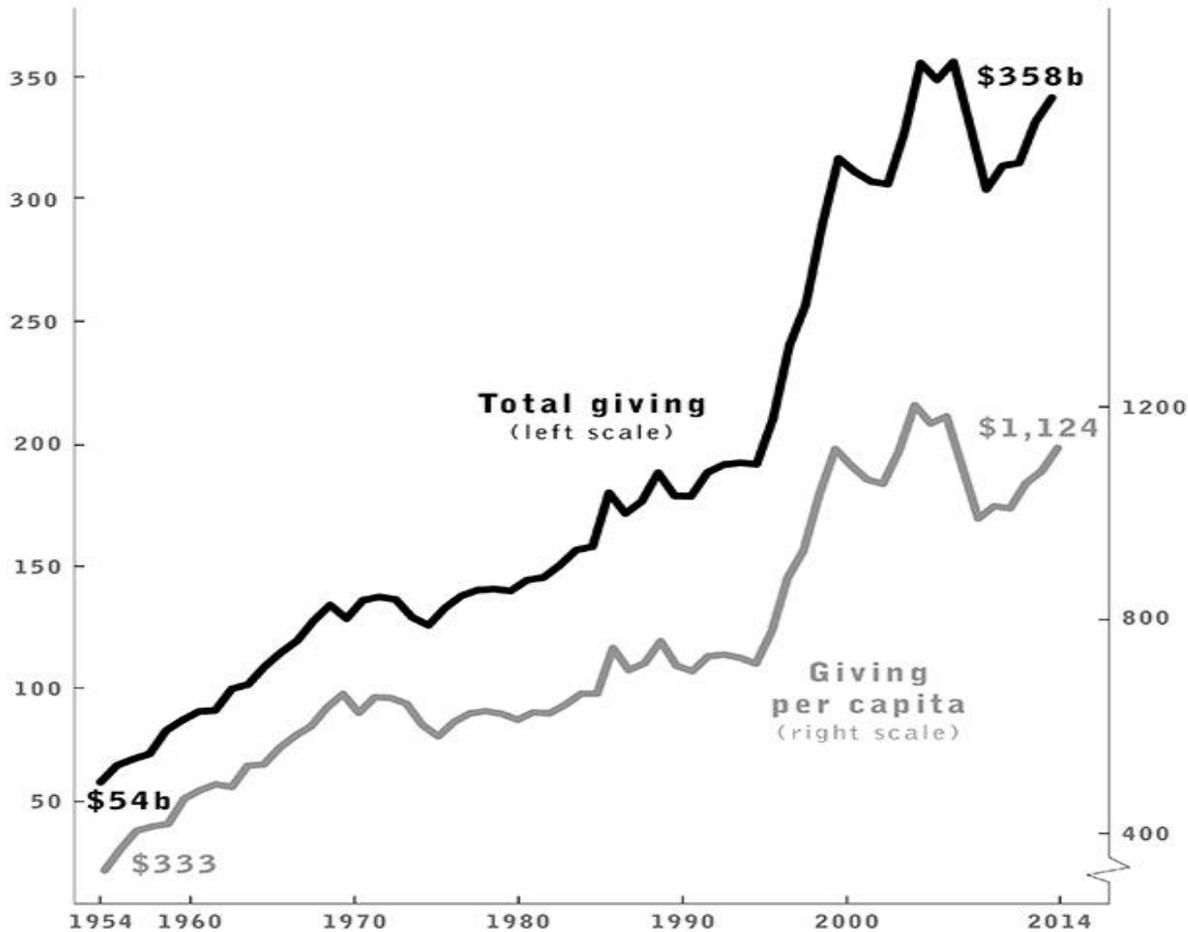
Del Bouafi

May 2, 2018



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And with Change, Comes Opportunity — and the Opportunity to Address the Heart of Wealth Management has Never Been Greater



Charitable giving was more than **6 ½ times** greater and per capita donations were almost **3 ½ times** greater in 2014 than in 1954

The Almanac of American Philanthropy 2015. (www.philanthropyroundtable.org/almanac/statistics/)
Source: Giving USA; US Bureau of the Census.

Generational Wealth Transfer



The Greatest Generation

\$12T



Baby Boomers

\$30T



501c(3) Charities

???



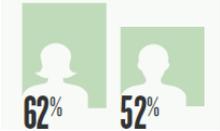
Heirs/Millennials

Source: The Sharpe Group, 2017

What the Numbers Say



- Growth in online giving has recently outpaced overall giving — up 9.2% YOY. Technology has increased transparency which helps investors determine their ultimate impact.



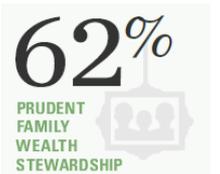
- Significantly more women than men donate to charities and do so more often. Female investors actively seek ways to get more traction and bandwidth in framing the conversation on philanthropy.



- Assets in socially responsible investment (SRI) strategies expanded from \$3.7T in 2012 to \$6.6T in 2014. That's a market share of \$1 in every 5\$ under professional management in the US.



- The next generation of investors is more likely to see socially responsible investing as a natural expression of their own values and beliefs. Millennials place a higher value on making an impact and are investing to pursue values over the long term.



