

## **Important Notice Regarding The Redemption of Your Fund Shares**

### **THE SELECT SECTOR SPDR® TRUST**

#### **The Financial Services Select Sector SPDR® Fund**

*Supplement dated October 14, 2016 to the Prospectus and  
Statement of Additional Information each dated September 2, 2016, as supplemented*

On October 13, 2016, S&P Dow Jones Indices, LLC, the index compilation agent for the Financial Service Select Sector Index (the “Index”), announced its intention to discontinue the compilation of the Index, effective December 20, 2016. In anticipation of the announcement of this change, the Board of Trustees of The Select Sector SPDR Trust unanimously resolved to close The Financial Services Select Sector SPDR Fund (the “Fund”) effective on or about November 21, 2016 (the “Closing Date”).

Accordingly, after the close of business on November 14, 2016, the Fund will no longer accept creation or redemption orders. November 14, 2016 will be the last day of trading of the Fund’s shares on the NYSE Arca, Inc., the Fund’s principal U.S. listing exchange.

Prior to the Closing Date, the Fund will be in the process of closing down and liquidating its portfolio of investments, which will result in the Fund not tracking the Index and increasing its holdings in cash and/or cash equivalents, which may not be consistent with the Fund’s investment objective and principal investment strategy. On the Closing Date, the Fund will cease operations and, in connection with the mandatory redemption of its shares on that date (the “Redemption”), prepare to distribute the proceeds of the liquidation of its assets to shareholders of record as of that date. On or about November 22, shareholders of record on the Closing Date will receive, in connection with the Redemption, a cash distribution equal to the net asset value of their Fund shares as of the Closing Date, which will include any net capital gains and net investment income of the Fund that had not been previously distributed.

Shareholders of the Fund may sell their holdings on the NYSE Arca, Inc. prior to November 15, 2016. Customary brokerage charges may apply to such transactions. From November 15, 2016 through the Closing Date, we cannot assure you that there will be a market for your Fund shares. Effective at the time of the Redemption and thereafter, shareholders of the Fund will have no further rights with respect to their Fund shares, other than to receive payment of the Redemption, as described above. While Fund shareholders remaining on the Closing Date will not incur transaction fees, shareholders generally will recognize a capital gain or loss on the Redemption. Shareholders should contact their tax adviser to discuss the income tax consequences of the Redemption.

Shareholders can call 1-866-732-8673 for additional information.

**PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE**

## Important Notice Regarding Change in Investment Policy

### THE SELECT SECTOR SPDR® TRUST

The Financial Select Sector SPDR® Fund  
The Real Estate Select Sector SPDR® Fund

*Supplement dated September 2, 2016 to the Prospectus dated September 2, 2016 and the Statement of Additional Information (the “SAI”) dated September 2, 2016*

Effective on or about the close of business on September 16, 2016 (the “Rebalance Date”), the Financial Select Sector Index (the “Index”), the underlying index for The Financial Select Sector SPDR Fund (XLF), will be reconstituted by eliminating the stocks of real estate management and development companies and real estate investment trusts (“REITs”) (other than mortgage REITs) (“Real Estate Stocks”). In order for XLF to effectuate a corresponding change to its portfolio, in early September 2016, XLF intends to transfer Real Estate Stocks to The Real Estate Select Sector SPDR Fund (XLRE) in exchange for shares of XLRE. On or about the Rebalance Date, XLF intends to make an in-kind distribution of the XLRE shares to shareholders of XLF such that, following the distribution, XLF will continue to hold stocks included in the reconstituted Index in accordance with its principal investment strategy.

Operating fees and expenses for XLRE are waived through and including the Rebalance Date, such that XLRE will have an expense ratio of zero during that time period. Such waiver has been in effect since July 8, 2016.

Accordingly, the following changes are made to the Prospectus and SAI and will continue in effect through and including the date of the in-kind distribution. Following that date, these changes will be reversed. The investment strategy and non-fundamental policy recited below have been in effect since August 8, 2016.

1. The first sentence of the second paragraph under “The Fund’s Principal Investment Strategy” on page 21 of the Prospectus is deleted and replaced with the following:

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index, either directly or through investment in The Real Estate Select Sector SPDR Fund.

2. On page 18 of the SAI, the third non-fundamental policy is deleted and replaced with the following, in each case solely with respect to XLF:

XLF will, under normal circumstances, invest at least 95% of its total assets in common stocks that compose its relevant Select Sector Index, either directly or through investment in The Real Estate Select Sector SPDR Fund. Prior to any change in the Fund’s 95% investment policy, the Fund will provide shareholders with at least 60 days’ written notice.

The following change is made to the SAI and will continue in effect through September 23, 2016. The non-fundamental policy recited below has been in effect since June 30, 2015.

1. On page 18 of the SAI, the non-fundamental policy relating to investment in securities issued by other investment companies (the fourth non-fundamental policy) shall not apply to XLF.

Furthermore, since June 30, 2016, shares of XLF have not been eligible for further acquisition in excess of the Section 12(d)(1)(A) limits of the Investment Company Act of 1940 under any investing fund agreements with The Select Sector SPDR Trust. Shares of XLF will once again be eligible to be acquired in excess of the Section 12(d)(1)(A) limits of the Investment Company Act of 1940 pursuant to investing fund agreements on or about September 23, 2016.

**PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE**

SELECTSECTORSUPP1



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## Prospectus

**The Consumer Discretionary Select Sector SPDR® Fund (XLY)**

**The Consumer Staples Select Sector SPDR® Fund (XLP)**

**The Energy Select Sector SPDR® Fund (XLE)**

**The Financial Select Sector SPDR® Fund (XLF)**

**The Financial Services Select Sector SPDR® Fund (XLFS)**

**The Health Care Select Sector SPDR® Fund (XLV)**

**The Industrial Select Sector SPDR® Fund (XLI)**

**The Materials Select Sector SPDR® Fund (XLB)**

**The Real Estate Select Sector SPDR® Fund (XLRE)**

**The Technology Select Sector SPDR® Fund (XLK)**

**The Utilities Select Sector SPDR® Fund (XLU)**

Principal U.S. Listing Exchange: NYSE Arca, Inc.

## September 2, 2016

The U.S. Securities and Exchange Commission has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense. Shares in the Funds are not guaranteed or insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. Government, nor are Shares deposits or obligations of any bank. It is possible to lose money by investing in the Funds.



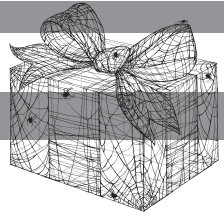
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The Consumer Discretionary Select Sector SPDR Fund



**Investment Objective**

The Consumer Discretionary Select Sector SPDR Fund (the “Fund”) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Consumer Discretionary Select Sector Index (the “Index”).

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Fund Shares”). This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup> . . . . .</b>	<b>0.14%</b>

<sup>1</sup> The Fund’s “Total annual Fund operating expenses” have been restated to reflect reductions in the Fund’s “Distribution and service (12b-1) fees” and “Other expenses”.

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179



### **Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 6.45% of the average value of its portfolio.

### **The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA Funds Management, Inc. (“SSGA FM” or the “Adviser”), the investment adviser to the Fund).

The Index includes securities of companies from the following industries: media; retail (specialty, multiline, internet and catalog); hotels, restaurants and leisure; textiles, apparel and luxury goods; household durables; automobiles; auto components; distributors; leisure products; and diversified consumer services. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P Dow Jones Indices LLC (“S&P DJI”) based on methodology proprietary to S&P DJI and BofA Merrill Lynch Research (“BofA Merrill Lynch”) (S&P DJI and BofA Merrill Lynch, collectively, the “Index Provider”) using a “modified market capitalization” methodology, which means that modifications may be made





to the market capitalization weights of single stock concentrations in order to conform to the requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code" or "IRC"). As of December 31, 2015, the Index was composed of 87 stocks.

The Index is sponsored by the Index Provider and compiled by S&P DJI (the "Index Compilation Agent"). Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

### Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.



**Consumer Discretionary Sector Risk:** The Fund's assets will be concentrated in the consumer discretionary sector, which means the Fund will be more affected by the performance of the consumer discretionary sector than a fund that is more diversified. The success of consumer product manufacturers and retailers is tied closely to the performance of the overall domestic and global economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Also, companies in the consumer discretionary sector may be subject to severe competition, which may have an adverse impact on their respective profitability. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer products and services in the marketplace.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a "non-diversified" fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

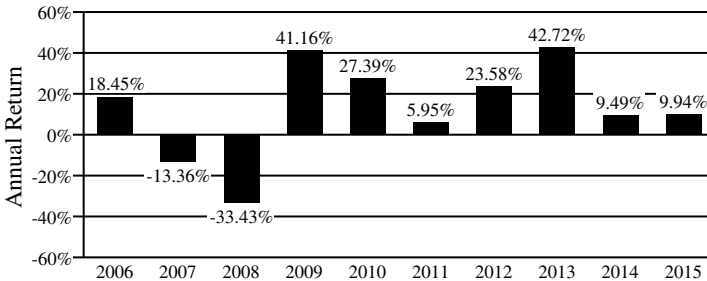
**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 19.24% (Q3, 2009)

Lowest Quarterly Return: -22.81% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 0.61%.



### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>
Return Before Taxes.....	9.94%	17.60%	10.70%
Return After Taxes on Distributions.....	9.55%	17.24%	10.41%
Return After Taxes on Distributions and Sale of Fund Shares.....	5.92%	14.26%	8.82%
The Consumer Discretionary Select Sector Index.....	10.11%	17.86%	10.88%
<small>(Index returns reflect no deduction for fees, expenses or taxes)</small>			

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.



Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

## The Consumer Staples Select Sector SPDR Fund

XSP



## Investment Objective

The Consumer Staples Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Consumer Staples Select Sector Index (the "Index").

## Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

## Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup> . . . . .</b>	<b>0.14%</b>

<sup>1</sup> The Fund's "Total annual Fund operating expenses" have been restated to reflect reductions in the Fund's "Distribution and service (12b-1) fees" and "Other expenses".

## Example:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Year 1	Year 3	Year 5	Year 10
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 2.94% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: food and staples retailing; household products; food products; beverages; tobacco; and personal products. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 38 stocks.

# XLP

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Consumer Staples Sector Risk:** The Fund's assets will be concentrated in the consumer staples sector, which means the Fund will be more affected by the performance of the consumer staples sector than a fund that is more diversified. Consumer staples companies are subject to government regulation affecting their products which may negatively impact such companies'



performance. For instance, government regulations may affect the permissibility of using various food additives and production methods of companies that make food products, which could affect company profitability. Tobacco companies may be adversely affected by the adoption of proposed legislation and/or by litigation. Also, the success of food, beverage, household and personal product companies may be strongly affected by consumer interest, marketing campaigns and other factors affecting supply and demand, including performance of the overall domestic and global economy, interest rates, competition and consumer confidence and spending.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund’s investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including,

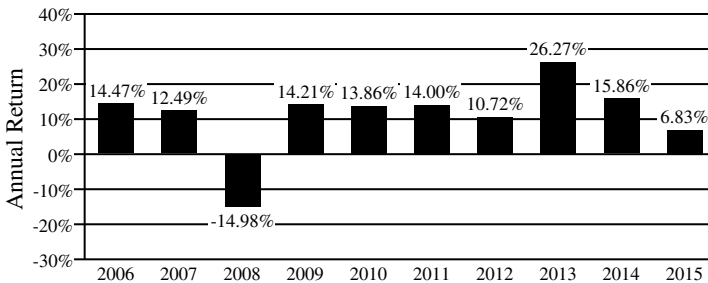


but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 14.59% (Q1, 2013)

Lowest Quarterly Return: -12.29% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 10.44%.

### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements,



such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>
Return Before Taxes . . . . .	6.83%	14.56%	10.88%
Return After Taxes on Distributions . . . . .	6.13%	13.88%	10.34%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	4.33%	11.63%	8.95%
The Consumer Staples Select Sector Index . . . . . <small>(Index returns reflect no deduction for fees, expenses or taxes)</small>	7.00%	14.81%	11.11%

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

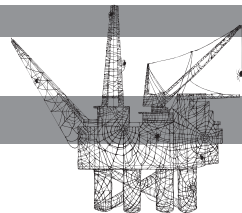
Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

## The Energy Select Sector SPDR Fund



## Investment Objective

The Energy Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Energy Select Sector Index (the "Index").

## Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup></b> . . . . .	<b>0.14%</b>

<sup>1</sup> The Fund's "Total annual Fund operating expenses" have been restated to reflect reductions in the Fund's "Distribution and service (12b-1) fees" and "Other expenses".

### Example:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Year 1	Year 3	Year 5	Year 10
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 5.63% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: oil, gas and consumable fuels; and energy equipment and services. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 40 stocks.



The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Energy Sector Risk:** The Fund's assets will be concentrated in the energy sector, which means the Fund will be more affected by the performance of the energy sector than a fund that is more diversified. Issuers in energy-related industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels. Markets for various energy-related



commodities can have significant volatility, and are subject to control or manipulation by large producers or purchasers. Companies in the energy sector may need to make substantial expenditures, and to incur significant amounts of debt, in order to maintain or expand their reserves. Oil and gas exploration and production can be significantly affected by natural disasters as well as changes in exchange rates, interest rates, government regulation, world events and economic conditions. These companies may be at risk for environmental damage claims.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund’s investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates,

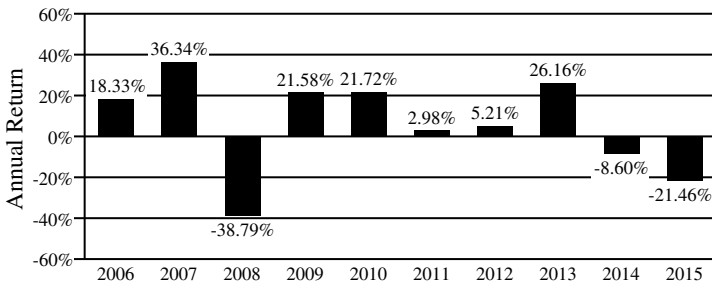


changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 22.12% (Q4, 2010)

Lowest Quarterly Return: -27.52% (Q3, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 14.74%.

### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements,





such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>
Return Before Taxes . . . . .	-21.46%	-0.38%	3.67%
Return After Taxes on Distributions . . . . .	-22.06%	-0.82%	3.32%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	-11.64%	-0.17%	3.01%
The Energy Select Sector Index . . . . . <small>(Index returns reflect no deduction for fees, expenses or taxes)</small>	-21.56%	-0.27%	3.84%

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

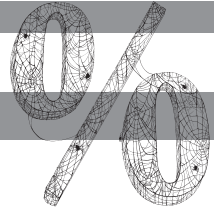
Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

The Financial Select Sector SPDR Fund



**Investment Objective**

The Financial Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Financial Select Sector Index (the "Index").

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

**(expenses that you pay each year as a percentage of the value of your investment):**

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup> . . . . .</b>	<b>0.14%</b>

<sup>1</sup> The Fund's "Total annual Fund operating expenses" have been restated to reflect reductions in the Fund's "Distribution and service (12b-1) fees" and "Other expenses".

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 3.43% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

Until the Rebalance Date (as defined below), the Index includes securities of companies from the following industries: diversified financial services; insurance; banks; capital markets; real estate investment trusts (“REITs”); consumer finance; thrifts and mortgage finance; and real estate management and development. In connection with the establishment of the real estate sector as a separate sector under the Global Industry Classification Standard (“GICS”), on or about the close of business on September 16, 2016 (the “Rebalance Date”) the Index will no longer include real estate management and development companies or REITs (other than mortgage REITs). As a result, after the Rebalance Date, real estate securities will have a significantly smaller effect on the risk and return profiles of the Fund than they had prior to the Rebalance Date. The Financial Services Select Sector SPDR Fund will not invest in real estate management and development companies or REITs, with the exception of mortgage REITs, and, therefore, until



the Rebalance Date, the risk and return profiles of the Fund and The Financial Services Select Sector SPDR Fund will differ. After the Rebalance Date, the risk and return profiles of the Fund and The Financial Services Select Sector SPDR Fund are expected to be the same.

The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 87 stocks.

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund’s performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.



**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Financial Sector Risk:** The Fund's assets will be concentrated in the financial sector, which means the Fund will be more affected by the performance of the financial sector than a fund that is more diversified. Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments affecting real estate could have a major effect on the value of real estate securities (which include REITs). Declining real estate values could adversely affect financial institutions engaged in mortgage finance or other lending or investing activities directly or indirectly connected to the value of real estate. Following the Rebalance



Date, the Fund's exposure to real estate securities will be limited to mortgage REITs.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a "non-diversified" fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

**Mortgage REIT Risk:** Mortgage REITs, which invest the majority of their assets in real estate mortgages, receive principal and interest payments from the owners of the mortgage properties and derive their income primarily from interest payments. Accordingly, mortgage REITs are subject to the credit risk of the borrowers, which refers to the possibility that the borrower will be unable and/or unwilling to make timely interest payments and/or repay the principal on the loan to the mortgage REIT when due. In the event of a default by a borrower, the mortgage REIT may experience delays in enforcing its rights as a mortgagee and may incur substantial costs associated with protecting its investments. Mortgage REITs are subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of the capital markets. Further, mortgage REITs are dependent upon specialized management skills and their investments may not be diversified. Mortgage REITs are also subject to risks related to general and local economic conditions and the real estate market specifically, availability of mortgage funds, changes in interest rates, changes in property values, and borrower prepayment on underlying mortgage loans. In addition, a mortgage REIT could fail to qualify for favorable tax or regulatory treatment.

**Real Estate Securities Risk:** (This risk factor describes the principal risks of the Fund's investments in real estate securities until the Rebalance Date, after which this risk factor will no longer apply to the Fund.) An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.

**REIT Risk:** (This risk factor describes the principal risks of the Fund's investments in REITs (not including mortgage REITs) until the Rebalance Date, after which the Fund's exposure to REITs will be limited to mortgage REITs and this risk factor will no longer apply to the Fund.) REITs are subject to the risks associated with investing in the securities of real property companies. In

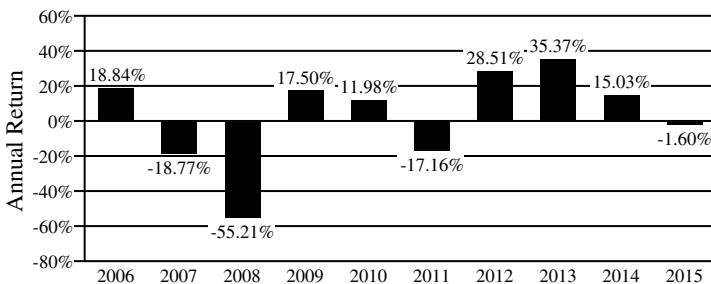


particular, REITs may be affected by changes in the values of the underlying properties that they own or operate. Further, REITs are dependent upon specialized management skills, and their investments may be concentrated in relatively few properties, or in a small geographic area or a single property type. REITs are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets. A variety of economic and other factors may adversely affect a lessee's ability to meet its obligations to a REIT. In the event of a default by a lessee, the REIT may experience delays in enforcing its rights as a lessor and may incur substantial costs associated in protecting its investments. In addition, a REIT could fail to qualify for favorable tax or regulatory treatment.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 35.82% (Q2, 2009)

Lowest Quarterly Return: -36.84% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was -3.09%.





### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	One <u>Year</u>	Five <u>Years</u>	Ten <u>Years</u>
Return Before Taxes . . . . .	-1.60%	10.28%	-0.74%
Return After Taxes on Distributions . . . . .	-2.16%	9.80%	-1.20%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	-0.64%	8.06%	-0.60%
The Financial Select Sector Index . . . . .	-1.53%	10.45%	-0.64%
<small>(Index returns reflect no deduction for fees, expenses or taxes)</small>			

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

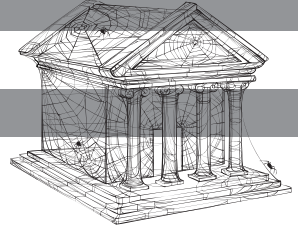
John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.



*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to “Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries” on page 76 of this Prospectus.*

## The Financial Services Select Sector SPDR Fund



## Investment Objective

The Financial Services Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Financial Services Select Sector Index (the "Index").

## Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund ("Fund Shares"). This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses <sup>1</sup> . . . . .	0.81%
<b>Total annual Fund operating expenses . . . . .</b>	<b>0.89%</b>
Less contractual fee waiver <sup>2</sup> . . . . .	0.75%
<b>Net annual Fund operating expenses . . . . .</b>	<b>0.14%</b>

<sup>1</sup> "Other expenses" are based on estimated amounts for the current fiscal year.

<sup>2</sup> SSGA Funds Management, Inc. (the "Adviser") has contractually agreed to waive its advisory fee and reimburse certain expenses, until January 31, 2018, so that the annual Fund operating expenses of the Fund are limited to no more than 0.14% of the Fund's average daily net assets (exclusive of non-recurring account fees and extraordinary expenses). The Adviser may continue such waiver and/or reimbursement from year to year, but there is no guarantee that the Adviser will do so after January 31, 2018. The waiver and/or reimbursement may not be terminated prior to January 31, 2018 except with the approval of The Select Sector SPDR Trust's Board of Trustees.

### Example:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of

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your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Year 1	Year 3
\$14	\$209

### Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. The Fund's portfolio turnover rate has been omitted because the Fund had not commenced investment operations prior to the end of the most recent fiscal year.

### The Fund's Principal Investment Strategy

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days' notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: diversified financial services; insurance; banks; capital markets; consumer finance; thrifts and mortgage finance; and mortgage real estate investment trusts ("mortgage REITs"). Until the Rebalance Date, the risk and return profiles of the Fund and The Financial Select Sector SPDR Fund will differ because, unlike The Financial Select Sector SPDR Fund, the Fund will not invest in real estate management and development companies or REITs, with the exception of mortgage REITs. After the Rebalance

Date, The Financial Select Sector SPDR Fund's investment in such real estate companies will be limited to mortgage REITs, and therefore, the risk and return profiles of the Fund and The Financial Select Sector SPDR Fund are expected to be the same.

The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a "modified market capitalization" methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 62 stocks.

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

### Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Financial Services Sector Risk:** The Fund's assets will be concentrated in the financial services sector, which means the Fund will be more affected by the performance of the financial services sector than a fund that is more diversified. Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial services sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments could adversely affect financial institutions engaged in mortgage finance or other lending or investing activities directly or indirectly connected to the value of real estate.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Mortgage REIT Risk:** Mortgage REITs, which invest the majority of their assets in real estate mortgages, receive principal and interest payments from the owners of the mortgage properties and derive their income primarily from interest payments. Accordingly, mortgage REITs are subject to the credit risk of the borrowers, which refers to the possibility that the borrower will be unable and/or unwilling to make timely interest payments and/or repay the principal on the loan to the mortgage REIT when due. In the event of a default by a borrower, the mortgage REIT may experience delays in enforcing its rights as a mortgagee and may incur substantial costs associated with protecting its investments. Mortgage REITs are subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of the capital markets. Further, mortgage REITs are dependent upon specialized management skills and their investments may not be diversified. Mortgage REITs are also subject to risks related to general and local economic conditions and the real estate market specifically, availability of mortgage funds, changes in interest rates, changes in property values, and borrower prepayment on underlying mortgage loans. In addition, a mortgage REIT could fail to qualify for favorable tax or regulatory treatment.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

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**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The Fund has not yet completed a full calendar year of investment operations and therefore does not have any performance history. Once the Fund has completed a full calendar year of operations, a bar chart and table will be included that will provide some indication of the risks of investing in the Fund by showing the variability of the Fund's returns based on net assets and comparing the Fund's performance to the Index. Updated performance information may be obtained by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.



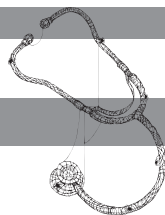
John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

## The Health Care Select Sector SPDR Fund

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## Investment Objective

The Health Care Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Health Care Select Sector Index (the "Index").

## Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup> . . . . .</b>	<b>0.14%</b>

<sup>1</sup> The Fund's "Total annual Fund operating expenses" have been restated to reflect reductions in the Fund's "Distribution and service (12b-1) fees" and "Other expenses".

### Example:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Year 1	Year 3	Year 5	Year 10
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 3.25% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: pharmaceuticals; health care equipment and supplies; health care providers and services; biotechnology; life sciences tools and services; and health care technology. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 56 stocks.



The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Health Care Sector Risk:** The Fund's assets will be concentrated in the health care sector, which means the Fund will be more affected by the performance of the health care sector than a fund that is more diversified. Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions

on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines and an increased emphasis on the delivery of healthcare through outpatient services. Companies in the health care sector are heavily dependent on obtaining and defending patents, which may be time consuming and costly, and the expiration of patents may also adversely affect the profitability of these companies. Health care companies are also subject to extensive litigation based on product liability and similar claims. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the health care sector require significant research and development and may be subject to regulatory approvals, all of which may be time consuming and costly with no guarantee that any product will come to market.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

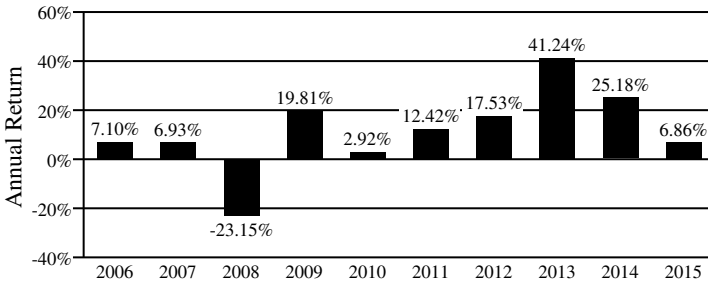


**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 15.70% (Q1, 2013)

Lowest Quarterly Return: -12.21% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 0.33%.



### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	One <u>Year</u>	Five <u>Years</u>	Ten <u>Years</u>
Return Before Taxes . . . . .	6.86%	20.08%	10.48%
Return After Taxes on Distributions . . . . .	6.48%	19.66%	10.14%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	4.16%	16.37%	8.62%
The Health Care Select Sector Index . . . . .	6.95%	20.31%	10.69%
<small>(Index returns reflect no deduction for fees, expenses or taxes)</small>			

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

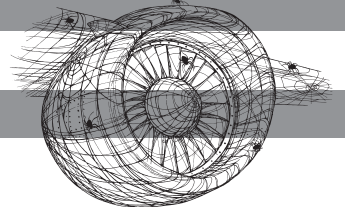
Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

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*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*



The Industrial Select Sector SPDR Fund



**Investment Objective**

The Industrial Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Industrial Select Sector Index (the "Index").

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup> . . . . .</b>	<b>0.14%</b>

<sup>1</sup> The Fund's "Total annual Fund operating expenses" have been restated to reflect reductions in the Fund's "Distribution and service (12b-1) fees" and "Other expenses".

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 5.79% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: aerospace and defense; industrial conglomerates; marine; transportation infrastructure; machinery; road and rail; air freight and logistics; commercial services and supplies; professional services; electrical equipment; construction and engineering; trading companies and distributors; airlines; and building products. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 66 stocks.

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Industrial Sector Risk:** The Fund's assets will be concentrated in the industrial sector, which means the Fund will be more affected by the performance of the industrial sector than a fund that is more diversified. Industrial companies are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world



events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these companies. Aerospace and defense companies, a component of the industrial sector, can be significantly affected by government spending policies because companies involved in this industry rely, to a significant extent, on U.S. and foreign government demand for their products and services. Thus, the financial condition of, and investor interest in, aerospace and defense companies are heavily influenced by governmental defense spending policies which are typically under pressure from efforts to control the U.S. (and other) government budgets. Transportation securities, a component of the industrial sector, are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labor agreements and insurance costs.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

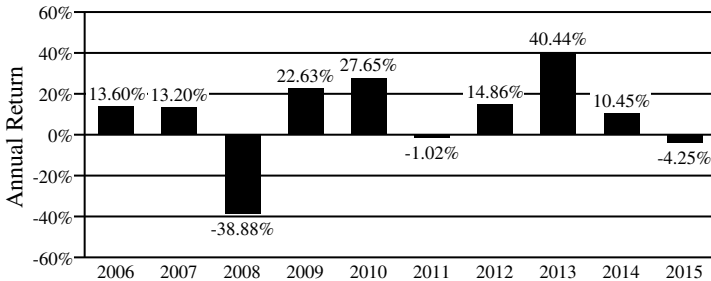
**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 20.98% (Q3, 2009)

Lowest Quarterly Return: -23.21% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 6.79%.



### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>
Return Before Taxes . . . . .	-4.25%	11.05%	7.59%
Return After Taxes on Distributions . . . . .	-4.75%	10.56%	7.17%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	-2.02%	8.77%	6.13%
The Industrial Select Sector Index . . . . .	-4.19%	11.23%	7.78%

(Index returns reflect no deduction for fees, expenses or taxes)

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

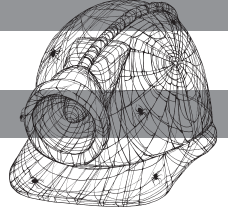
Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

The Materials Select Sector SPDR Fund



**Investment Objective**

The Materials Select Sector SPDR Fund (the “Fund”) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Materials Select Sector Index (the “Index”).

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup></b> . . . . .	<b>0.14%</b>

<sup>1</sup> The Fund’s “Total annual Fund operating expenses” have been restated to reflect reductions in the Fund’s “Distribution and service (12b-1) fees” and “Other expenses”.

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179



**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 9.31% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: chemicals; metals and mining; paper and forest products; containers and packaging; and construction materials. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 27 stocks.



The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Materials Sector Risk:** The Fund's assets will be concentrated in the materials sector, which means the Fund will be more affected by the performance of the materials sector than a fund that is more diversified. Many materials companies are significantly affected by the level and volatility of commodity prices, exchange rates, import controls, worldwide competition, environmental

policies and consumer demand. At times, worldwide production of industrial materials has exceeded demand as a result of over-building or economic downturns, leading to poor investment returns or losses. Other risks may include liabilities for environmental damage and general civil liabilities, depletion of resources, and mandated expenditures for safety and pollution control. The materials sector may also be affected by economic cycles, technical progress, labor relations, and government regulations.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund’s investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general

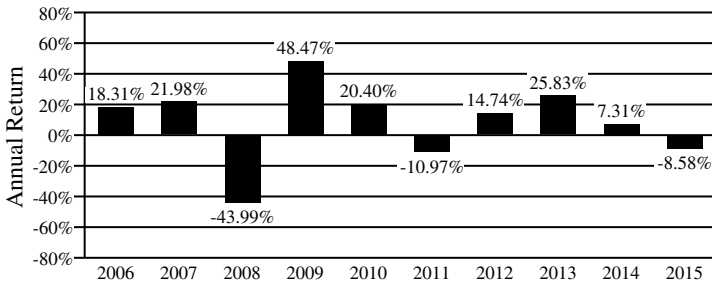


market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 20.62% (Q3, 2009)

Lowest Quarterly Return: -30.50% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 7.57%.

### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements,

such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>
Return Before Taxes . . . . .	-8.58%	4.75%	6.18%
Return After Taxes on Distributions . . . . .	-9.09%	4.25%	5.71%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	-4.49%	3.69%	4.99%
The Materials Select Sector Index . . . . . <small>(Index returns reflect no deduction for fees, expenses or taxes)</small>	-8.50%	4.93%	6.35%

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

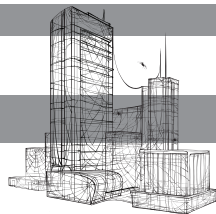
Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

## The Real Estate Select Sector SPDR Fund



## Investment Objective

The Real Estate Select Sector SPDR Fund (the "Fund") seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Real Estate Select Sector Index (the "Index").

## Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses <sup>1</sup> . . . . .	1.21%
<b>Total annual Fund operating expenses . . . . .</b>	<b>1.29%</b>
Less contractual fee waiver <sup>2</sup> . . . . .	1.15%
<b>Net annual Fund operating expenses . . . . .</b>	<b>0.14%</b>

<sup>1</sup> "Other expenses" are based on estimated amounts for the current fiscal year.

<sup>2</sup> SSGA Funds Management, Inc. (the "Adviser") has contractually agreed to waive its advisory fee and reimburse certain expenses, until January 31, 2018, so that the annual Fund operating expenses of the Fund are limited to no more than 0.14% of the Fund's average daily net assets (exclusive of non-recurring account fees and extraordinary expenses). The Adviser may continue such waiver and/or reimbursement from year to year, but there is no guarantee that the Adviser will do so after January 31, 2018. The waiver and/or reimbursement may not be terminated prior to January 31, 2018 except with the approval of The Select Sector SPDR Trust's Board of Trustees.

### Example:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of



your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Year 1	Year 3
\$14	\$295

### Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. The Fund's portfolio turnover rate has been omitted because the Fund had not commenced investment operations prior to the end of the most recent fiscal year.

### The Fund's Principal Investment Strategy

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days' notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: real estate management and development and REITs, excluding mortgage REITs. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a "modified market capitalization" methodology, which means that



modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 25 stocks.

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

### Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.



**Real Estate Sector Risk:** The Fund's assets will be concentrated in the real estate sector, which means the Fund will be more affected by the performance of the real estate sector than a fund that is more diversified. An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.

**REIT Risk:** REITs are subject to the risks associated with investing in the securities of real property companies. In particular, REITs may be affected by changes in the values of the underlying properties that they own or operate. Further, REITs are dependent upon specialized management skills, and their investments may be concentrated in relatively few properties, or in a small geographic area or a single property type. REITs are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets. A variety of economic and other factors may adversely affect a lessee's ability to meet its obligations to a REIT. In the event of a default by a lessee, the REIT may experience delays in enforcing its rights as a lessor and may incur substantial costs associated in protecting its investments. In addition, a REIT could fail to qualify for favorable tax or regulatory treatment.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

# XLRE

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

**Market Risk:** The Fund’s investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The Fund has not yet completed a full calendar year of investment operations and therefore does not have any performance history. Once the Fund has completed a full calendar year of operations, a bar chart and table will be included that will provide some indication of the risks of investing in the Fund by showing the variability of the Fund’s returns based on net assets and comparing the Fund’s performance to the Index. Updated performance information may be obtained by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

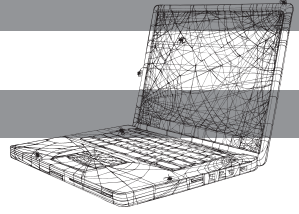
Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

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*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

The Technology Select Sector SPDR Fund



**Investment Objective**

The Technology Select Sector SPDR Fund (the “Fund”) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Technology Select Sector Index (the “Index”).

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup></b> . . . . .	<b>0.14%</b>

<sup>1</sup> The Fund’s “Total annual Fund operating expenses” have been restated to reflect reductions in the Fund’s “Distribution and service (12b-1) fees” and “Other expenses”.

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 5.09% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: technology hardware, storage, and peripherals; software; diversified telecommunication services; communications equipment; semiconductors and semiconductor equipment; internet software and services; IT services; electronic equipment, instruments and components; and wireless telecommunication services. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 74 stocks.



The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Technology Sector Risk:** The Fund's assets will be concentrated in the technology sector, which means the Fund will be more affected by the performance of the technology sector than a fund that is more diversified. Market or economic factors impacting technology companies and companies that rely heavily on technological advances could have a major effect on

the value of the Fund's investments. The value of stocks of technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a "non-diversified" fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

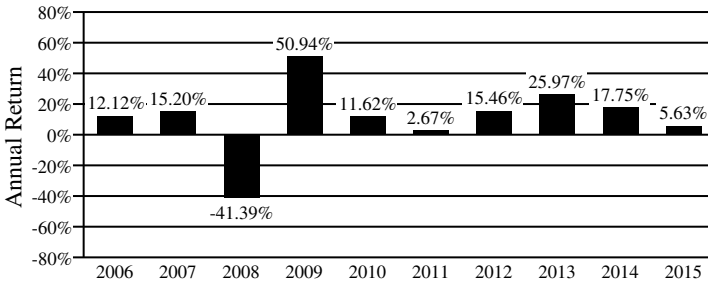


**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for certain time periods compare with the average annual returns of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

### Annual Total Return (years ended 12/31)\*



Highest Quarterly Return: 18.80% (Q1, 2012)

Lowest Quarterly Return: -21.89% (Q4, 2008)

\* As of June 30, 2016, the Fund's Calendar Year-To-Date return was 2.24%.





### Average Annual Total Returns (for periods ending 12/31/15)

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	One <u>Year</u>	Five <u>Years</u>	Ten <u>Years</u>
Return Before Taxes . . . . .	5.63%	13.18%	9.01%
Return After Taxes on Distributions . . . . .	5.16%	12.77%	8.72%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	3.54%	10.55%	7.37%
The Technology Select Sector Index . . . . .	5.78%	13.41%	9.21%
<small>(Index returns reflect no deduction for fees, expenses or taxes)</small>			

## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

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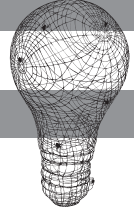
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The Utilities Select Sector SPDR Fund



**Investment Objective**

The Utilities Select Sector SPDR Fund (the “Fund”) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Utilities Select Sector Index (the “Index”).

**Fees and Expenses of the Fund**

The table below describes the fees and expenses that you may pay if you buy and hold Fund Shares. This table and the Example below reflect the expenses of the Fund and do not reflect brokerage commissions you may pay on purchases and sales of Fund Shares.

**Annual Fund Operating Expenses**

(expenses that you pay each year as a percentage of the value of your investment):

Management fees . . . . .	0.04%
Distribution and service (12b-1) fees . . . . .	0.04%
Other expenses . . . . .	0.06%
<b>Total annual Fund operating expenses<sup>1</sup></b> . . . . .	<b>0.14%</b>

<sup>1</sup> The Fund’s “Total annual Fund operating expenses” have been restated to reflect reductions in the Fund’s “Distribution and service (12b-1) fees” and “Other expenses”.

**Example:**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then sell all of your Fund Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
\$14	\$45	\$79	\$179

**Portfolio Turnover:**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 4.23% of the average value of its portfolio.

**The Fund’s Principal Investment Strategy**

In seeking to track the performance of the Index, the Fund employs a replication strategy, which means that the Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index.

Under normal market conditions, the Fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the Index. The Fund will provide shareholders with at least 60 days’ notice prior to any material change in this 95% investment policy. In addition, the Fund may invest in cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA FM).

The Index includes securities of companies from the following industries: electric utilities; water utilities; multi-utilities; independent power producers and energy traders; and gas utilities. The Index is one of eleven Select Sector Indexes developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is a constituent company of the S&P 500 Index; and (2) the Index is calculated by S&P DJI based on methodology proprietary to the Index Provider using a “modified market capitalization” methodology, which means that modifications may be made to the market capitalization weights of single stock concentrations in order to conform to the requirements of the IRC. As of December 31, 2015, the Index was composed of 29 stocks.

The Index is sponsored by the Index Provider and compiled by the Index Compilation Agent. Neither entity is affiliated with the Fund or the Adviser. The Index Compilation Agent determines the composition of the Index and relative weightings of the securities in the Index based on the Index methodology. The Index Provider publishes information regarding the market value of the Index.

## Principal Risks of Investing in the Fund

As with all investments, there are certain risks of investing in the Fund. Fund Shares will change in value, and you could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Passive Strategy/Index Risk:** The Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund.

**Index Tracking Risk:** While the Adviser seeks to track the performance of the Index as closely as possible (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies. For example, the Adviser anticipates that it may take several business days for additions and deletions to the Index to be reflected in the portfolio composition of the Fund.

**Utilities Sector Risk:** The Fund's assets will be concentrated in the utilities sector, which means the Fund will be more affected by the performance of the utilities sector than a fund that is more diversified. Utility companies are affected by supply and demand, operating costs, government regulation, environmental factors, liabilities for environmental damage and general civil

liabilities, and rate caps or rate changes. Although rate changes of a regulated utility usually fluctuate in approximate correlation with financing costs, due to political and regulatory factors rate changes ordinarily occur only following a delay after the changes in financing costs. This factor will tend to favorably affect a regulated utility company's earnings and dividends in times of decreasing costs, but conversely, will tend to adversely affect earnings and dividends when costs are rising. The value of regulated utility equity securities may tend to have an inverse relationship to the movement of interest rates. Certain utility companies have experienced full or partial deregulation in recent years. These utility companies are frequently more similar to industrial companies in that they are subject to greater competition and have been permitted by regulators to diversify outside of their original geographic regions and their traditional lines of business. These opportunities may permit certain utility companies to earn more than their traditional regulated rates of return. Some companies, however, may be forced to defend their core business and may be less profitable. In addition, natural disasters, terrorist attacks, government intervention or other factors may render a utility company's equipment unusable or obsolete and negatively impact profitability.

Among the risks that may affect utility companies are the following: risks of increases in fuel and other operating costs; the high cost of borrowing to finance capital construction during inflationary periods; restrictions on operations and increased costs and delays associated with compliance with environmental and nuclear safety regulations; and the difficulties involved in obtaining natural gas for resale or fuel for generating electricity at reasonable prices. Other risks include those related to the construction and operation of nuclear power plants, the effects of energy conservation and the effects of regulatory changes.

**Equity Investing Risk:** The market prices of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Non-Diversification Risk:** As a “non-diversified” fund, the Fund may hold a smaller number of portfolio securities than many other funds. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

**Large-Capitalization Securities Risk:** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies. Larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies.

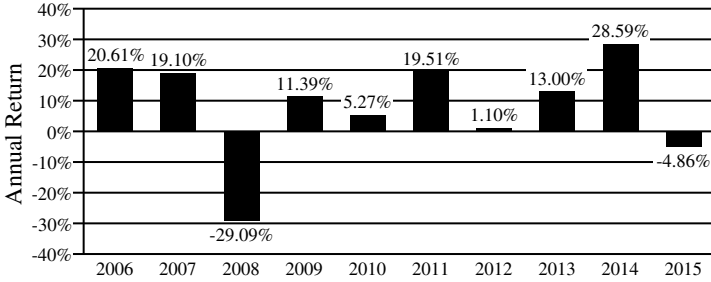
**Market Risk:** The Fund’s investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

## Fund Performance

The following bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for certain time periods compare with the average annual returns of the Index. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available by calling 1-866-732-8673 or visiting our website at [www.sectorspdrs.com](http://www.sectorspdrs.com).



