

S&P High Yield Dividend Aristocrats

EXCHANGE-TRADED PRODUCTS:

EXCHANGE-TRADED FUNDS (ETFs)

SPDR Dividend ETF

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About the Index

The S&P High Yield Dividend Aristocrats index is designed to measure the performance of the 50 highest dividend yielding S&P Composite 1500 constituents which have followed a managed-dividends policy of consistently increasing dividends every year for at least 25 years.

Since 1926, dividends have contributed nearly a third of the total equity return while capital gains have contributed two-thirds. The S&P High Yield Dividend Aristocrats index captures sustainable dividend income and capital appreciation potential which are both key factors in investors' total return expectations. Companies included in the index come from a broad spectrum of industries and are diversified across all sectors.

Index Methodology

The S&P High Yield Dividend Aristocrats index is weighted by indicated annual dividend yield. To prevent the index from being concentrated in only a few names, the methodology incorporates limits so that no individual stock represents more than 4% of the index weight. The stock must also have a minimum market capitalization of US\$ 500 million and have a 12-month average trading volume of more than 1.5 million shares.

The index is maintained by the U.S. Index Committee.

Complete details of these guidelines, including the criteria for index additions and removals, policy statements, and research papers are available on the Web site at www.indices.standardandpoors.com.

CRITERIA FOR INDEX ADDITIONS

To qualify for inclusion, a company must first be considered a "Dividend Aristocrat" by satisfying the criteria below:

- *Universe.* A company must be a constituent of the S&P Composite 1500 index.
- *Dividends.* A company must have increased dividends every year for at least 25 years. Both regular and special

dividend payments are considered. A dividend initiation or re-initiation does not count as a dividend increase. Calendar years and ex-dates are used for the dividend analysis, with the data being reviewed every December.

REBALANCING FREQUENCY

Major rebalancings are made once a year in December, coinciding with annual review of the Dividend Aristocrat qualifying universe. If the December review produces a list of less than 75 stocks in the universe, S&P Composite 1500 constituents that have increased dividends every year for 20 years shall supplement the universe. For minor rebalancing, adjustments to the index occur in March, June, and September. The rebalancing effective date is after the close of the fifth trading day of the rebalancing month. If there is a tie in yield ranks, the larger and more liquid stock is given the higher preference.

CRITERIA FOR INDEX REMOVALS

Index constituents may be deleted from the index for the following reasons:

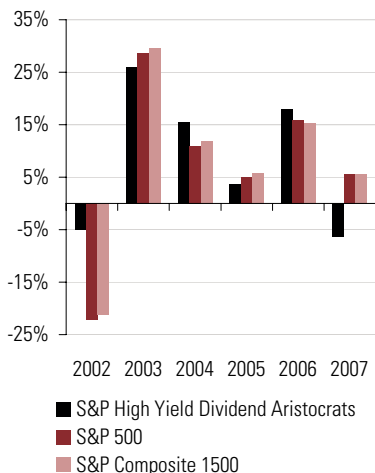
- At the December rebalancing, if the company's calendar year dividends did not increase from the previous calendar year or if the company no longer ranks as one of the top 50 stocks in the qualifying universe in terms of indicated annual dividend yield.
- At the quarterly rebalancings, if the company ranks 60 or higher in terms of indicated dividend yield, where "high" rank means lower yield.
- Between rebalancings, if the stock is removed from the S&P Composite 1500.