- 62% of investors believe that philanthropy is important to educate the next generation on family values and legacy — why the wealth exists, how to respect it and how to use it wisely. Strategic philanthropy is a way to engage younger generations, through shared values and responsible development.

Source: SSGA, as of 2017.

The Opportunity to Address the Heart of Wealth Management has Never been Greater

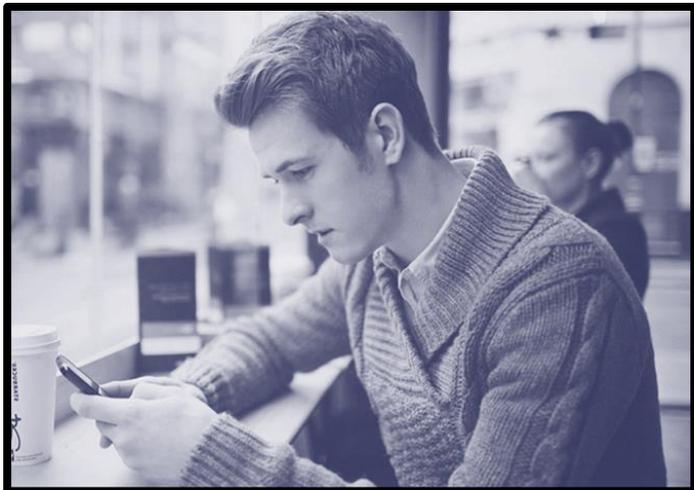
There are multiple reasons to raise the values-based subject and address the way clients think about, use and allocate their wealth

Investment
strategies and
portfolio
optimization

Estate planning
and the legacy
roadmap

Intergenerational
asset continuity
and financial
stewardship

Perpetuating the Mission Over the Long-term: *Millennials and Women are Re-shaping the Approach*



Millennials are more motivated to give by a **sense of purpose** and by making an **impact globally**

Sources:
(Millennials): State Street Global Advisors Survey, "Money in Motion" 2015
(Women): US Trust, *Insights on Wealth and Worth*, 2013

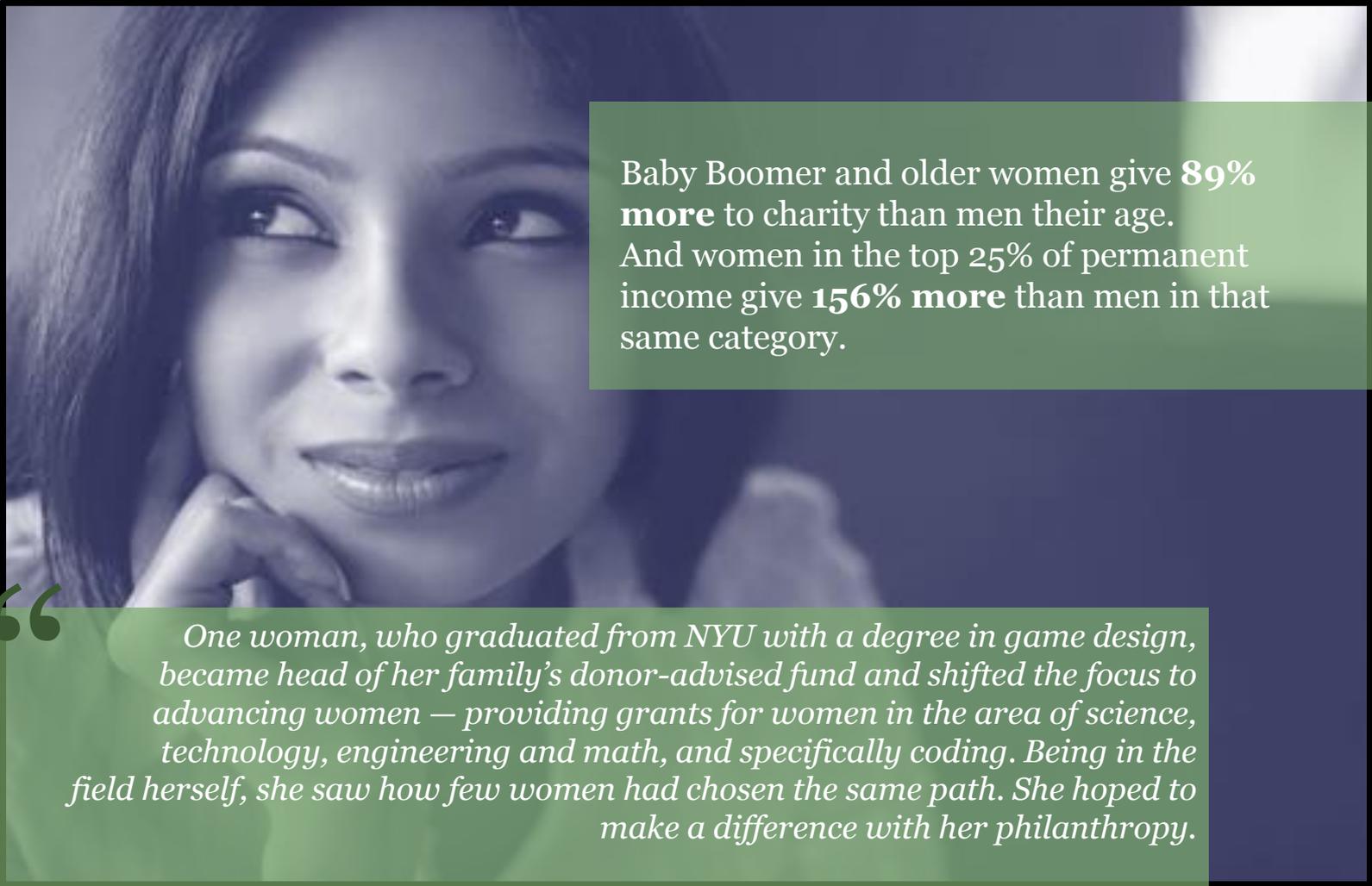
Women are nearly **2X** as likely as men to say that giving back is the most satisfactory aspect of having wealth

