

SPIP

State Street SPDR Portfolio TIPS ETF

Analyst Report

The SPDR Portfolio TIPS ETF (SPIP) tracks an index of treasury inflation-protected securities, or TIPS: bonds that feature a principal that adjusts based on certain measures of inflation. SPIP can be useful as a tool for investors who are particularly concerned about inflationary pressures. It is important to note that TIPS are not perfect hedges against inflation; there are some potential drawbacks to using products such as SPIP to hedge against a climb in CPI. But for those looking to use inflation-protected bonds in that capacity, SPIP offers broad TIPS exposure at a reasonable price. Like most SPDR "Portfolio" ETFs, SPIP is priced competitively, somewhere between ultra-low-cost rivals like the Schwab U.S. TIPS ETF (SCHP) — the cheapest as of June 2020 — and higher-priced funds like the iShares TIPS Bond ETF (TIP) or the PIMCO Broad U.S. TIPS Index ETF (TIPZ).

It is worth noting that broad exposure to longer-dated TIPS may expose investors to longer duration, a measure of sensitivity to interest rate moves. (Bond prices typically fall when interest rates rise.) Investors who want to hedge against inflation and changing interest rates might consider short-term TIPS ETFs such as the iShares 0-5 Year TIPS Bond ETF (STIP) or the PIMCO 1-5 Year U.S. TIPS Index ETF (STPZ).

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, including SPIP, have been renamed and repriced for this purpose. Prior to September 23, 2019, SPIP traded under the name SPDR ticker IPE.



ESG Themes and Scores

5.72/10

ESG Rate

26.85%

Global Percentile

16.39%

Peer Percentile

Performance Data

	SPIP	ETF Database Category Average	Factset Segment Average
1 Month	-0.18%	-0.28%	-0.57%
3 Month	0.09%	0.18%	-0.51%
YTD Return	1.49%	1.20%	0.32%
1 Year Return	4.63%	3.79%	1.97%
3 Year Return	3.85%	3.29%	1.98%
5 Year Return	0.97%	1.09%	-0.05%

Top 5 Holdings

Symbol	Holding	% Assets
Other	Government of the United States of America 1.875% 15-	3.56%
Other	Government of the United States of America 2.125% 15-	3.41%
Other	Government of the United States of America 1.875% 15-	3.29%
Other	Government of the United States of America 0.125% 15-	3.15%
Other	Government of the United States of America 1.75% 15-	3.14%

Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.12%
Inception	May 25, 2007
Index Tracked	Bloomberg US Govt Inflation-Linked (1-10 Y)

ETF Database Themes

Category	Inflation-Protected 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. - Government, Inflation-linked Investment Grade
Category	Government, Inflation-linked
Focus	Investment Grade
Niche	Broad Maturities
Strategy	Vanilla
Weighting	Market Value