



## Investors Exchange Product Information Circular 2016 - 0501

**Date:** August 31, 2016

**Re:** SPDR Series Trust

Investors Exchange LLC commenced operating as a national securities exchange on August 19, 2016 followed by a two-week security-by-security phase-in period. This Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to IEX Rule 16.160, and will begin trading on IEX during the phase-in period. See [the Exchange’s Website](#) for the phase-in schedule.

<b>Security</b> (“Shares”)	<b>Symbol</b>
SPDR Barclays Capital Short Term International Treasury Bond ETF	BWZ SPDR
Barclays Capital Mortgage Backed Bond ETF	MBG

**Issuer:** SPDR Series Trust (the “Trust”)

**Issuer Website:** [www.SPDRETFs.com](http://www.SPDRETFs.com)

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-09-14 (January 27, 2009)

**Issuer Registration Statement:** Nos. 811-08839 and 333-57793

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the “Issuer Disclosure Materials.”

### **Background Information on the Funds**

As more fully explained in the Registration Statement for the Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”), and currently consists of 48 investment series, including the Funds.

The SPDR Barclays Capital Short Term International Treasury Bond ETF investment objective is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of an index that measures the short-term (1-3 year remaining maturity) fixed rate, investment grade debt issued by foreign governments of investment grade countries. The Fund uses a passive management strategy designed to track the price and yield performance of the Barclays Capital 1-3 Year Global Treasury ex-US Capped Index (the “Short Term International Treasury Index”). The Short



Term International Treasury Index measures the performance of fixed-rate local currency sovereign debt of investment-grade countries outside the United States that have remaining maturities of one to three years. As of December 31, 2008, there were 229 issues from 21 countries denominated in 14 currencies included in the Index.

The SPDR Barclays Capital Mortgage Backed Bond ETF investment objective is to provide investment results that, before fees and expense, correspond generally to the price and yield performance of an index that tracks the U.S. agency mortgage pass-through sector of the U.S. investment grade bond market. The Fund uses a passive management strategy designed to track the price and yield of the Barclays Capital U.S. MBS Index (the "MBS Index"). The MBS Index measures the performance of the

U.S. agency mortgage pass-through segment of the U.S. investment grade bond market. The term "U.S. agency mortgage pass-through security" refers to a category of pass-through securities backed by pools of mortgages and issued by one of the following U.S. government-sponsored enterprises: Government National Mortgage Association ("GNMA"); Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC"). As of December 31, 2008, the Index included 1,727 issues.

SSgA Funds Management, Inc. is the investment adviser to the Funds. State Street Global Markets, LLC is the distributor for the Funds ("Distributor"). State Street Bank and Trust Company is the custodian, administrator, fund accounting agent and transfer agent for the Funds.

As described more fully in the Trust's prospectus ("Prospectus") and Statement of Additional Information ("SAI"), the Funds will issue and redeem Shares on a continuous basis, at its net asset value ("NAV"), only in large blocks of 200,000 Shares (each, a "Creation Unit"). Creation Units will be issued and redeemed generally in exchange for cash or in kind securities, as the case may be. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Funds.

Dividends from net investment income, if any, will be declared and paid monthly. Net realized capital gains, if any, will be distributed to shareholders at least annually. Distributions may be declared and paid more frequently.

The Depository Trust Company ("DTC") serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share for Funds will be determined each business day, normally at the close of regular trading (ordinarily, 4:00 p.m. Eastern Standard Time) on the New York Stock Exchange. NAV is calculated by dividing the value of the net assets of a Fund (i.e., the total value of its assets less all liabilities) by the number of Shares outstanding, rounded to the nearest cent. NAV will be available from the Distributor and will also be available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trust's registration statement describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the underlying index, visit the Issuer Website.

## **Principal Risks**

Interested persons are referred to the prospectus for a description of risks associated with an investment in the Shares. These risks include the risk that a Fund's return may not match the return of



its index for a number of reasons including the incursion by a Fund of operating expenses and costs not applicable to its index. In addition, as noted in the prospectus, the Shares may trade at market prices that differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares on the Exchange.

### **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

**AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.**

#### **Regulation M Exemptions**

Generally, the Fund is exempted from Rule 101 pursuant to paragraph (c)(4) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Shares to bid for or purchase Shares during their participation in such distribution. The Fund is exempted under Rule 102(d)(4), permitting a Fund to redeem Shares during the continuous offering of Shares.

#### **Rule 10b-17 (Untimely Announcement of Record Dates)**

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

#### **Section 11(d)(1); Rule 11d1-2 (Customer Margin)**

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

#### **SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)**

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component



security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

### **Exchange Rules Applicable to Trading in the Shares**

Trading in the Shares on IEX is subject to IEX trading rules.

### **Trading Hours**

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

### **Delivery of a Prospectus**

IEX Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The prospectus for a Fund does not contain all of the information set forth in the Fund's Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, IEX Rules requires that IEX Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, IEX Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by an IEX member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [*the UTP Derivative Securities*] has been prepared by the [*open-ended management investment company name*] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [*the UTP Derivative Securities*]."

An IEX member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its



customers on the same terms as are directly applicable to IEX member under this rule.

Upon request of a customer, IEX Members also shall provide a copy of the Prospectus.

### **Suitability**

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

### **Trading Halts**

IEX will halt trading in the Shares of a security in accordance with IEX Rules. The grounds for a halt under IEX Rules include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, IEX will stop trading the Shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. IEX Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.