**Annual Total Return (years ended 12/31)\***



Highest Quarterly Return: 13.08% (Q4, 2014)

Lowest Quarterly Return: -18.01% (Q3, 2008)

\* As of June 30, 2016, the Fund’s Calendar Year-To-Date return was 23.21%.

**Average Annual Total Returns (for periods ending 12/31/15)**

The after-tax returns presented in the table below are calculated using highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold Fund Shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. The returns after taxes can exceed the returns before taxes due to an assumed tax benefit for a shareholder from realizing a capital loss on a sale of Fund Shares.

	One Year	Five Years	Ten Years
Return Before Taxes . . . . .	-4.86%	10.81%	7.15%
Return After Taxes on Distributions . . . . .	-5.72%	9.92%	6.43%
Return After Taxes on Distributions and Sale of Fund Shares . . . . .	-2.13%	8.56%	5.78%
The Utilities Select Sector Index . . . . .	-4.78%	11.05%	7.37%

(Index returns reflect no deduction for fees, expenses or taxes)



## Portfolio Management

### Investment Adviser

SSGA FM serves as the investment adviser to the Fund.

### Portfolio Managers

The professionals primarily responsible for the day-to-day management of the Fund are Mike Feehily, John Tucker and Karl Schneider.

Mike Feehily, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 2010.

John Tucker, CFA, is a Senior Managing Director of the Adviser. He joined the Adviser in 1988.

Karl Schneider, CAIA, is a Vice President of the Adviser. He joined the Adviser in 1996.

*For important information about the purchase and sale of Fund Shares, tax information and payments to broker-dealers and financial intermediaries, please turn to "Summary Information about Purchases, Sales, Taxes and Payments to Broker-Dealers and Financial Intermediaries" on page 76 of this Prospectus.*

## **SUMMARY INFORMATION ABOUT PURCHASES, SALES, TAXES AND PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES**

### **Purchase and Sale Information**

A Fund will issue (or redeem) its Fund Shares to certain institutional investors (typically market makers or other broker-dealers) only in large blocks of 50,000 shares known as "Creation Units." Creation Unit transactions are typically conducted in exchange for the deposit or delivery of in-kind securities and/or cash constituting a substantial replication, or a representation, of the securities included in a Fund's benchmark Index.

Individual Fund Shares may only be purchased and sold on the NYSE Arca, Inc. (the "Exchange"), other national securities exchanges, electronic crossing networks and other alternative trading systems through your broker-dealer at market prices. Because Fund Shares trade at market prices rather than at net asset value ("NAV"), Fund Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

### **Tax Information**

Each Fund's distributions are expected to be taxed as ordinary income, qualified dividend income and/or capital gains, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or individual retirement account. Any withdrawals made from such tax-advantaged arrangement may be taxable to you.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase Fund Shares through a broker-dealer or other financial intermediary (such as a bank), the Adviser, the Distributor or their affiliates may pay the intermediary for certain activities related to the Fund, including educational training programs, conferences, the development of technology platforms and reporting systems, or other services related to the sale or promotion of the Fund. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## ADDITIONAL STRATEGIES INFORMATION

### Principal Strategies

Please see “The Fund’s Principal Investment Strategy” section under “Fund Summaries” for each Fund above for a complete discussion of each Fund’s principal investment strategies. A Fund may invest in various types of securities and engage in various investment techniques that are not the principal focus of the Fund. Some of these are described below under “Non-Principal Strategies” and others are not described in this Prospectus. These other securities, techniques and practices, together with their associated risks, are described in the Statement of Additional Information (the “SAI”), which you may obtain free of charge by contacting the Distributor (see the back cover of this Prospectus for address and phone number).

SSGA FM seeks to track the performance of a Fund’s Index as closely as possible (*i.e.*, obtain a high degree of correlation with the Index). A number of factors may affect a Fund’s ability to achieve a high degree of correlation with its Index, and there can be no guarantee that a Fund will achieve a high degree of correlation.

While normally each Fund employs a replication strategy to track the performance of its Index, under various circumstances it may not be possible or practical to purchase all of the securities in the benchmark Index for a Fund, or amounts of such securities in proportion to their weighting in the Index, such as when there are practical difficulties or substantial costs involved in compiling a portfolio of securities to follow the Index; in instances when a security in the Index becomes temporarily illiquid, unavailable or less liquid; or due to legal restrictions (such as diversification requirements that apply to the Fund but not the Index). Under such circumstances, the Adviser intends to employ a sampling strategy in managing such Fund. Sampling means that the Adviser uses quantitative analysis to select securities, including securities in the Index, outside of the Index and derivatives that have a similar investment profile as the relevant Index in terms of key risk factors, performance attributes and other economic characteristics. These include industry weightings, market capitalization, and other financial characteristics of securities. The quantity of holdings in a Fund will be based on a number of factors, including asset size of the Fund. In addition, from time to time, securities are added to or removed from each Index. The Adviser may sell securities that are represented in an Index, or purchase securities that are not yet represented in an Index, in anticipation of their removal from or addition to an Index. Further, the Adviser may choose to overweight securities in an Index, purchase or sell securities not in an Index, or utilize various combinations of other available techniques, in seeking to track an Index.

The Select Sector SPDR Trust's (the "Trust") Board of Trustees (the "Board") may change a Fund's investment strategy and other policies without shareholder approval, except as otherwise indicated in this Prospectus or in the SAI. The Board may not change a Fund's investment objective without shareholder approval.

### **Non-Principal Strategies**

*Certain Other Investments.* Each Fund may invest in equity securities that are not included in the Fund's Index, convertible securities, variable rate demand notes, commercial paper, structured notes (notes on which the amount of principal repayment and interest payments are based on the movement of one or more specified factors such as the movement of a particular security or index), swaps and in options and futures contracts. Swaps, options and futures contracts, convertible securities and structured notes may be used by a Fund in seeking performance that corresponds to its Index and in managing cash flows.

*Temporary Defensive Positions.* In certain situations or market conditions, a Fund may temporarily depart from its normal investment policies and strategies provided that the alternative is consistent with the Fund's investment objective and is in the best interest of the Fund. For example, a Fund may make larger than normal investments in derivatives to maintain exposure to its Index if it is unable to invest directly in a component security, or if a derivative investment may provide higher liquidity than other types of investments. Consequently, under such circumstances, such Fund may invest in a different mix of investments than it would under normal circumstances.

*Borrowing Money.* Each Fund may borrow money from a bank up to a limit of 10% of the value of its assets, but only for temporary or emergency purposes.

*Lending of Securities.* Each Fund may lend its portfolio securities in an amount not to exceed one-quarter (25%) of the value of its total assets via a securities lending program through its securities lending agent, State Street Bank and Trust Company ("State Street" or the "Lending Agent"), to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. A securities lending program allows a Fund to receive a portion of the income generated by lending its securities and investing the respective collateral. A Fund will receive collateral for each loaned security which is at least equal to 102% of the market value of that security, marked to market each trading day. In the securities lending program, the borrower generally has the right to vote the loaned securities; however, a Fund may call loans to vote proxies if a material issue affecting the Fund's economic interest in the investment is to be voted upon. Security loans may be terminated at any time by a Fund.

## ADDITIONAL RISK INFORMATION

The following section provides additional information regarding certain of the principal risks identified under “Principal Risks of Investing in the Fund” in each Fund Summary along with additional risk information.

### Principal Risks

The table below identifies the principal risks of investing in each Fund.

The Consumer Discretionary Select Sector SPDR Fund (XLY)

The Consumer Staples Select Sector SPDR Fund (XLP)

The Energy Select Sector SPDR Fund (XLE)

The Financial Select Sector SPDR Fund (XLF)

The Financial Services Select Sector SPDR Fund (XLFS)

The Health Care Select Sector SPDR Fund (XLV)

The Industrial Select Sector SPDR Fund (XLI)

The Materials Select Sector SPDR Fund (XLB)

The Real Estate Select Sector SPDR Fund (XLRE)

The Technology Select Sector SPDR Fund (XLK)

The Utilities Select Sector SPDR Fund (XLU)

Fund Name	XLY	XLP	XLE	XLF	XLFS	XLV	XLI	XLB	XLRE	XLK	XLU
Consumer Discretionary Sector Risk	x										
Consumer Staples Sector Risk		x									
Energy Sector Risk			x								
Equity Investing Risk	x	x	x	x	x	x	x	x	x	x	x
Financial Sector Risk				x							
Financial Services Sector Risk					x						
Health Care Sector Risk						x					
Index Tracking Risk	x	x	x	x	x	x	x	x	x	x	x
Industrial Sector Risk							x				
Large-Capitalization Securities Risk	x	x	x	x	x	x	x	x	x	x	x
Market Risk	x	x	x	x	x	x	x	x	x	x	x
Materials Sector Risk								x			
Mortgage REIT Risk				x	x						
Non-Diversification Risk	x	x	x	x	x	x	x	x	x	x	x
Passive Strategy/Index Risk	x	x	x	x	x	x	x	x	x	x	x
Real Estate Sector Risk									x		
Real Estate Securities Risk				x <sup>1</sup>							
REIT Risk				x <sup>2</sup>					x		

Fund Name	XLY	XLP	XLE	XLF	XLFS	XLV	XLI	XLB	XLRE	XLK	XLU
Technology Sector Risk										x	
Utilities Sector Risk											x

<sup>1</sup> This risk factor describes the principal risks of XLF's investments in real estate securities until on or about the close of business on September 16, 2016 (the "Rebalance Date"), after which this risk factor will no longer apply to XLF.

<sup>2</sup> This risk factor describes the principal risks of XLF's investments in REITs (not including mortgage REITs) until the Rebalance Date, after which XLF's exposure to REITs will be limited to mortgage REITs and this risk factor will no longer apply to XLF.

*Consumer Discretionary Sector Risk.* The success of consumer product manufacturers and retailers is tied closely to the performance of the overall global economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Also, companies in the consumer discretionary sector may be subject to severe competition, which may have an adverse impact on their respective profitability. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer products and services in the marketplace.

*Consumer Staples Sector Risk.* Consumer staples companies are subject to government regulation affecting their products which may negatively impact such companies' performance. For instance, government regulations may affect the permissibility of using various food additives and production methods of companies that make food products, which could affect company profitability. Tobacco companies may be adversely affected by the adoption of proposed legislation and/or by litigation. Also, the success of food, beverage, household and personal products companies may be strongly affected by consumer interest, marketing campaigns and other factors affecting supply and demand, including performance of the overall domestic and international economy, interest rates, competition and consumer confidence and spending.

*Energy Sector Risk.* Issuers in energy-related industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels caused by geopolitical events, energy conservation or use of alternative fuel sources, the success of exploration projects, weather or meteorological events, taxes, increased governmental or environmental regulation, resource depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, or terrorist threats or attacks, among others. Markets for various energy-related commodities can have significant volatility, and are subject to control or manipulation by large producers or purchasers. Companies in the energy sector may need to make substantial expenditures, and to incur significant amounts of debt, in order to maintain or expand their reserves through exploration of new sources of supply, through the development of existing sources, through acquisitions, or through long-term contracts to acquire reserves. Factors adversely affecting producers, refiners, distributors, or others in the energy sector may affect adversely companies that service or supply those entities, either because demand for those services or products is curtailed, or those services or products come under price pressure.

*Equity Investing Risk.* The market prices of equity securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced demand for the issuer's goods or services. The values

of equity securities also may decline due to general industry or market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

*Financial Sector Risk.* Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments affecting real estate could have a major effect on the value of real estate securities (which include REITs). Declining real estate values could adversely affect financial institutions engaged in mortgage finance or other lending or investing activities directly or indirectly connected to the value of real estate. With respect to The Financial Select Sector SPDR Fund, following the Rebalance Date, the Fund 's exposure to real estate securities will be limited to mortgage REITs.

*Financial Services Sector Risk.* Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial services sector may cause an unusually high degree of volatility in the



financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments could adversely affect financial institutions engaged in mortgage finance or other lending or investing activities directly or indirectly connected to the value of real estate.

*Health Care Sector Risk.* Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines and an increased emphasis on the delivery of healthcare through outpatient services. Companies in the health care sector are heavily dependent on obtaining and defending patents, which may be time consuming and costly, and the expiration of patents may also adversely affect the profitability of these companies. Health care companies are also subject to extensive litigation based on product liability and similar claims. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the health care sector require significant research and development and may be subject to regulatory approvals, all of which may be time consuming and costly with no guarantee that any product will come to market.

*Index Tracking Risk.* While the Adviser seeks to track the performance of the Index (*i.e.*, achieve a high degree of correlation with the Index), a Fund's return may not match the return of the Index for a number of reasons. Each Fund incurs a number of operating expenses not applicable to the Index, and incurs costs in buying and selling securities. In addition, a Fund may not be fully invested at times, either as a result of cash flows into or out of the Fund or reserves of cash held by the Fund to meet redemptions. Changes in the composition of the Index and regulatory requirements also may impact a Fund's ability to match the return of the Index. Index tracking risk may be heightened during times of increased market volatility or other unusual market conditions.

*Industrial Sector Risk.* Industrial companies are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these companies.

Aerospace and defense companies, a component of the industrial sector, can be significantly affected by government spending policies because companies involved in this industry rely, to a significant extent, on U.S. and foreign government demand for their products and services. Thus, the financial condition of, and investor interest in, aerospace and defense companies are heavily influenced by governmental defense spending policies which are typically under pressure from efforts to control the U.S. (and other) government budgets. Transportation securities, a component of the industrial sector, are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labor agreements and insurance costs.

*Large-Capitalization Securities Risk.* Securities issued by large-capitalization companies may present risks not present in smaller companies. For example, larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or other market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by well-managed smaller and mid-sized companies, especially during strong economic periods. Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies.