Millennials: Empowerment through Participatory Giving



Sources:
(57%): Blackbaud 2013 Generational Giving Report, "How Millennials Are Reshaping Charity And Online Giving" on NPR October 13, 2014
(67%): US Trust study, *US Trust Insights on Wealth and Worth*, 2014

Women: More likely to Donate than Men — and to Donate More



Baby Boomer and older women give **89% more** to charity than men their age. And women in the top 25% of permanent income give **156% more** than men in that same category.

“

One woman, who graduated from NYU with a degree in game design, became head of her family’s donor-advised fund and shifted the focus to advancing women — providing grants for women in the area of science, technology, engineering and math, and specifically coding. Being in the field herself, she saw how few women had chosen the same path. She hoped to make a difference with her philanthropy.

— Wirehouse Managing Director, Philanthropy Program

Source: The Women’s Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy, Accessed at: <http://www.wsj.com/articles/the-gender-gap-in-charitable-giving-1454295689>

Women are Playing an Important Role

Controls **\$11T** in investable assets — and **83%** of all consumer purchases

Expected to control **2/3** of nation's wealth by 2030

9 in 10 will be sole financial decision-maker at some point in their lives

\$11T: Daisy Maxey, "Where are the Female Fund Managers?" The Wall Street Journal, July 6, 2015. Accessed at <http://www.wsj.com/articles/SB11670627175020993366304581066292742744646>
83%: "Who Makes the Call at the Mall, Men or Women?" The Wall Street Journal, April 23, 2011, accessed at <http://www.wsj.com/articles/SB10001424052748703521304576278964279316994>
2/3: Boston College's Center on Wealth Philanthropy, 2009
9 in 10: "Women's Financial Power Grows Faster than Savvy," USA Today, August 17, 2012; <http://usatoday30.usatoday.com/money/perfi/basics/story/2012-08-16/womens-financial-literacy-confidence/57104200/>
Image: Sculpture by Kristen Visbal, commissioned by State Street Global Advisors

Women Give 2016

Shifts in charitable giving with GenX/Millennials:

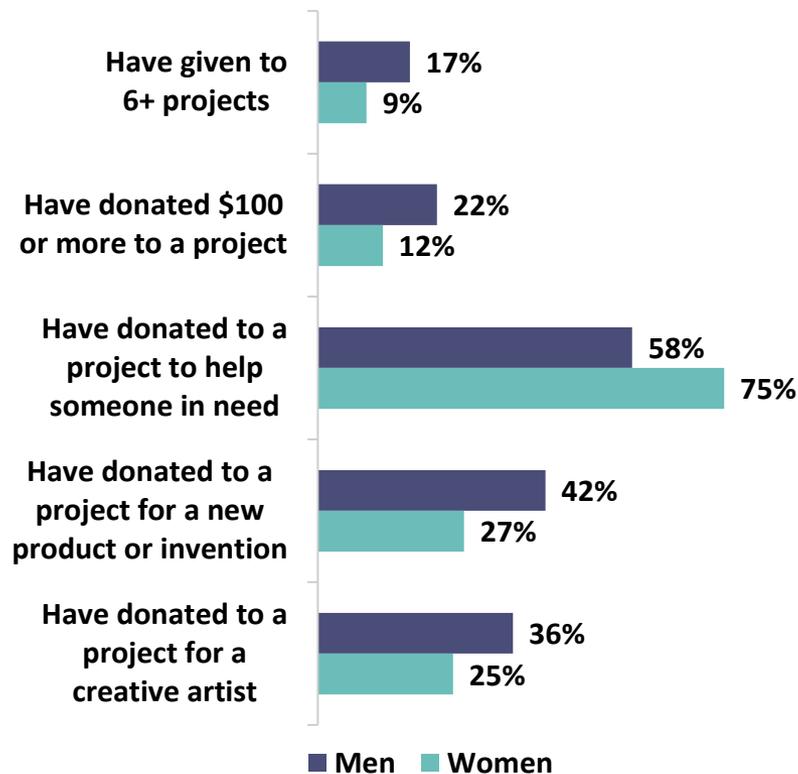
- Married couples whose giving decisions were influenced by women, giving is higher
-
- Married couples who give large amounts, women have more influence
-
- Women's labor force participation and median earnings have seen a steady increase

