[State Street Corporation.: Rule 14a-8 Proposal, December 7, 2020]
[This line and any line above it – *Not* for publication.]
ITEM 4* – Market Materiality Disclosure

**RESOLVED, shareholders ask that the board provide a report as to how its voting and engagement policies, which focus solely on individual corporation materiality to the exclusion of capital markets materiality, affect the majority of its clients and shareholders, who rely primarily on overall stock market performance for their returns, rather than upon the returns of individual companies.**

Our Company provides investment management services and has more than $3 trillion in assets under management, primarily weighted towards indexed strategies. Its clients, like its shareholders, are almost all broadly diversified. (Indeed, as of September 2020, the Company itself, along with Vanguard and BlackRock, two asset owners with similarly diversified client bases, own more than 20% of the Company's shares.)

Such diversified shareholders, like the Company's diversified clients, rely on healthy social, economic, and environmental systems to support all corporations. If corporate practices reduce demand[1] or GDP,[2] decreased diversified portfolio returns result.[3] As manager for more than $3 trillion in assets, the Company's stewardship activities—engaging with portfolio companies and voting their shares—could significantly affect overall market performance by ensuring that corporations do not seek profit from activities that degrade the global commons.

However, the Company's position on environmental, social and governance matters focuses largely on "materiality," which only takes into account how those matters affect an individual company.[4] This means that portfolio companies are stewarded to improve ESG performance only if it improves their individual performances. Thus, where a portfolio company can profit through irresponsible social and environmental practices, the Company's stewardship policy may fail to advance the interests of both its clients and its shareholders.

Because the Company's engagement strategy is only focused on company-by-company materiality, it allows corporations in its portfolio to continue practices that externalize costs (thereby harming overall market performance) without harming the individual corporation. The Company's clients and shareholders should be provided with information about corporate practices that harm the economy while increasing individual corporate financial returns.

The difference between company materiality and market materiality is an issue of great social importance. A study would help shareholders determine whether to seek a change in corporate direction, structure or form in order to better serve their interests.

Please vote for: Market Materiality Disclosure – Proposal [4*]
[This line and any below are *not* for publication]

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[1] See, e.g., https://www.epi.org/publication/secular-stagnation/ (inequality has reduced demand by 2-4% of GDP.)
[2] See, e.g., *Closing the Racial Inequality Gaps: The Economic Cost of Black Inequality in the U.S.*, available at http://citi.us/3olxWH0 (closing racial disparity would add $5 trillion to the US economy over the next five years).
[3] See *Universal Ownership: Why Environmental Externalities Matter to Institutional Investors*, Appendix IV (demonstrating linear relationship between GDP and a diversified portfolio) available at https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; cf. https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator (total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment") (quoting Warren Buffet).
[4] https://www.ssga.com/library-content/pdfs/ic/global-Proxy-Voting-and-engagement-guidelines-es-issues.pdf