*Market Risk.* Market prices of investments held by a Fund will go up or down, sometimes rapidly or unpredictably. Each Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in a Fund could decline if the particular industries, sectors or companies in which a Fund invests do not perform well or are adversely affected by events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

*Materials Sector Risk.* Many materials companies are significantly affected by the level and volatility of commodity prices, exchange rates, import controls, worldwide competition, environmental policies and consumer demand. At times, worldwide production of industrial materials has exceeded demand as a result of over-building or economic downturns, leading to poor investment returns or losses. Other risks may include liabilities for environmental damage and general civil liabilities, depletion of resources, and mandated expenditures for safety and pollution control. The materials sector may also be affected by economic cycles, technical progress, labor relations, and government regulations.

*Mortgage REIT Risk.* Mortgage REITs, which invest the majority of their assets in real estate mortgages, receive principal and interest payments from the owners of the mortgage properties and derive their income primarily from interest payments. Accordingly, mortgage REITs are subject to the credit risk of the borrowers, which refers to the possibility that the borrower will be unable and/or unwilling to make timely interest payments and/or repay the principal on the loan to the mortgage REIT when due. In the event of a default by a borrower, the mortgage REIT may experience delays in enforcing its rights as a mortgagee and may incur substantial costs associated with protecting its investments. Mortgage REITs are subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of the capital markets. Further, mortgage REITs are dependent upon specialized management skills and their investments may not be diversified. Mortgage REITs are also subject to risks related to general and local economic conditions and the real estate market specifically, availability of mortgage funds, changes in interest rates, changes in property values, and borrower prepayment on underlying mortgage loans. In addition, a mortgage REIT could possibly fail to qualify for favorable tax treatment under the Internal Revenue Code, or to maintain its exemptions from registration under the Investment Company Act of 1940, as amended (the "1940 Act"), which could have adverse consequences for a Fund. Investments in mortgage REITs are also subject to the risks affecting equity markets generally.

*Non-Diversification Risk.* As a "non-diversified" fund, each Fund may hold a smaller number of portfolio securities than many other funds. To the extent a Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of Fund Shares may be more volatile than the values of shares of more diversified funds.

*Passive Strategy/Index Risk.* Each Fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities. Each Fund will seek to replicate Index returns regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. Each Fund generally will buy and will not sell a security included in the Index as long as the security is part of the Index regardless of any sudden or material decline in value or foreseeable material decline in value of the security, even though the Adviser may make a different investment decision for other actively managed accounts or portfolios that hold the security. As a result, a Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index (in absolute terms and by comparison with other indices) and, consequently, the performance, volatility, and risk of a Fund.

*Real Estate Sector Risk.* An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.

*Real Estate Securities Risk.* There are special risks associated with investment in securities of companies engaged in real property markets, including without limitation REITs and real estate operating companies. An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. An investment in a real property company is subject to additional risks, such as poor performance by the manager of the real property company, adverse changes in tax laws, difficulties in valuing and disposing of real estate, and the effect of general declines in stock prices. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a real property company may contain provisions that make changes in control of the company difficult and time-consuming. As a shareholder in a real property company, a Fund, and indirectly a Fund's shareholders, would bear their ratable shares of the real property company's expenses and would at the same time continue to pay their own fees and expenses.

*REIT Risk.* REITs are subject to the risks associated with investing in the securities of real property companies. In particular, REITs may be affected by changes in the values of the underlying properties that they own or operate. Further, REITs are dependent upon specialized management skills, and their investments may be concentrated in relatively few properties, or in a small geographic area or a single property type. REITs are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets, as well as defaults by borrowers and self-liquidation. A variety of economic and other factors may adversely affect a lessee's ability to meet its obligations to a REIT. In the event of a default by a lessee, the REIT may experience delays in enforcing its rights as a lessor and may incur substantial costs associated with protecting its investments. In addition, a REIT could possibly fail to qualify for

favorable tax treatment under the Internal Revenue Code, or to maintain its exemptions from registration under the 1940 Act, which could have adverse consequences for a Fund. Investments in REITs are also subject to the risks affecting equity markets generally.

*Technology Sector Risk.* Market or economic factors impacting technology companies and companies that rely heavily on technological advances could have a major effect on the value of the Fund's investments. The value of stocks of technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

*Utilities Sector Risk.* Utility companies are affected by supply and demand, operating costs, government regulation, environmental factors, liabilities for environmental damage and general civil liabilities, and rate caps or rate changes. Although rate changes of a regulated utility usually fluctuate in approximate correlation with financing costs, due to political and regulatory factors, rate changes ordinarily occur only following a delay after the changes in financing costs. This factor will tend to favorably affect a regulated utility company's earnings and dividends in times of decreasing costs, but conversely, will tend to adversely affect earnings and dividends when costs are rising. The value of regulated utility equity securities may tend to have an inverse relationship to the movement of interest rates. Certain utility companies have experienced full or partial deregulation in recent years. These utility companies are frequently more similar to industrial companies in that they are subject to greater competition and have been permitted by regulators to diversify outside of their original geographic regions and their traditional lines of business. These opportunities may permit certain utility companies to earn more than their traditional regulated rates of return. Some companies, however, may be forced to defend their core business and may be less profitable. In addition, natural disasters, terrorist attacks, government intervention or other factors may render a utility company's equipment unusable or obsolete and negatively impact profitability.

Among the risks that may affect utility companies are the following: risks of increases in fuel and other operating costs; the high cost of borrowing to finance capital construction during inflationary periods; restrictions on operations and increased

costs and delays associated with compliance with environmental and nuclear safety regulations; and the difficulties involved in obtaining natural gas for resale or fuel for generating electricity at reasonable prices. Other risks include those related to the construction and operation of nuclear power plants, the effects of energy conservation and the effects of regulatory changes.

### **Non-Principal Risks**

*Trading Issues.* Although Fund Shares are listed for trading on the Exchange and may be listed or traded on U.S. and non-U.S. stock exchanges other than the Exchange, there can be no assurance that an active trading market for such Fund Shares will develop or be maintained. Trading in Fund Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Fund Shares inadvisable. In addition, trading in Fund Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to Exchange "circuit breaker" rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of a Fund will continue to be met or will remain unchanged or that Fund Shares will trade with any volume, or at all, on any stock exchange.

*Fluctuation of Net Asset Value, Share Premiums and Discounts.* The net asset value of Fund Shares will generally fluctuate with changes in the market value of a Fund's securities holdings. The market prices of Fund Shares will generally fluctuate in accordance with changes in a Fund's net asset value and supply and demand of Fund Shares on the Exchange. It cannot be predicted whether Fund Shares will trade below, at or above their net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Fund Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities of the relevant Index trading individually or in the aggregate at any point in time. The market prices of Fund Shares may deviate significantly from the net asset value of Fund Shares during periods of market volatility. However, given that Fund Shares can be created and redeemed in Creation Units (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Adviser believes that large discounts or premiums to the net asset value of Fund Shares should not be sustained over long periods. While the creation/redemption feature is designed to make it likely that Fund Shares normally will trade close to a Fund's net asset value, disruptions to creations and redemptions or market volatility may result in trading prices that differ significantly from such Fund's net asset value. If an investor purchases Fund Shares at a time when the market price is at a premium to the net asset value of Fund Shares or sells at a time when the market price is at a discount to the net asset value of Fund Shares, then the investor may sustain losses.

*Costs of Buying and Selling Shares.* Investors buying or selling Fund Shares in the secondary market will pay brokerage commissions or other charges imposed by brokers, as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Fund Shares. In addition, secondary market investors will also incur the cost of the difference between the price that an investor is willing to pay for Fund Shares (the "bid" price) and the price at which an investor is willing to sell Fund Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread." The bid/ask spread varies over time for Fund Shares based on trading volume and market liquidity, and is generally lower if Fund Shares have more trading volume and market liquidity and higher if Fund Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Fund Shares, including bid/ask spreads, frequent trading of Fund Shares may significantly reduce investment results and an investment in Fund Shares may not be advisable for investors who anticipate regularly making small investments.

*Securities Lending Risk.* Each Fund may lend portfolio securities with a value of up to 25% of its total assets. For these purposes, total assets shall include the value of all assets received as collateral for the loan. Such loans may be terminated at any time, and a Fund will receive cash or other obligations as collateral. In a loan transaction, as compensation for lending its securities, a Fund will receive a portion of the dividends or interest accrued on the securities held as collateral or, in the case of cash collateral, a portion of the income from the investment of such cash. In addition, a Fund will receive the amount of all dividends, interest and other distributions on the loaned securities. However, the borrower has the right to vote the loaned securities. A Fund will call loans to vote proxies if a material issue affecting the investment is to be voted upon. Should the borrower of the securities fail financially, a Fund may experience delays in recovering the securities or exercising its rights in the collateral. Loans are made only to borrowers that are deemed by the securities lending agent to be of good financial standing. In a loan transaction, a Fund will also bear the risk of any decline in value of securities acquired with cash collateral. A Fund will attempt to minimize this risk by limiting the investment of cash collateral to high quality instruments of short maturity.

*Concentration Risk.* A Fund's assets will generally be concentrated in an industry or group of industries to the extent that the Fund's underlying Index concentrates in a particular industry or group of industries. When a Fund focuses its investments in a particular industry or sector, financial, economic, business, and other developments affecting issuers in that industry, market, or economic sector will have a greater effect on the Fund than if it had not focused its assets in that industry, market, or economic sector, which may increase the volatility of the Fund.

*Money Market Risk.* An investment in a money market fund is not a deposit of any bank and is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund generally seeks to preserve the value of its shares at \$1.00 per share, there can be no assurance that it will do so, and it is possible to lose money by investing in a money market fund. None of State Street Corporation, State Street, State Street Global Advisors (“SSGA”), SSGA FM or their affiliates (“State Street Entities”) guarantee the value of an investment in a money market fund at \$1.00 per share. Investors should have no expectation of capital support to a money market fund from State Street Entities.

*Derivatives.* A derivative is a financial contract the value of which depends on, or is derived from, the value of a financial asset (such as stock, bond or currency), a physical asset (such as gold) or a market index (such as the S&P 500 Index). Each Fund may invest in futures contracts and other derivatives. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices and thus a Fund’s losses may be greater if it invests in derivatives than if it invests only in conventional securities. Derivatives are also subject to credit risk because a Fund could lose money when a contracting party is unable to meet its contractual obligations in a timely manner or negative perceptions of a contracting party’s ability to meet its obligations cause the derivative to decline in value. Additionally, derivatives markets may be illiquid due to various factors. Daily limits on price fluctuations and speculative position limits on exchanges on which a Fund may conduct its transactions in derivatives instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses.

## **MANAGEMENT**

SSGA FM serves as the investment adviser to each Fund and, subject to the supervision of the Board, is responsible for the investment management of each Fund. The Adviser provides an investment management program for each Fund and manages the investment of the Funds’ assets. The Adviser is a wholly-owned subsidiary of State Street Corporation and is registered with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended. The Adviser and certain other affiliates of State Street Corporation make up SSGA. SSGA is one of the world’s largest institutional money managers and the investment management arm of State Street Corporation. As of December 31, 2015, the Adviser managed approximately \$382.48 billion in assets and SSGA managed approximately \$2.24 trillion in assets. The Adviser’s principal business address is State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111.



For the services provided to each Fund in operation under the Investment Advisory Agreement as of the fiscal year ended September 30, 2015, the fee paid to the Adviser was equivalent to an effective rate of 0.04% of each applicable Fund's average daily net assets. The advisory fee is allocated pro rata to each such Fund based upon the relative net assets of each Fund. From time to time, the Adviser may waive all or a portion of its fee, although the Adviser has informed the Trust that it does not currently intend to do so.

For the services provided to the Funds under the Investment Advisory Agreement, each such Fund pays the Adviser a fee accrued daily and payable monthly based on the Trust's average daily net assets at the following annual rates: 0.05% of the first \$12.5 billion of average daily net assets of the Trust, 0.04% of the next \$17.5 billion of average daily net assets of the Trust, 0.035% of the next \$20.0 billion of average daily net assets of the Trust, 0.03% of the next \$50.0 billion of average daily net assets of the Trust, 0.0285% of the next \$50.0 billion of average daily net assets of the Trust, 0.0271% of the next \$50.0 billion of average daily net assets of the Trust, and 0.0256% thereafter. The advisory fee is allocated pro rata to each series of the Trust based upon the relative net assets of each series of the Trust.

The Adviser has contractually agreed to waive its advisory fee and reimburse certain expenses, until January 31, 2018, so that the annual Fund operating expenses of The Financial Services Select Sector SPDR Fund and The Real Estate Select Sector SPDR Fund are limited to no more than 0.14% of the applicable Fund's average daily net assets (exclusive of non-recurring account fees and extraordinary expenses). The Adviser may continue each such waiver and/or reimbursement from year to year, but there is no guarantee that the Adviser will do so after January 31, 2018. The waiver and/or reimbursement may not be terminated prior to January 31, 2018 except with the approval of the Board.

A discussion regarding the basis for the Board's approval of the continuation of the Investment Advisory Agreement for all Funds, except The Financial Services Select Sector SPDR Fund and The Real Estate Select Sector SPDR Fund, is available in the Trust's Annual Report to Shareholders for the fiscal year ended September 30, 2015. In addition, a discussion regarding the basis for the Board's approval of the Investment Advisory Agreement with respect to The Financial Services Select Sector SPDR Fund and The Real Estate Select Sector SPDR Fund is available in the Trust's Annual Report to Shareholders for the fiscal year ended September 30, 2015.

#### *Portfolio Managers.*

The Adviser manages the Funds using a team of investment professionals. The team approach is used to create an environment that encourages the flow of investment ideas. The portfolio managers within the team work together in a cohesive manner to develop and enhance techniques that drive the investment

process for the respective investment strategy. This approach requires portfolio managers to share a variety of responsibilities including investment strategy and analysis while retaining responsibility for the implementation of the strategy within any particular portfolio. The approach also enables the team to draw upon the resources of other groups within SSGA. The portfolio management team is overseen by the SSGA Investment Committee.

The professionals primarily responsible for the day-to-day management of each Fund are Mike Feehily, John Tucker and Karl Schneider.