Source: Women Give 2016, The Women's Philanthropy Institute (WPI) is part of the Indiana University Lilly Family School of Philanthropy

Gender Differences in Crowdfunding Donors

Male and female crowdfunding donors give differently and to different projects

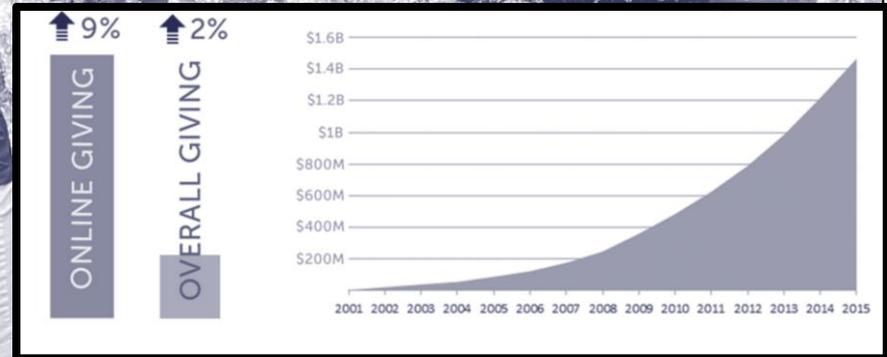
% of male/female crowdfunding donors in US who...



Source: Survey conducted November 24 – December 21, 2015.
“Shared, Collaborative and On Demand: The New Digital Economy”

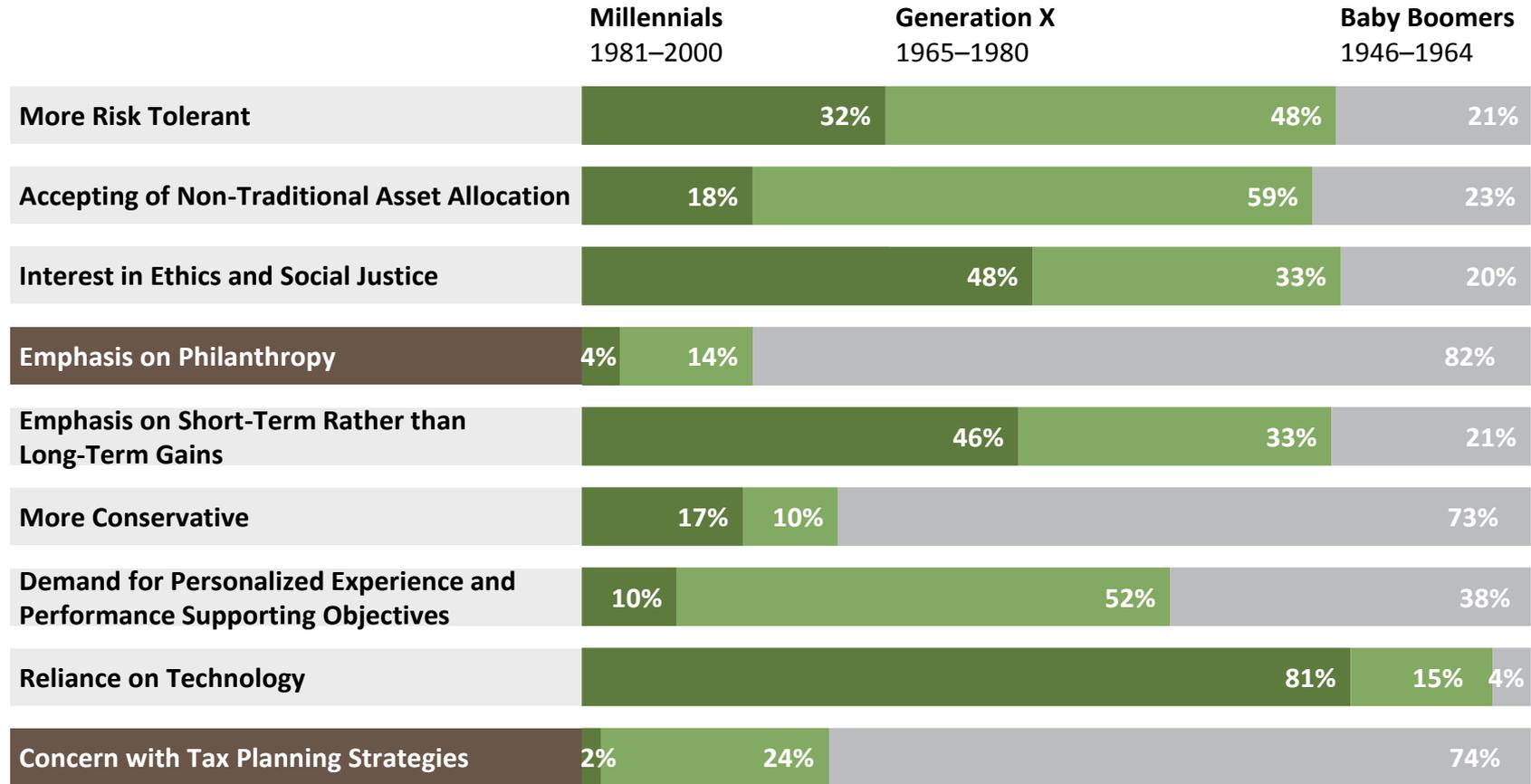
Pew Research Center

Technology is a Significant Player



Source: Network for Good 2015 Digital Giving Index.

