

# SPSM

## State Street SPDR Portfolio S&P 600 Small Cap ETF Analyst Report

The SPDR Portfolio S&P 600 Small Cap ETF (SPSM) tracks an index of small cap U.S. stocks. The investment thesis behind a small cap investment is the growth factor that comes along with these securities. While mega-cap firms have already hit their peak, smaller companies may be the next juggernaut. The downside to small-cap investing is additional risk. Changes in regulation, credit availability, or product viability could send share prices plummeting. While some exposure to these small companies is healthy for a portfolio, the allocation should be kept relatively low since this market segment experiences extreme volatility. Investors in total-market ETFs already have some allocation to small-caps and should make sure that they're not unintentionally overweighting a risky space. Conversely, investors with strong convictions about small-caps might want to augment a total market fund with SPSM to boost their exposure. Like all of State Street's SPDR Portfolio lineup, SPSM is priced to match or beat rivals like the iShares Core S&P Small Cap ETF (IJR). SPSM has changed its underlying index a couple of times in recent years, but as of January 2020 it tracks the same S&P SmallCap 600 index as IJR and at a lower fee, making it an appealing option for longer-term investors who are looking for growth and aware of the risks that come with small-cap stocks. SPSM still lags IJR in assets though and some short-term traders might prefer IJR's size and liquidity.

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 pretty much 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 "Portfolio" funds, including SPSM, were renamed to October 2017, and traded under x and traded under 2020, it tracked the

### ESG Themes and Scores

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ESG Rate

24.96%

Global Percentile

32.71%

Peer Percentile

### Performance Data

	SPSM	ETF Database Category Average	Factset Segment Average
1 Month	6.80%	4.07%	5.02%
3 Month	18.58%	13.60%	15.38%
YTD Return	22.22%	14.73%	16.83%
1 Year Return	37.81%	29.98%	27.24%
3 Year Return	17.19%	10.29%	9.68%
5 Year Return	6.87%	2.83%	3.75%

### Top 5 Holdings

Symbol	Holding	% Assets
FORM	FormFactor, Inc.	0.62%
BTSG	BrightSpring Health Services, Inc.	0.60%
ESI	Element Solutions Inc	0.59%
MOH	Molina Healthcare, Inc.	0.59%
AGX	Argan, Inc.	0.57%

### Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.03%
Inception	Jul 08, 2013
Index Tracked	S&P SmallCap 600 Index

### ETF Database Themes

Category	Small Cap Blend Equities
Asset Class	Equity
Asset Class Size	Small-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

### FactSet Classifications

Segment	Equity: U.S. - Small Cap
Category	Size and Style
Focus	Small Cap
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