### **Mike Feehily**

Mike Feehily, CFA, is a Senior Managing Director of SSGA and the Adviser and Co-Head of Passive Equity Strategies in North America in the Global Equity Beta Solutions Group ("GEBS"). He is also a member of the Senior Leadership Team and sits on the firm's North America Product Committee and Trade Management Oversight Committee. Mr. Feehily rejoined SSGA in 2010 after spending the previous four years at State Street Global Markets LLC, where he helped to build the Exposure Solutions business. This group created and managed portfolios that were designed to meet the short-term market exposure needs of institutional clients. Prior to this, Mr. Feehily had been Head of the U.S. Passive Equity Team within SSGA. He joined SSGA in 1997. Mr. Feehily received a Bachelor of Science Degree from Babson College in Finance, Investments, and Economics. He received an MBA in Finance from Bentley College and also earned the Chartered Financial Analyst designation. He is a member of the Boston Security Analysts Society and the CFA Institute. Mr. Feehily is also a former member of the Russell Index Client Advisory Board.

### **John Tucker**

John Tucker, CFA, is a Senior Managing Director of SSGA and the Adviser and Co-Head of Passive Equity Strategies in North America in GEBS. He joined the firm in 1988 and is responsible for overseeing the management of all passive equity index strategies and Exchange Traded Funds managed in North America. He is a member of the Senior Leadership Team. Previously, Mr. Tucker was head of the Structured Products Group in SSGA's London office where he was responsible for the management of all index strategies in SSGA's second largest investment center. Mr. Tucker received a BA in Economics from Trinity College and an MS in Finance from Boston College. Mr. Tucker has also earned the Chartered Financial Analyst designation and is a member of the Boston Security Analysts Society and the CFA Institute. In addition, Mr. Tucker is a member of the Russell Index Client Advisory Board and on the S&P U.S. Index Advisory Panel.

## **Karl Schneider**

Karl Schneider, CAIA, is a Vice President of SSGA and the Adviser, and Head of U.S. Equity Strategies for GEBS, where in addition to overseeing the management of the U.S. equity index strategies, he also serves as a portfolio manager for a number of the group's passive equity portfolios. Previously within GEBS, he served as a portfolio manager and product specialist for synthetic beta strategies, including commodities, buy/write, and hedge fund replication. Prior to joining GEBS, Mr. Schneider worked as a portfolio manager in SSGA's Currency Management Group, managing both active currency selection and traditional passive hedging overlay portfolios. He joined SSGA in 1996. Mr. Schneider holds a BS in finance and investments from Babson College and an MS in finance from Boston College. He has earned the Chartered Alternative Investment Analyst designation. Mr. Schneider is a member of the CAIA Association.

Additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of the Funds is available in the SAI.

*Administrator, Sub-Administrator, Custodian and Transfer Agent.* The Adviser serves as Administrator for each Fund. State Street, part of State Street Corporation, is the Sub-Administrator for each Fund and the Custodian for each Fund's assets, and serves as Transfer Agent to each Fund.

*Lending Agent.* State Street is the securities lending agent for each Fund. For its services, the lending agent would typically receive a portion of the net investment income, if any, earned on the collateral for the securities loaned.

*Distributor.* ALPS Portfolio Solutions Distributor, Inc. (the "Distributor") is the distributor of Fund Shares. The Distributor will not distribute Fund Shares in less than Creation Units, and it does not maintain a secondary market in Fund Shares. The Distributor may enter into selected dealer agreements with other broker-dealers or other qualified financial institutions for the sale of Creation Units of Fund Shares.

## **ADDITIONAL INDEX INFORMATION**

### **Index License**

S&P Opco, LLC, a subsidiary of S&P DJI and an affiliate of McGraw Hill Financial, Inc. ("S&P"), NYSE Arca, Inc. (either directly or through affiliates) and BofA Merrill Lynch have entered into a license agreement with respect to each Fund's Select Sector Index. The Trust has entered into a sublicense agreement with S&P and BofA Merrill Lynch, dated December 15, 1998, as amended from time to time, whereby the Trust agrees to pay a sublicense fee per annum (i) to S&P equal to 0.03% of the aggregate net assets of all series of the Trust, subject to a breakpoint, and (ii) to BofA Merrill Lynch equal to 0.03% of the aggregate net assets of all

series of the Trust, subject to certain breakpoints. The fees to S&P and BofA Merrill Lynch are generally paid quarterly. Each Fund will pay its proportionate share of the annual sublicense fees based on the relative net assets of each Fund. BofA Merrill Lynch is the marketing name for the global banking and global markets businesses of Bank of America Corporation. The Select Sector Indices are licensed by, and payments by the Trust are made to, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of Bank of America Corporation.

### **Additional Information Concerning Index Construction and Maintenance**

The Index Compilation Agent assigns each constituent stock of the S&P 500 Index to a Select Sector Index in alignment with the stock's GICS (Global Industry Classification Standard) classification, with the following exceptions (i) constituent stocks assigned to the Financial Select Sector Index will also be assigned to either the Financial Services Select Sector Index or the Real Estate Select Sector Index and (ii) stocks classified in either the GICS Information Technology Sector or the GICS Telecommunication Services Sector will be assigned to the Technology Select Sector Index. Changes to the S&P 500 Index are made as needed, with no annual or semi-annual reconstitution. S&P DJI has sole control over the removal of stocks from the S&P 500 Index and the selection of replacement stocks to be added to the S&P 500 Index.

### **Additional Information Concerning the Role of S&P and BofA Merrill Lynch**

The stocks included in each Index are selected from the universe of companies represented by the S&P 500 Index. The weighting of the stocks included in each Select Sector Index will likely differ from the weighting of stocks included in any similar S&P 500 sector index that is published and disseminated by S&P DJI because the weightings are based on BofA Merrill Lynch's proprietary methodology. S&P DJI acts as "index calculation agent" in connection with the calculation and dissemination of each Select Sector Index.

S&P DJI and its affiliates do not sponsor, endorse, sell or promote Fund Shares. Additionally, BofA Merrill Lynch does not sponsor or promote Fund Shares.

Neither S&P DJI, nor BofA Merrill Lynch, nor their respective affiliates make any representation or warranty, express or implied, to SSGA FM, the owners of Fund Shares of the Select Sector SPDR Funds or any member of the public regarding the ability of a Fund to track the performance of the various sectors represented in the stock market. Additionally, S&P DJI, BofA Merrill Lynch and their respective affiliates do not make any representation or warranty, express or implied, to SSGA FM, the owners of Fund Shares or any member of the public regarding the advisability of investing in securities generally or in Fund Shares particularly.

S&P DJI's and BofA Merrill Lynch's only relationship to SSGA FM and the Trust with respect to the Select Sector Indices is the licensing of certain trademarks and trade names of S&P, BofA Merrill Lynch, the S&P 500 Index and Select Sector Indices which are determined, composed and calculated by S&P DJI without regard to SSGA FM or any Fund. S&P®, S&P 500® and "Select Sector" are trademarks of Standard & Poor's Financial Services LLC, an affiliate of S&P DJI; Dow Jones® is a trademark of Dow Jones Trademark Holdings LLC; and these trademarks have been licensed for use by S&P DJI and sublicensed for certain purposes by SSGA FM and the Trust. S&P DJI, BofA Merrill Lynch and their affiliates have no obligation to take the needs of SSGA FM, the Trust or the owners of Fund Shares into consideration in determining, composing or calculating the S&P 500 or the Select Sector Indices.

Although S&P DJI seeks to obtain and use information from sources which it considers reliable, S&P DJI, BofA Merrill Lynch and their affiliates do not guarantee the accuracy and/or completeness of the S&P 500 Index, any Select Sector SPDR Index (collectively, the "Indexes") or any data related thereto. S&P DJI, BofA Merrill Lynch and their affiliates make no warranty, express or implied, as to results to be obtained by SSGA FM, the Trust, owners of a Fund, or any other person or entity from the use of the S&P 500 Index, the Indexes or any data related thereto in connection with the rights licensed under the license agreement or for any other use. S&P DJI, BofA Merrill Lynch and their affiliates make no express or implied warranties, and hereby expressly disclaim all warranties of merchantability or fitness for a particular purpose with respect to the S&P 500 Index, the Indexes or any data related thereto. Without limiting any of the foregoing, in no event shall S&P DJI, BofA Merrill Lynch and their respective affiliates have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

The Indexes identified herein are determined, composed and calculated without regard to any Fund Shares or the issuer thereof. Neither S&P DJI nor BofA Merrill Lynch is responsible for, or has participated in, the determination of the timing of, prices of, or quantities of any Fund Shares to be issued, nor in the determination or calculation of the equation by which Fund Shares are redeemable.

## **ADDITIONAL PURCHASE AND SALE INFORMATION**

Fund Shares are listed for secondary trading on the Exchange and individual Fund Shares may only be purchased and sold in the secondary market through a broker-dealer. The secondary markets are closed on weekends and also are generally closed on the following holidays: New Year's Day, Dr. Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Exchange may close early on the business day before certain holidays and on the day after Thanksgiving

Day. Exchange holiday schedules are subject to change without notice. If you buy or sell Fund Shares in the secondary market, you will pay the secondary market price for Fund Shares. In addition, you may incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction.

The trading prices of Fund Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the relevant Fund's net asset value, which is calculated at the end of each business day. Fund Shares will trade on the Exchange at prices that may be above (*i.e.*, at a premium) or below (*i.e.*, at a discount), to varying degrees, the daily net asset value of Fund Shares. The trading prices of Fund Shares may deviate significantly from the relevant Fund's net asset value during periods of market volatility. Given, however, that Fund Shares can be issued and redeemed daily in Creation Units, the Adviser believes that large discounts and premiums to net asset value should not be sustained over long periods. Information showing the number of days the market price of Fund Shares was greater than the relevant Fund's net asset value and the number of days it was less than the relevant Fund's net asset value (*i.e.*, premium or discount) for various time periods is available by visiting the Funds' website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

The Exchange will disseminate, every fifteen seconds during the regular trading day, an indicative optimized portfolio value ("IOPV") relating to the Funds. The IOPV calculations are estimates of the value of the Funds' net asset value per Fund Share using market data. Premiums and discounts between the IOPV and the market price may occur. This should not be viewed as a "real-time" update of the net asset value per Fund Share, which is calculated only once a day. Neither the Funds nor the Adviser or any of their affiliates are involved in, or responsible for, the calculation or dissemination of such IOPVs and make no warranty as to their accuracy.

The Funds do not impose any restrictions on the frequency of purchases and redemptions; however, the Funds reserve the right to reject or limit purchases at any time as described in the SAI. When considering that no restriction or policy was necessary, the Board evaluated the risks posed by market timing activities, such as whether frequent purchases and redemptions would interfere with the efficient implementation of a Fund's investment strategy, or whether they would cause a Fund to experience increased transaction costs. The Board considered that, unlike traditional mutual funds, Fund Shares are issued and redeemed only in large quantities of shares known as Creation Units, available only from a Fund directly, and that most trading in a Fund occurs on the Exchange at prevailing market prices and does not involve the Fund directly. Given this structure, the

Board determined that it is unlikely that (a) market timing would be attempted by a Fund's shareholders or (b) any attempts to market time a Fund by shareholders would result in negative impact to a Fund or its shareholders.

In addition, certain affiliates of each Fund and SSGA FM may resell or distribute Fund Shares pursuant to this Prospectus.

## DISTRIBUTION AND SERVICE PLAN

Each Fund has adopted a Distribution and Service Plan in accordance with Rule 12b-1 under the 1940 Act pursuant to which payments at an annual rate of up to 0.25% of the Fund's average daily net assets may be made for the sale and distribution of its Fund Shares. Effective October 1, 2015, the Board has limited each Fund's 12b-1 fee to an annual rate of 0.040% of its average daily net assets through at least January 31, 2017 (prior to October 1, 2015, each applicable Fund's 12b-1 fee was limited to an annual rate of 0.044% of its average daily net assets). Because these fees would be paid out of a Fund's assets on an on-going basis, these fees will increase the cost of your investment and may cost you more over time than paying other types of sales charges.

## DISTRIBUTIONS

*Dividends and Capital Gains.* As a Fund shareholder, you are entitled to your share of the applicable Fund's income and net realized gains on its investments. Each Fund pays out substantially all of its net earnings to its shareholders as "distributions."

Each Fund typically earns income dividends from stocks, interest from debt securities and securities lending income. These amounts, net of expenses and taxes (if applicable), are passed along to Fund shareholders as "income dividend distributions." Each Fund will generally realize short-term capital gains or losses whenever it sells or exchanges assets held for one year or less. Net short-term capital gains will generally be treated as ordinary income when distributed to shareholders. Each Fund will generally realize long-term capital gains or losses whenever it sells or exchanges assets held for more than one year. Net capital gains (the excess of a Fund's net long-term capital gains over its net short-term capital losses) are distributed to shareholders as "capital gain distributions."

Income dividend distributions, if any, are generally distributed to shareholders quarterly, but may vary significantly from period to period.

Net capital gains for each Fund are distributed at least annually. Dividends may be declared and paid more frequently or at any other times to improve Index tracking or to comply with the distribution requirements of the Internal Revenue Code.

In addition, each Fund intends to distribute at least annually amounts representing the full dividend yield net of expenses on the underlying investment securities as if the Fund owned the underlying investment securities for the entire dividend period. As a result, some portion of each distribution may result in a return of capital. You will be notified regarding the portion of the distribution which represents a return of capital.

Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Dividends which are reinvested will nevertheless be taxable to the same extent as if such dividends had not been reinvested.

## **PORTFOLIO HOLDINGS DISCLOSURE**

The Funds' portfolio holdings disclosure policy is described in the SAI. In addition, the identities and quantities of the securities held by each Fund are disclosed on the Funds' website.

## **ADDITIONAL TAX INFORMATION**

The following discussion is a summary of some important U.S. federal tax considerations generally applicable to an investment in a Fund. Your investment in a Fund may have other tax implications. Please consult your tax advisor about foreign, federal, state, local or other tax laws applicable to you. Investors, including non-U.S. investors, may wish to consult the SAI tax section for additional disclosure.

Each Fund has elected or will elect to be a regulated investment company and intends to qualify each year to be treated as such. A regulated investment company is generally not subject to tax at the corporate level on income and gains that are distributed to shareholders. However, a Fund's failure to qualify for treatment as a regulated investment company may result in corporate level taxation, and consequently, a reduction in income available for distribution to shareholders.