Advisor-Observed Behavioral Patterns of the Generations



Q: For which of the following three client types are the following factors most commonly reflected?
 Source: State Street Global Advisors' Survey, "Money in Motion," June 2015.

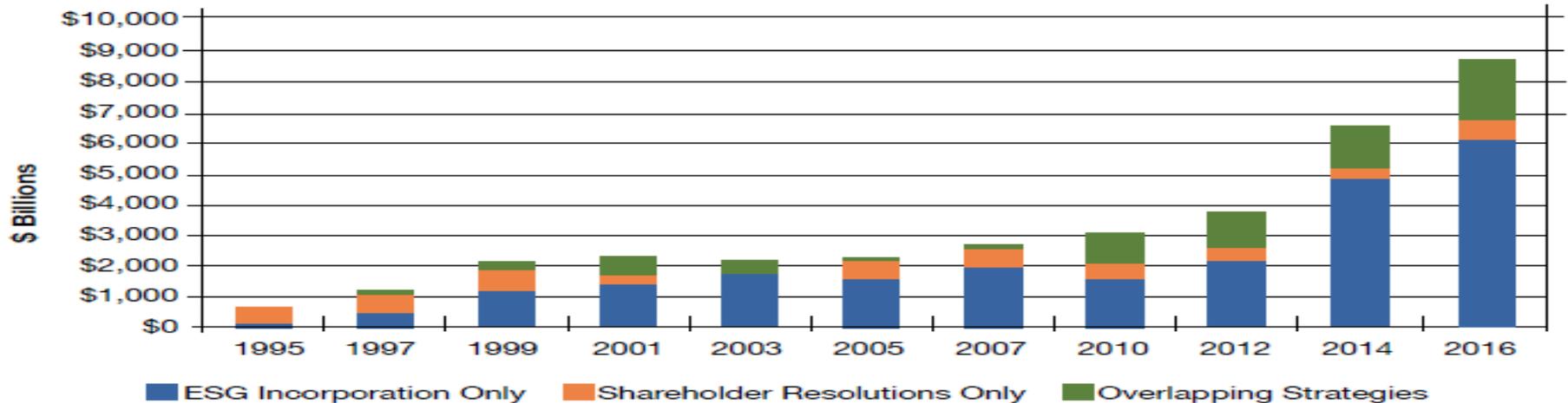
Impact Investing a Growing Trend

The total US assets under management using Sustainable, Responsible Impact Investing (SRI) strategies expanded from **\$3.7 trillion in 2012** to **\$6.6 trillion in 2014**, an increase of **76%**

“

Philanthropy today is also more inclusive. It doesn't require an 'or,' it's an 'and'; an ampersand. People don't have investing and philanthropy separately. There are more opportunities to combine the two through impact investing.