S&P High Yield Dividend Aristocrats

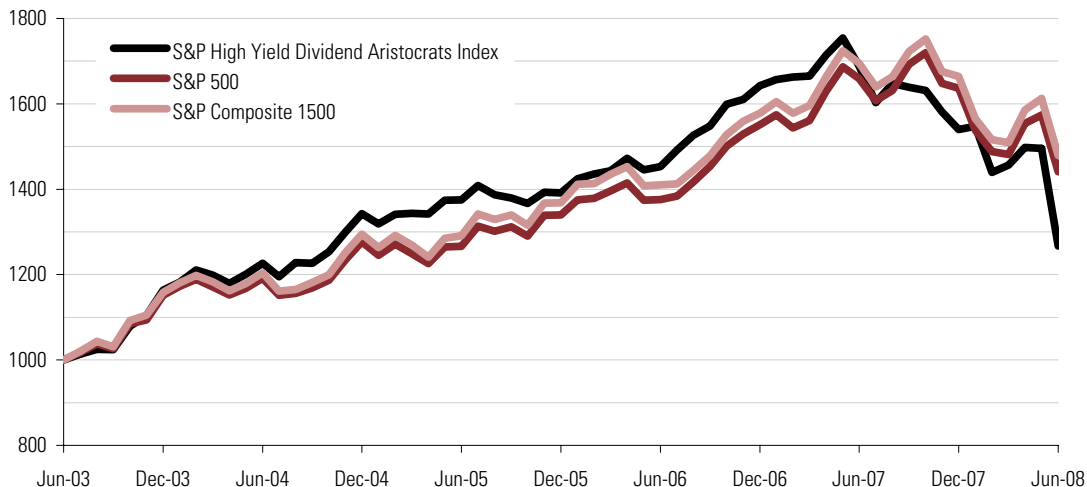
June 30, 2008

The 50 highest dividend yielding S&P Composite 1500 constituents that have 25 years of increasing dividends.

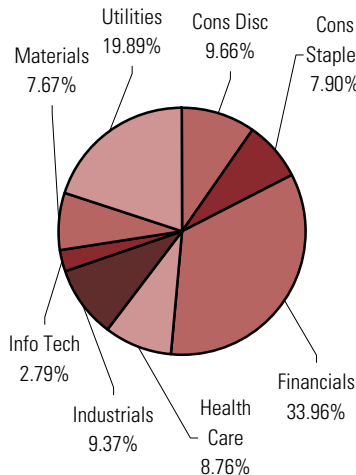
Annual Performance Comparison



5 Year Historical Performance



Sector Breakdown



Index Performance

| | S&P High Yield Dividend Aristocrats | S&P 500 | S&P Composite 1500 |
|---------------------------|-------------------------------------|---------|--------------------|
| Returns | | | |
| 1 Month | -15.31% | -8.43% | -8.28% |
| 3 Month | -13.04% | -2.73% | -1.97% |
| YTD | -17.71% | -11.91% | -11.12% |
| Annualized Returns | | | |
| 1 Year | -24.97% | -13.12% | -12.72% |
| 3 Years | -2.70% | 4.41% | 4.65% |
| 5 Years | 4.84% | 7.58% | 8.15% |
| 7 Years | 5.01% | 2.45% | 3.07% |
| Annualized Risk | | | |
| 3 Years Std Dev | 12.12% | 10.24% | 10.35% |
| Risk | | | |
| 5 Years Std Dev | 10.66% | 9.46% | 9.64% |
| Sharpe Ratio | | | |
| 3 Years | -0.5002 | 0.0795 | 0.1022 |
| 5 Years | 0.2141 | 0.5000 | 0.5465 |
| Correlation | | | |
| 5 Years | | 0.8082 | 0.7987 |
| Dividend Yield | | | |
| Annualized | 5.22% | 2.24% | 2.13% |

Tickers

| BLOOMBERG SM | |
|-------------------------------------|----------|
| S&P High Yield Dividend Aristocrats | |
| Price | SPHYDA |
| Total Return | SPHYDATR |

Sector Weight Comparisons

| | S&P High Yield Dividend Aristocrats | S&P 500 | S&P Composite 1500 |
|----------------------------|-------------------------------------|---------|--------------------|
| Consumer Discretionary | 9.66% | 8.12% | 8.58% |
| Consumer Staples | 7.90% | 10.79% | 9.89% |
| Energy | - | 16.22% | 15.62% |
| Financials | 33.96% | 14.25% | 14.34% |
| Health Care | 8.76% | 11.92% | 11.80% |
| Industrials | 9.37% | 11.12% | 11.87% |
| Information Technology | 2.79% | 16.44% | 16.32% |
| Materials | 7.67% | 3.83% | 4.21% |
| Telecommunication Services | - | 3.32% | 2.98% |
| Utilities | 19.89% | 3.99% | 4.40% |