

SPHY

State Street SPDR Portfolio High Yield Bond ETF Analyst Report

The SPDR Portfolio High Yield Bond ETF (SPHY) offers broad exposure to “junk” bonds — debt issued by borrowers with a higher risk of default. For taking on the added risk, investors are rewarded with higher yields than those offered on ultra-safe U.S. Treasuries or investment-grade debt issued by the most creditworthy companies. ETFs offer quite a few high-yield options, including active management, so-called “smart” indexing, and even an ETF that screens junk debt based on environmental, social, and government criteria. Like all SPDR “Portfolio” ETFs, SPHY is competitively priced. It is much cheaper than its largest rivals: the iShares iBoxx \$ High Yield Corporate Bond ETF (HYG) and the SPDR Bloomberg Barclays High Yield Bond ETF (JNK). Yet SPHY has struggled to pick up assets and lacks the liquidity of its competitors.

State Street launched its ultra-low-cost SPDR Portfolio lineup in October 2017 after years of losing market share to cheaper rivals at BlackRock, Schwab, and Vanguard. This was a humiliating setback since State Street essentially founded the modern ETF market in 1993 with the launch of the SPDR S&P 500 ETF Trust (SPY). State Street was late to the ultra-low-cost space — BlackRock launched its low-cost iShares Core series five years earlier — but has pushed hard to make up ground. Many of its SPDR Portfolio funds have been renamed and repriced for this purpose. Prior to September 23, 2019, SPHY traded under the name SPDR ICE BofAML Broad High Yield Bond ETF with the ticker CJNK.

ESG Themes and Scores

5.48/10

ESG Rate

22.76%

Global Percentile

52.56%

Peer Percentile

Performance Data

	SPHY	ETF Database Category Average	Factset Segment Average
1 Month	0.19%	0.41%	0.21%
3 Month	1.25%	1.47%	0.87%
YTD Return	1.62%	1.60%	1.08%
1 Year Return	7.02%	6.47%	4.35%
3 Year Return	9.00%	7.21%	4.53%
5 Year Return	4.45%	2.42%	1.53%

Top 5 Holdings

Symbol	Holding	% Assets
Other	U.S. Dollar	0.76%
Other	EchoStar Corporation 10.75% 30-NOV-2029	0.42%
Other	1261229 B.C. Ltd. 10.0% 15-APR-2032	0.41%
Other	Meridian Arc Holdco LLC 6.25% 30-APR-2031	0.38%
Other	QUIKRETE Holdings, Inc. 6.375% 01-MAR-2032	0.29%

Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.05%
Inception	Jun 18, 2012
Index Tracked	ICE BofAML US High Yield Index

ETF Database Themes

Category	High Yield Bonds
Asset Class	Bond
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Fixed Income: U.S. - Corporate, Broad-based High Yield
Category	Corporate, Broad-based
Focus	High Yield
Niche	Broad Maturities
Strategy	Vanilla
Weighting	Market Value