— Wirehouse Managing Director, Philanthropy Program

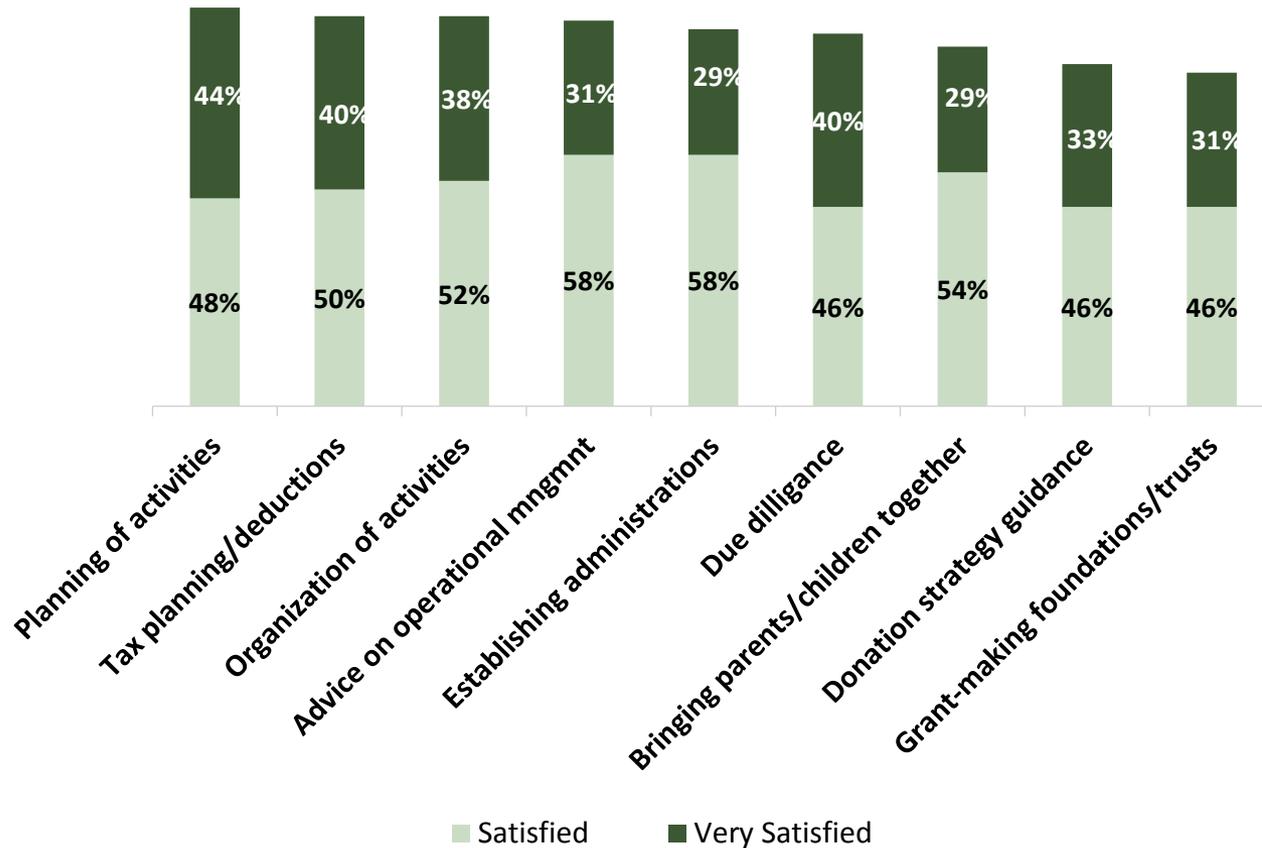


US SIF Foundation Report on US Sustainable, Responsible and Impact Investing Trends 2014.

http://www.ussif.org/files/Trends/US%20SIF%202016%20Trends%20Overview_Foundations.pdf on page 1.

Source: The Forum for Sustainable and Responsible Investment, *US SIF Foundation Biennial Report on US Sustainable, Responsible and Impact Investing Trends: 2016 Trends Report Highlights 2016, 2016*.

Philanthropy can Strengthen and Transform the Client Relationship in an Extraordinary Way



Among investors whose advisor offers philanthropic management, satisfaction with the role their advisor plays is over

80%

in all areas except two.

State Street Global Advisors Philanthropy Omnibus Survey, 2016. 1,100 investment decision-makers with \$200,000 in investable assets were surveyed nationally.

More Satisfied Client — and a Loyalty Driver

Guidance on philanthropy

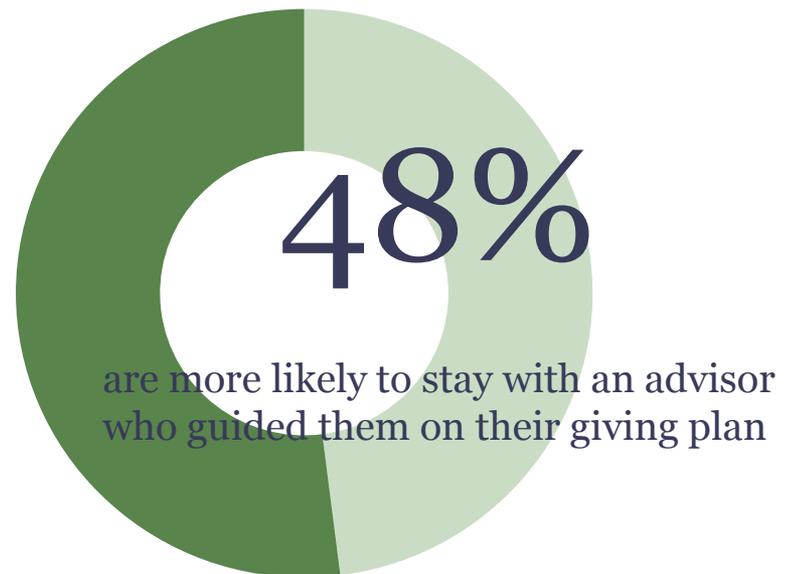
Advisor offers **Very satisfied** 59%

Advisor does not offer **Very satisfied** 42%

Impact Investing

Advisor offers **Very satisfied** 61%

Advisor does not offer **Very satisfied** 45%



State Street Global Advisors' survey, Money in Motion, 2015. 400 financial advisors and 560 individual investors were surveyed nationally.

The Investment Case for Gender Diversity

Executive Summary

SHE is Leadership

- SHE seeks investment in companies with higher levels of senior leadership gender diversity
- SHE is the ticker symbol for the SPDR SSGA Gender Diversity ETF
- SHE tracks a proprietary index of listed US large-capitalization companies (out of the largest 1,000) that are leaders within their respective sectors in advancing women through gender diversity on their boards of directors and in senior leadership

SHE is Influence

- SHE may inspire conversation and action to increase gender equality in company leadership teams

SHE is Impact

- Representing our commitment to the future of women in leadership, SSGA will direct a portion of the SHE revenue to SHE Impacts (a donor- advised fund) to support charities that seek to remove bias and empower young girls and women to take their place in business leadership



