State Street Corporation (STT)

Accumulate

We recommend State Street Corporation (STT) as an Accumulate based on Annuity-Like Fee-Revenues from Asset Management and Investor Services Businesses, Fair Value Price of $76.18 per share

RECOMMENDATION

We are reducing our recommendation on State Street Corp. common stock from Strong Buy to Neutral based on its share price converging with our Fair Value share price for the company. Our Fair Value share price estimate is $76.18, which represents a 12% discount from its current price of $67/share. We expect to see the company generate earnings per share of $4.60 in 2014 and to increase EPS by 13% annually from 2014 to 2016. We recommend State Street to aggressive investors who are interested in turnaround/special situations restructuring because State Street is making progress in its corporate reorganization. We also recommend State Street to conservative investors interested in high-quality blue-chip companies with a wide economic moat and an exceptional business operations franchise.

COMPANY OVERVIEW

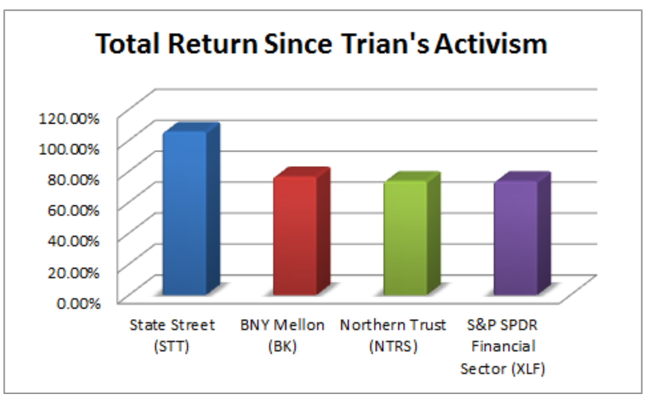
State Street Corp is the holding company for State Street Bank and Trust (world's second largest custody banking institution) and subsidiaries. The bank provides institutional asset administration and servicing through its State Street Global Services division, investment research and trading services through State Street Global Markets, and institutional asset management solutions through State Street Global Advisors.

Management: The current CEO and President, Joseph (Jay) Hooley has been Chairman and CEO since 2010 and has been with the bank since 1986. He previously headed the firm's global investment servicing business and led the acquisition of Deutsche Bank's Securities business in 2003 and Investors Financial Services Corporation in 2007.

Ownership: While executives and board members own less than one percent of the stock, we note that State Street's CEO Jay Hooley owned $38M worth of stock, State Street's outgoing CFO Edward Resch owned $29M worth of stock and State Street's Head of Global Operations James S. Phalen has $20M worth of stock. We can see based on their stock holdings that they have a vested and personally material economic interest in the company. All current directors and executives collectively own $245M worth of stock, including $210M directly.

In October 2011 Nelson Peltz of Trian Fund Management L.P issued a press release announcing that Trian owned 3.3% of State Street's outstanding shares. Trian also sent a letter to State Street's Board of Directors with its analysis as to why State Street has underperformed and delivered negative shareholder returns over the last 1 to 10 year periods, as well as time periods in between. Trian also issued a Detailed Action Plan White Paper identifying operational and strategic initiatives that State Street should undertake in order to improve operating performance and unlock shareholder value. We are not surprised that State Street has not directly responded to Mr. Peltz's program.

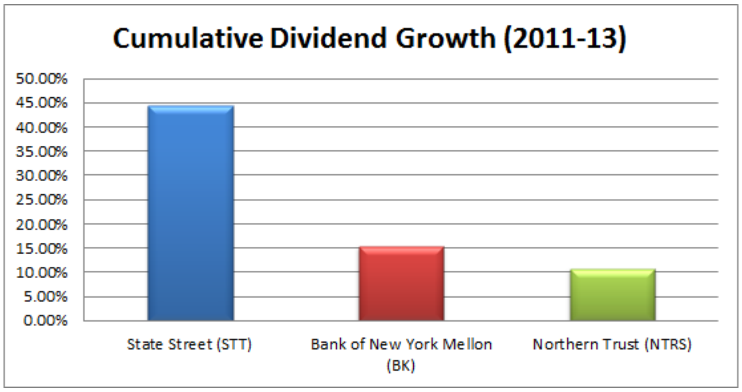
However, we believe that the share repurchases executed since the beginning of the fourth quarter of 2011 plus the 44% cumulative increase in dividends announced in the wake of State Street passing the Federal Reserve's stress test will satisfy Mr. Peltz. State Street completed a $1.8B buyback program in March 2013 and has repurchased $1.68B as part of a $2.1B buyback program that concludes in March 2014. We disagreed with the part of Trian's plan that suggested that the company should spin off SSgA, but we agree with Trian's thesis that SSgA could stand to improve its operating margins and Mutual Fund Wire agreed with our assessment as well.