*Taxes on Distributions.* In general, your distributions are subject to federal income tax when they are paid, whether you take them in cash or reinvest them in a Fund. The income dividends and short-term capital gains distributions you receive from a Fund will be taxed as either ordinary income or qualified dividend income. Subject to certain limitations, dividends that are reported by a Fund as qualified dividend income are taxable to noncorporate shareholders at rates of up to 20%. Any distributions of a Fund's net capital gains are taxable as long-term capital gain regardless of how long you have owned Fund Shares. Long-term capital gains are generally taxed to noncorporate shareholders at rates of up to 20%.



Distributions in excess of a Fund's current and accumulated earnings and profits are treated as a tax-free return of capital to the extent of your basis in the applicable Fund's shares, and, in general, as capital gain thereafter.

In general, dividends may be reported by a Fund as qualified dividend income if they are attributable to qualified dividend income received by the Fund, which, in general, includes dividend income from taxable U.S. corporations and certain foreign corporations (i.e., certain foreign corporations incorporated in a possession of the United States or in certain countries with a comprehensive tax treaty with the United States, and certain other foreign corporations if the stock with respect to which the dividend is paid is readily tradable on an established securities market in the United States), provided that the Fund satisfies certain holding period requirements in respect of the stock of such corporations and has not hedged its position in the stock in certain ways. A dividend generally will not be treated as qualified dividend income if the dividend is received with respect to any share of stock held by a Fund for fewer than 61 days during the 121-day period beginning at the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend. These holding period requirements will also apply to your ownership of Fund Shares. Holding periods may be suspended for these purposes for stock that is hedged.

If you lend your Fund Shares pursuant to securities lending arrangements you may lose the ability to treat Fund dividends (paid while Fund Shares are held by the borrower) as qualified dividend income. You should consult your financial intermediary or tax advisor to discuss your particular circumstances.

Distributions paid in January, but declared by a Fund in October, November or December of the previous year, payable to shareholders of record in such a month, may be taxable to you in the calendar year in which they were declared. The Funds will inform you of the amount of your ordinary income dividends, qualified dividend income and capital gain distributions shortly after the close of each calendar year.

A distribution will reduce a Fund's net asset value per Fund Share and may be taxable to you as ordinary income or capital gain even though, from an investment standpoint, the distribution may constitute a return of capital.

*Derivatives and Other Complex Securities.* A Fund may invest in complex securities. These investments may be subject to numerous special and complex rules. These rules could affect whether gains and losses recognized by a Fund are treated as ordinary income or capital gain, accelerate the recognition of income to a Fund and/or defer a Fund's ability to recognize losses. In turn, these rules may affect the amount, timing or character of the income distributed to you by a Fund. You should consult your personal tax advisor regarding the application of these rules.

*Foreign Income Taxes.* Investment income received by a Fund from sources within foreign countries may be subject to foreign income taxes withheld at the source. The United States has entered into tax treaties with many foreign countries which may entitle a Fund to a reduced rate of such taxes or exemption from taxes on such income. It is impossible to determine the effective rate of foreign tax for a Fund in advance since the amount of the assets to be invested within various countries is not known.

U.S. individuals with income exceeding specified thresholds are subject to a 3.8% Medicare contribution tax on all or a portion of their “net investment income,” which includes taxable interest, dividends and certain capital gains (generally including capital gain distributions and capital gains realized upon the sale of Fund Shares). This 3.8% tax also applies to all or a portion of the undistributed net investment income of certain shareholders that are estates and trusts.

*Non-U.S. Investors.* Ordinary income dividends paid by a Fund to shareholders who are non-resident aliens or foreign entities will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies or unless such income is effectively connected with a U.S. trade or business. Gains on the sale of Fund Shares and dividends that are, in each case, effectively connected with the conduct of a trade or business within the U.S. will generally be subject to U.S. federal net income taxation at regular income tax rates. Non-U.S. shareholders that own, directly or indirectly, more than 5% of a Fund’s shares are urged to consult their own tax advisors concerning special tax rules that may apply to their investment.

Unless certain non-U.S. entities that hold Fund Shares comply with IRS requirements that will generally require them to report information regarding U.S. persons investing in, or holding accounts with, such entities, a 30% withholding tax may apply to distributions payable to such entities and, after December 31, 2018, redemption proceeds and certain capital gain dividends payable to such entities. A non-U.S. shareholder may be exempt from the withholding described in this paragraph under an applicable intergovernmental agreement between the U.S. and a foreign government, provided that the shareholder and the applicable foreign government comply with the terms of such agreement.

*Taxes on Exchange-Listed Share Sales.* Any capital gain or loss realized upon a sale of Fund Shares is generally treated as long-term capital gain or loss if Fund Shares have been held for more than one year and as short-term capital gain or loss if Fund Shares have been held for one year or less, except that any capital loss on the sale of Fund Shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Fund Shares.

*Taxes on Creations and Redemptions of Creation Units.* A person who exchanges securities for Creation Units generally will recognize a gain or loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time and the exchanger's aggregate basis in the securities surrendered plus any cash paid for the Creation Units. A person who exchanges Creation Units for securities will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the aggregate market value of the securities and the amount of cash received. The Internal Revenue Service (the "IRS"), however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax advisor with respect to whether wash sale rules apply and when a loss might be deductible.

Under current federal tax laws, any capital gain or loss realized upon a redemption (or creation) of Creation Units is generally treated as long-term capital gain or loss if the applicable Fund Shares (or securities surrendered) have been held for more than one year and as a short-term capital gain or loss if the applicable Fund Shares (or securities surrendered) have been held for one year or less.

If you create or redeem Creation Units, you will be sent a confirmation statement showing how many Fund Shares you purchased or sold and at what price.

If a Fund redeems Creation Units in cash, it may recognize more capital gains than it will if it redeems Creation Units in-kind.

*Backup Withholding.* A Fund will be required in certain cases to withhold (as "backup withholding") on amounts payable to any shareholder who (1) has provided the Fund either an incorrect tax identification number or no number at all, (2) is subject to backup withholding by the IRS for failure to properly report payments of interest or dividends, (3) has failed to certify to the Fund that such shareholder is not subject to backup withholding, or (4) has not certified that such shareholder is a U.S. person (including a U.S. resident alien). The backup withholding rate is 28%. Backup withholding will not be applied to payments that have been subject to the 30% withholding tax on shareholders who are neither citizens nor permanent residents of the U.S.

*Certain Potential Tax Reporting Requirements.* Under U.S. Treasury regulations, if a shareholder recognizes a loss of \$2 million or more for an individual shareholder or \$10 million or more for a corporate shareholder (or certain greater amounts over a combination of years), the shareholder must file with the Internal Revenue Service a disclosure statement on Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance shareholders of a RIC are not excepted. Significant penalties

may be imposed for the failure to comply with the reporting requirements. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

*Other Tax Issues.* A Fund may be subject to tax in certain states where the Fund does business. Furthermore, in those states which have income tax laws, the tax treatment of the Funds and of Fund shareholders with respect to distributions by the Funds may differ from federal tax treatment.

The foregoing discussion summarizes some of the consequences under current federal tax law of an investment in the Funds. It is not a substitute for personal tax advice. Consult your personal tax advisor about the potential tax consequences of an investment in the Funds under all applicable tax laws.

## GENERAL INFORMATION

The Trust was organized as a Massachusetts business trust on June 10, 1998. If shareholders of any Fund are required to vote on any matters, shareholders are entitled to one vote for each Fund Share they own. Annual meetings of shareholders will not be held except as required by the 1940 Act and other applicable law. See the SAI for more information concerning the Trust's form of organization.

### **Management and Organization**

Each Fund is a separate, non-diversified series of the Trust, which is an open-end management investment company.

For purposes of the 1940 Act, Fund Shares of the Trust are issued by the respective series of the Trust and the acquisition of Fund Shares by investment companies is subject to the restrictions of Section 12(d)(1) of the 1940 Act.

The Trust has received exemptive relief from Section 12(d)(1) to allow registered investment companies to invest in the Funds beyond the limits set forth in Section 12(d)(1), subject to certain terms and conditions as set forth in an SEC exemptive order issued to the Trust, including that such investment companies enter into an agreement with the Trust.

From time to time, a Fund may advertise yield and total return figures. Yield is a historical measure of dividend income, and total return is a measure of past dividend income (assuming that it has been reinvested) plus capital appreciation. Neither yield nor total return should be used to predict the future performance of a Fund.

Clifford Chance US LLP serves as counsel to the Trust, including the Funds. PricewaterhouseCoopers LLP serves as the independent registered public accounting firm and will audit the Funds' financial statements annually.

## **PREMIUM/DISCOUNT INFORMATION**

Information showing the number of days the market price of a Fund's shares was greater than a Fund's NAV per Fund Share (*i.e.*, at a premium) and the number of days it was less than the Fund's NAV per Fund Share (*i.e.*, at a discount) for various time periods is available by visiting the Funds' website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

## **FINANCIAL HIGHLIGHTS**

The financial highlight tables below are intended to help you understand each Fund's financial performance for the past five fiscal years and the six month period ended March 31, 2016, or, if shorter, the period since each Fund's inception. Certain information reflects the performance results for a single Fund Share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in each Fund (assuming reinvestment of all dividends and distributions). The information for the past five fiscal years has been audited by PricewaterhouseCoopers LLP, the Trust's independent registered public accounting firm, whose report, along with each Fund's financial highlights and financial statements, is included in the annual report to shareholders. The unaudited information for the periods ended March 31, 2016, along with each Fund's financial statements, is included in the semi-annual report to shareholders. The annual report and semi-annual report are available upon request. The financial information included in these tables should be read in conjunction with the financial statements incorporated by reference in the SAI.

## FINANCIAL HIGHLIGHTS

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Consumer Discretionary Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 74.26	\$ 66.69	\$ 60.59	\$ 46.79	\$ 34.88	\$ 33.44
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) ..	0.64	1.05	0.90	0.83	0.66	0.58(b)
Net realized and unrealized gain (loss) (c) .....	4.83	7.55	6.10	13.73	11.88	1.49
Total from investment operations ..	5.47	8.60	7.00	14.56	12.54	2.07
Net equalization credits and charges (a) .....	—	0.05	0.01	0.06	0.04	(0.02)
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.65)	(1.08)	(0.91)	(0.82)	(0.67)	(0.61)
<b>Net asset value, end of period</b> ..	<u>\$ 79.08</u>	<u>\$ 74.26</u>	<u>\$ 66.69</u>	<u>\$ 60.59</u>	<u>\$ 46.79</u>	<u>\$ 34.88</u>
<b>Total return (d)</b> .....	7.37%	12.98%	11.59%	31.50%	36.25%	6.00%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .....	\$1,787,319	\$1,117,642	\$6,712,778	\$6,734,928	\$3,343,159	\$1,779,239
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(e)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	1.67%(e)	1.41%	1.37%	1.55%	1.55%	1.52%(b)
Portfolio turnover rate (f) .....	1%	6%	5%	8%	5%	7%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Net investment income per share and the ratio of net investment income to average assets reflects receipt of special dividends from portfolio holdings. The resulting increase to net investment income amounted to \$0.05 per share and 0.14% of average net assets. If the special dividends were not received during the year ended September 30, 2011, the total return would have been 5.81%.
- (c) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (d) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (e) The ratios for periods less than one year are annualized.
- (f) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Consumer Staples Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 47.22	\$ 45.10	\$ 39.81	\$ 35.83	\$ 29.64	\$ 27.88
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) ...	0.65	1.27	1.14	1.12	0.94	0.88
Net realized and unrealized gain (loss) (b) .....	5.80	2.14	5.19	4.00	6.17	1.69
Total from investment operations ..	6.45	3.41	6.33	5.12	7.11	2.57
Net equalization credits and charges (a) .....	0.02	(0.03)	0.10	(0.04)	0.03	0.05
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.64)	(1.26)	(1.14)	(1.10)	(0.95)	(0.86)
<b>Net asset value, end of period</b> ...	<u>\$ 53.05</u>	<u>\$ 47.22</u>	<u>\$ 45.10</u>	<u>\$ 39.81</u>	<u>\$ 35.83</u>	<u>\$ 29.64</u>
<b>Total return (c)</b> .....	13.73%	7.45%	16.26%	14.35%	24.28%	9.38%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) ..	\$10,334,623	\$7,305,874	\$7,623,200	\$5,241,330	\$6,031,956	\$5,131,609
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(d)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	2.57%(d)	2.62%	2.62%	2.91%	2.82%	2.91%
Portfolio turnover rate (e) .....	2%	3%	4%	5%	12%	4%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (d) The ratios for periods less than one year are annualized.
- (e) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

	The Energy Select Sector SPDR Fund					
	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 61.24	\$ 90.58	\$ 82.89	\$ 73.45	\$ 58.54	\$ 56.05
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) ..	0.95	2.01	1.77	1.49	1.19	1.01
Net realized and unrealized gain (loss) (b) .....	0.64	(29.45)	7.63	9.43	14.91	2.55
Total from investment operations ..	1.59	(27.44)	9.40	10.92	16.10	3.56
Net equalization credits and charges (a) .....	0.07	0.09	0.07	0.02	0.02	0.01
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.99)	(1.99)	(1.78)	(1.50)	(1.21)	(1.08)
<b>Net asset value, end of period</b> ..	<u>\$ 61.91</u>	<u>\$ 61.24</u>	<u>\$ 90.58</u>	<u>\$ 82.89</u>	<u>\$ 73.45</u>	<u>\$ 58.54</u>
<b>Total return (c)</b> .....	2.74%	(30.52)%	11.40%	15.02%	27.68%	6.07%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .....	\$12,846,927	\$11,103,521	\$9,838,985	\$7,967,582	\$7,582,067	\$6,276,840
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(d)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	3.05%(d)	2.63%	1.94%	1.92%	1.71%	1.43%
Portfolio turnover rate (e) .....	3%	6%	5%	3%	5%	3%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (d) The ratios for periods less than one year are annualized.
- (e) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.



## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Financial Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 22.66	\$ 23.17	\$ 19.91	\$ 15.59	\$ 11.81	\$ 14.35
<b>Income (loss) from investment operations:</b>						
Net investment income (loss)						
(a) .....	0.28	0.42	0.34	0.30	0.24	0.19
Net realized and unrealized gain (loss) (b) .....	(0.16)	(0.50)	3.28	4.33	3.79	(2.52)
Total from investment operations .....	0.12	(0.08)	3.62	4.63	4.03	(2.33)
Net equalization credits and charges (a) .....	—(c)	0.01	0.01	0.01	0.01	(0.01)
Voluntary contribution from Adviser .....	—	0.00(c)(d)	—	—	—	—
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.27)	(0.44)	(0.37)	(0.32)	(0.26)	(0.20)
<b>Net asset value, end of period</b> .....	<u>\$ 22.51</u>	<u>\$ 22.66</u>	<u>\$ 23.17</u>	<u>\$ 19.91</u>	<u>\$ 15.59</u>	<u>\$ 11.81</u>
<b>Total return (e)</b> .....	0.51%	(0.39)% <sup>(f)</sup>	18.32%	29.94%	34.44%	(16.57)%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .....	\$16,014,336	\$16,800,919	\$18,605,018	\$14,594,535	\$7,921,429	\$4,304,246
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(g)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) ..	2.40%(g)	1.72%	1.54%	1.64%	1.65%	1.25%
Portfolio turnover rate (h) .....	3%	3%	5%	4%	8%	7%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Amount is less than \$0.005 per share.
- (d) Contribution paid by an Affiliate in the amount of \$461,741. (See Note 3).
- (e) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (f) The contribution from an Affiliate had no impact on total return. (See Note 3).
- (g) The ratios for periods less than one year are annualized.
- (h) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

	<b>The Financial Services Select Sector SPDR Fund</b> <b>For the Period 10/8/15*-3/31/16 (Unaudited)</b>
<b>Net asset value, beginning of period</b> .....	<u>\$ 30.00</u>
<b>Income (loss) from investment operations:</b>	
Net investment income (loss) (a) .....	0.26
Net realized and unrealized gain (loss) (b) .....	<u>(1.57)</u>
Total from investment operations .....	<u>(1.31)</u>
Net equalization credits and charges (a) .....	<u>0.02</u>
<b>Distributions to shareholders from:</b>	
Net investment income .....	<u>(0.24)</u>
<b>Net asset value, end of period</b> .....	<u>\$28.47</u>
<b>Total return (c)</b> .....	(4.33)%
<b>Ratios and Supplemental Data:</b>	
Net assets, end of period (in 000s) .....	\$12,813
<b>Ratios to average net assets:</b>	
Total expenses .....	0.89%(d)
Net expenses .....	0.14%(d)
Net investment income (loss) .....	1.86%(d)
Portfolio turnover rate (e) .....	4%

\* Commencement of operations.

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (d) The ratios for periods less than one year are annualized.
- (e) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Health Care Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 66.30	\$ 63.90	\$ 50.59	\$ 40.13	\$ 31.74	\$ 30.49
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) .....	0.54	1.02	0.89	0.84	0.78	0.66
Net realized and unrealized gain (loss) (b) .....	1.52	2.35	13.29	10.45	8.40	1.28
Total from investment operations .....	2.06	3.37	14.18	11.29	9.18	1.94
Net equalization credits and charges (a) .....	(0.01)	0.02	0.02	0.01	(0.02)	(0.03)
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.54)	(0.99)	(0.89)	(0.84)	(0.77)	(0.66)
<b>Net asset value, end of period</b> .....	<u>\$ 67.81</u>	<u>\$ 66.30</u>	<u>\$ 63.90</u>	<u>\$ 50.59</u>	<u>\$ 40.13</u>	<u>\$ 31.74</u>
<b>Total return (c)</b> .....	3.06%	5.22%	28.22%	28.39%	29.04%	6.19%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .....	\$11,671,097	\$12,872,900	\$11,161,902	\$7,479,810	\$5,060,628	\$4,109,777
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(d)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	1.56%(d)	1.43%	1.53%	1.84%	2.15%	1.98%
Portfolio turnover rate (e) .....	3%	3%	3%	5%	5%	7%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (d) The ratios for periods less than one year are annualized.
- (e) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Industrial Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 49.91	\$ 53.14	\$ 46.39	\$ 36.54	\$ 29.23	\$ 31.28
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) ...	0.60	1.07	1.00	0.91	0.80	0.69
Net realized and unrealized gain (loss) (b) .....	5.60	(3.16)	6.71	9.79	7.32	(2.05)
Total from investment operations ..	6.20	(2.09)	7.71	10.70	8.12	(1.36)
Net equalization credits and charges (a) .....	(0.01)	(0.01)	0.03	0.05	(0.01)	(0.00)(c)
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.60)	(1.13)	(0.99)	(0.90)	(0.80)	(0.69)
<b>Net asset value, end of period</b> ...	<u>\$ 55.50</u>	<u>\$ 49.91</u>	<u>\$ 53.14</u>	<u>\$ 46.39</u>	<u>\$ 36.54</u>	<u>\$ 29.23</u>
<b>Total return (d)</b> .....	12.44%	(4.09)%	16.71%	29.70%	27.84%	(4.67)%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) ..	\$6,636,646	\$6,257,309	\$8,575,617	\$6,860,109	\$3,196,212	\$2,361,086
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(e)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	2.28%(e)	1.95%	1.93%	2.19%	2.26%	1.96%
Portfolio turnover rate (f) .....	4%	6%	3%	6%	8%	4%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Amount is less than \$0.005 per share.
- (d) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (e) The ratios for periods less than one year are annualized.
- (f) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Materials Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 39.94	\$ 49.58	\$ 42.00	\$ 36.80	\$ 29.36	\$ 32.79
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) ...	0.49	0.93	0.95	0.98	0.75	0.76(b)
Net realized and unrealized gain (loss) (c).....	4.83	(9.50)	7.57	5.21	7.41	(3.30)
Total from investment operations ..	5.32	(8.57)	8.52	6.19	8.16	(2.54)
Net equalization credits and charges (a) .....	0.02	(0.11)	—(d)	0.02	0.03	(0.07)
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.48)	(0.96)	(0.94)	(1.01)	(0.75)	(0.82)
<b>Net asset value, end of period</b> ...	<u>\$ 44.80</u>	<u>\$ 39.94</u>	<u>\$ 49.58</u>	<u>\$ 42.00</u>	<u>\$ 36.80</u>	<u>\$ 29.36</u>
<b>Total return (e)</b> .....	13.38%	(17.75)%	20.36%	17.09%	28.06%	(8.45)%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) ..	\$2,397,951	\$1,942,121	\$5,182,235	\$3,585,702	\$2,359,724	\$1,643,186
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(f)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	2.25%(f)	1.94%	2.02%	2.50%	2.11%	2.02%(b)
Portfolio turnover rate (g) .....	9%	9%	7%	6%	12%	14%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Net investment income per share and the ratio of net investment income to average assets reflects receipt of special dividends from portfolio holdings. The resulting increase to net investment income amounted to \$0.09 per share and 0.23% of average net assets. If the special dividends were not received during the year ended September 30, 2011, the total return would have been (8.77)%.
- (c) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (d) Amount is less than \$0.005 per share.
- (e) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (f) The ratios for periods less than one year are annualized.
- (g) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

	<b>The Real Estate Select Sector SPDR Fund</b> <b>For the Period 10/8/15 * -3/31/16 (Unaudited)</b>
<b>Net asset value, beginning of period</b> .....	<u>\$ 30.00</u>
<b>Income (loss) from investment operations:</b>	
Net investment income (loss) (a) .....	0.77
Net realized and unrealized gain (loss) (b) .....	<u>1.95</u>
Total from investment operations .....	<u>2.72</u>
Net equalization credits and charges (a) .....	<u>—(c)</u>
<b>Distributions to shareholders from:</b>	
Net investment income .....	<u>(0.64)</u>
<b>Net asset value, end of period</b> .....	<u>\$32.08</u>
<b>Total return (d)</b> .....	9.12%
<b>Ratios and Supplemental Data:</b>	
Net assets, end of period (in 000s) .....	\$11,229
<b>Ratios to average net assets:</b>	
Total expenses .....	1.29%(e)
Net expenses .....	0.14%(e)
Net investment income (loss) .....	5.33%(e)
Portfolio turnover rate (f) .....	8%

\* Commencement of operations.

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Amount is less than \$0.005 per share.
- (d) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (e) The ratios for periods less than one year are annualized.
- (f) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Technology Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 39.56	\$ 39.89	\$ 32.04	\$ 30.83	\$ 23.59	\$ 23.02
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) .....	0.44	0.75	0.68	0.61	0.43	0.36
Net realized and unrealized gain (loss) (b) .....	4.78	(0.30)	7.86	1.20	7.23	0.57
Total from investment operations .....	5.22	0.45	8.54	1.81	7.66	0.93
Net equalization credits and charges (a) .....	0.02	(0.01)	(0.01)	(0.00)(c)	0.02	0.01
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.44)	(0.77)	(0.68)	(0.60)	(0.44)	(0.37)
<b>Net asset value, end of period</b> .....	<u>\$ 44.36</u>	<u>\$ 39.56</u>	<u>\$ 39.89</u>	<u>\$ 32.04</u>	<u>\$ 30.83</u>	<u>\$ 23.59</u>
<b>Total return (d)</b> .....	13.27%	1.04%	26.75%	5.99%	32.76%	3.97%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .....	\$13,588,472	\$11,382,284	\$13,854,341	\$11,714,309	\$10,679,945	\$6,563,923
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(e)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) ..	2.05%(e)	1.80%	1.85%	1.99%	1.53%	1.41%
Portfolio turnover rate (f) .....	3%	5%	10%	4%	5%	5%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Amount is less than \$0.005 per share.
- (d) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (e) The ratios for periods less than one year are annualized.
- (f) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.

## FINANCIAL HIGHLIGHTS — (Continued)

*Selected data for a Select Sector SPDR share outstanding throughout each year/period*

### The Utilities Select Sector SPDR Fund

	Six Months Ended 3/31/16 (Unaudited)	Year Ended 9/30/15	Year Ended 9/30/14	Year Ended 9/30/13	Year Ended 9/30/12	Year Ended 9/30/11
<b>Net asset value, beginning of period</b> .....	\$ 43.29	\$ 42.10	\$ 37.36	\$ 36.39	\$ 33.62	\$ 31.38
<b>Income (loss) from investment operations:</b>						
Net investment income (loss) (a) . . .	0.82	1.57	1.49	1.47	1.42	1.35
Net realized and unrealized gain (loss) (b) .....	6.31	1.22	4.77	1.01	2.80	2.15
Total from investment operations . . .	7.13	2.79	6.26	2.48	4.22	3.50
Net equalization credits and charges (a) .....	—(c)	(0.04)	(0.03)	(0.04)	(0.02)	0.09
<b>Distributions to shareholders from:</b>						
Net investment income .....	(0.81)	(1.56)	(1.49)	(1.47)	(1.43)	(1.35)
<b>Net asset value, end of period</b> . . .	<u>\$ 49.61</u>	<u>\$ 43.29</u>	<u>\$ 42.10</u>	<u>\$ 37.36</u>	<u>\$ 36.39</u>	<u>\$ 33.62</u>
<b>Total return (d)</b> .....	16.63%	6.51%	16.83%	6.78%	12.64%	11.63%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (in 000s) .	\$8,398,366	\$6,639,689	\$5,468,273	\$5,175,145	\$6,058,825	\$6,641,623
<b>Ratios to average net assets:</b>						
Total expenses .....	0.14%(e)	0.15%	0.15%	0.17%	0.18%	0.19%
Net investment income (loss) .....	3.65%(e)	3.52%	3.67%	3.93%	3.99%	4.17%
Portfolio turnover rate (f) .....	4%	4%	5%	4%	4%	3%

- (a) Per share numbers have been calculated using average shares outstanding, which more appropriately presents the per share data for the period.
- (b) Amounts shown in this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (c) Amount is less than \$0.005 per share.
- (d) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of each period reported. Distributions are assumed, for the purpose of this calculation, to be reinvested at net asset value per share on the respective payment dates of each Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in this calculation.
- (e) The ratios for periods less than one year are annualized.
- (f) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions on Select Sector SPDR shares.





## WHERE TO LEARN MORE ABOUT THE FUNDS

This Prospectus does not contain all the information included in the Registration Statement filed with the SEC with respect to Fund Shares. A SAI and the Annual and Semi-Annual Reports to shareholders, each of which has been or will be filed with the SEC, provide more information about the Funds. In the Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected each Fund's performance during the Fund's last fiscal year (except for The Financial Services Select Sector SPDR Fund and The Real Estate Select Sector SPDR Fund, which had not commenced operations as of the date of the Annual Report). The SAI and the financial statements included in the Trust's Annual and Semi-Annual Reports to shareholders are incorporated herein by reference (*i.e.*, they are legally part of this Prospectus). These materials may be obtained without charge, upon request, by writing to the Distributor, ALPS Portfolio Solutions Distributor, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, by visiting the Funds' website at [www.sectorspdrs.com](http://www.sectorspdrs.com) or by calling the following number:

### **Investor Information: 1-866-SECTOR-ETF (1-866-732-8673)**

The Registration Statement, including this Prospectus, the SAI, and the exhibits as well as any shareholder reports may be reviewed and copied at the SEC's Public Reference Room (100 F Street NE, Washington D.C. 20549) or on the EDGAR Database on the SEC's website (<http://www.sec.gov>). Information on the operation of the public reference room may be obtained by calling the SEC at 1-202-551-8090. You may get copies of this and other information after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-1520.

Shareholder inquiries may be directed to the Funds in writing to ALPS Portfolio Solutions Distributor, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, or by calling the Investor Information number listed above.

**No person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of Fund Shares, and, if given or made, the information or representations must not be relied upon as having been authorized by the Trust or the Funds. Neither the delivery of this Prospectus nor any sale of Fund Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.**

**Dealers effecting transactions in Fund Shares, whether or not participating in this distribution, are generally required to deliver a Prospectus. This is in addition to any obligation of dealers to deliver a Prospectus when acting as underwriters.**