Source: SSGA

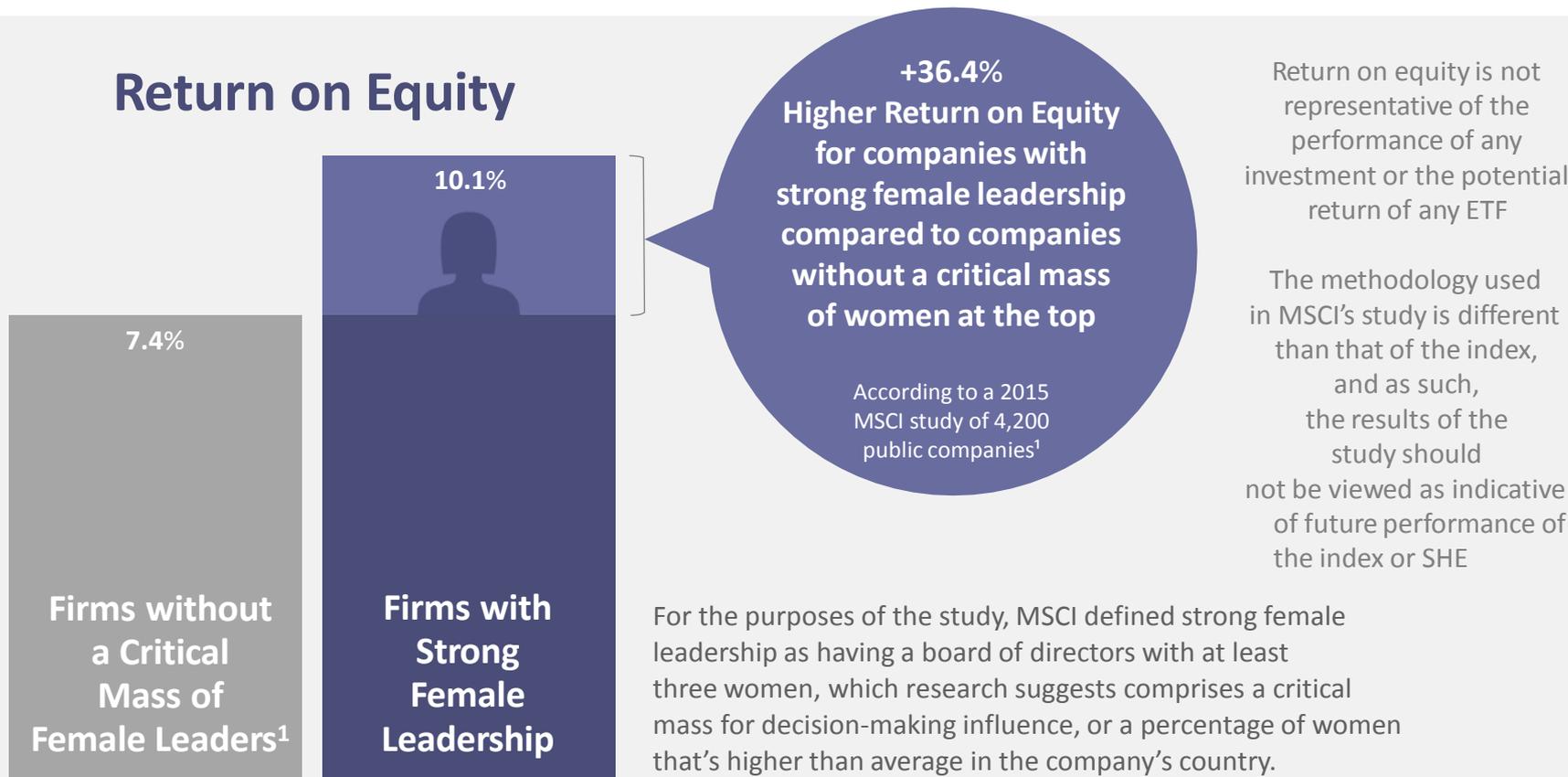
Hunt, Vivian, et al. Diversity Matters. McKinsey & Company. February 2015.

The methodology used in MSCI's and McKinsey's studies is different than that of the index, and as such, the results of the study should not be viewed as indicative of future performance of the index or SHE. Return on equity is not representative of the performance of any investment or the potential return of any ETF.

Why Gender Diversity Matters to Investors

Research has shown that companies with strong female leadership have performed better (as measured by return on equity) than those without a critical mass of female leaders¹

Return on Equity



¹ Lee, Linda-Eling, et al. Women on Boards: Global Trends in Gender Diversity on Corporate Boards, MSCI, November 2015. Accessed on February 17, 2016. at: <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>. Past performance is not a guarantee of future results.

Why Gender Diversity Matters to Investors

Research has show that companies that have increased gender diversity amongst their senior leadership have seen gains in profitability¹

Going from having no women in corporate leadership (the CEO, the board, and other C-suite positions) to a **30% female share** is associated with:



+15%
Increase
in Profitability

100 bps
Increase
in Net Profit Margin

According to a 2014 Peterson Institute of International Economics study of 21,980 public companies¹

Profitability and increase in profit margin are not representative of the performance of any investment or the potential return of any ETF

The methodology used in this study is different than that of the index, and as such, the results of the study should not be viewed as indicative of future performance of the index or SHE

¹ Marcus Noland, Tyler Moran, and Barbara Kotschwar Is Gender Diversity Profitable? Evidence from a Global Survey, Peterson Institute for International Economics, February 2016. Accessed on February 19, 2016 at: <http://www.piie.com/publications/wp/wp16-3.pdf>. Past performance is not a guarantee of future results.

Despite the Benefits, US Companies have a Dearth of Women in Leadership

Representation of Women in S&P 500 Companies

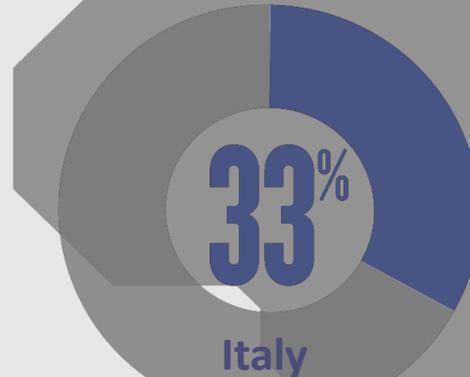
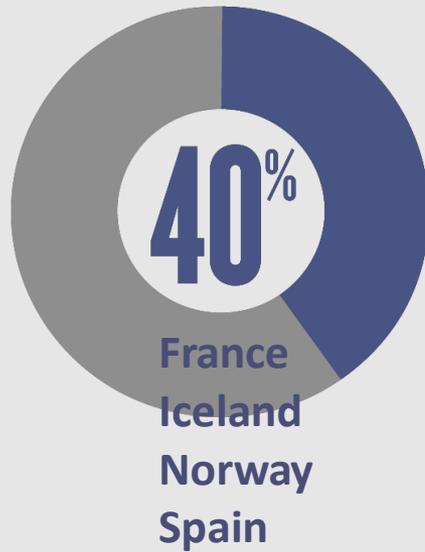


The graphic above is for illustrative purposes only and is not drawn to scale. Sources: Catalyst. As of September 30, 2015. Catalyst, Women CEOs of the S&P 500 (2015). Catalyst, 2014 Catalyst Census: Women Board Directors (2015). US Equal Employment Opportunity Commission (EEOC), "2013 EEO-1 Survey Data." S&P 500 is owned by S&P Dow Jones Indices LLC.

Regulation Trending Toward Gender Diversity — Around the World

Minimum Thresholds on Board Composition

(% of Females Required)



Source: SSGA. As of December 31, 2015.

New Approaches to Solving the Problem

The 30% Club

- Launched in the UK in 2010 with a goal of achieving a minimum of 30% women on FTSE-100 boards by end of 2015
- As of November 2015, the figures stood at 26.1% up from 12.5% (<http://30percentclub.org/>)

The Thirty Percent Coalition

- National US organization of more than 80 members committed to the goal of women holding 30% of board seats across public companies
- Twenty-seven industry leaders, including senior business executives, national women's organizations, institutional investors, corporate governance experts and board members gathered for a high-level summit in late 2011 to address the lack of gender diversity in corporate boardrooms
- Prompted by what participants called "glacial progress" on increasing the number of women on boards, the Thirty Percent Coalition

Institutional Investor Influence

CalSTRS, CalPERS

131 California companies contacted, 15+ new women board members within 4 months

NY City Pension Fund

Targeting 24 companies with no or minimal gender diversity on the board

Source: SSGA. As of December 31, 2016.

Exerting Influence



By investing in companies with gender-diverse senior leadership, we believe investors may inspire conversations and action to increase gender diversity in company leadership teams

Key Takeaways

- Frame conversations around philanthropy not just in terms of tax benefits; appeal to investors who want to give back
- Position philanthropy and mission-based investing as part of a comprehensive wealth management service
- Research shows that companies that have increased gender diversity amongst their senior leadership have seen gains in profitability and performance¹

¹ Marcus Noland, Tyler Moran, and Barbara Kotschwar Is Gender Diversity Profitable? Evidence from a Global Survey, Peterson Institute for International Economics, February 2016. Accessed on February 19, 2016.

Appendix A: Important Disclosures

Important Risk Disclosures

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.

Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Equity securities are volatile and can decline significantly in response to broad market and economic conditions.

Non-diversified funds that focus on a relatively small number of [stocks, issuers, countries] tend to be more volatile than diversified funds and the market as a whole.

Passively managed funds hold 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.

Concentrated investments in a particular industry or sector may be more vulnerable to adverse changes in that industry or sector.

Gender Diversity Risk The returns on a portfolio of securities that excludes companies that are not gender diverse may trail the returns on a portfolio of securities that includes companies that are not gender diverse.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Important Disclosures

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Investing involves risk including the risk of loss of principal.

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 www.spdrs.com. Read it carefully.

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.

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Appendix B: Biography

Biography



Delizia M. Bouafi

Del Bouafi is a Vice President of State Street Global Advisors and a Senior Portfolio Manager in the firm's Investment Solutions Group dedicated to Charitable Asset Management. She is responsible for assisting clients in the development of asset allocation and investment strategies for their planned giving portfolios.

Previous to joining the ISG team she was a Portfolio Specialist covering Global Active Quantitative Equities. She was responsible for portfolio management, research, product development and positioning across multiple strategies within this group. Del began her career at SSGA as an associate in the Advanced Research Center (ARC). Del has been working in the investment industry since 2001.

Del received a Bachelor of Science degree in Finance from Bentley University.