Source: Morningstar Direct

We hope that Mr. Peltz can see that although State Street is not BlackRock (BLK), at least it is not Legg Mason (LM). We also hope that Mr. Peltz can see that his presence has tempered State Street's acquisition impulses and made returning excess cash flows to State Street's shareholders a top priority for management. We are surprised Peltz sold his State Street shares but kept his Legg Mason position. Although its two trust bank peers Northern Trust (NTRS) and

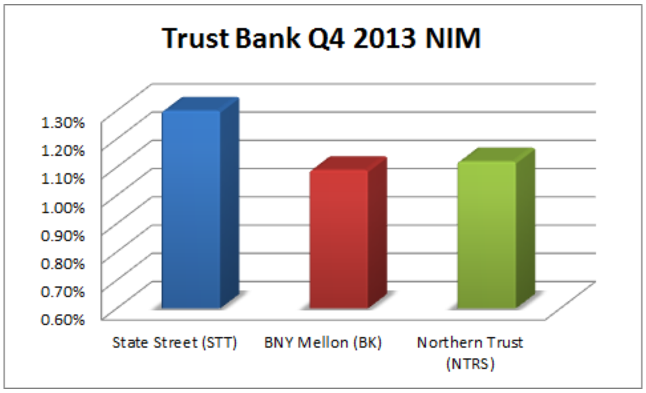
The Bank of New York Mellon (BK) have also announced dividend boosts and share repurchase programs as well, State Street's dividend boost and share repurchases were of a greater magnitude than what Northern Trust and BNY Mellon announced. This explains why State Street's shares have outperformed the XLF as well as its two closet competitive peers. We are pleased that Mutual Fund Wire agreed with our assessment on this as well.



Source: Morningstar Direct

SUMMARY OF OBSERVATIONS

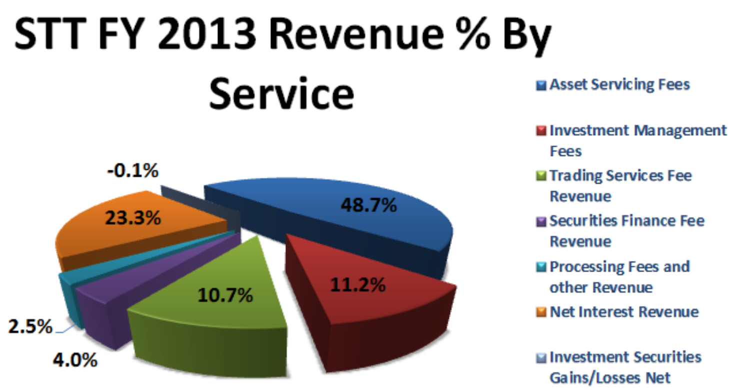
The company's net interest margin of 1.30% for the Q4 2013 period is low relative to traditional banks. However, this was still higher than its direct competition in the investor services industry (BNY Mellon 1.09% and Northern Trust 1.12%). State Street's net interest margin declined due to a flatter interest rate curve, which was partially by higher deposit volumes but still resulted in a 9.25% year-over-year decline in net interest income in FY 2013. State Street uses net interest revenue in conjunction with its asset management and investment services businesses, enabling it to offer lower direct fees to clients in exchange for compensating client deposit balances. State Street has a strong capital position and we believe that it has already met the potential capital increase requirements of the Federal Reserve under Dodd-Frank as well as the BASEL III agreements. With a BASEL I Tier 1 common capital ratio of 15.5% and a BASEL III Tier 1 common ratio of 10.1%, State Street significantly exceeds the BASEL III requirements assuming its final capital requirements are 9.5%, which is the worst case scenario that has been proposed for large systematically important banks.



Source: Q4 2013 Company Press Releases from State Street, BNY Mellon and Northern Trust

We read Peltz's White Paper and we agree with much of what he said. State Street made a number of dilutive acquisitions in the past and lost $9.5B associated with its asset backed conduit securities programs and reimbursements for its asset management clients. The Federal Reserve forced State Street to make a dilutive issuance of shares in 2009 to shore up capital pursuant to Federal Reserve requirements in the aftermath of the financial crisis. In our professional opinion, we believe that State Street suffered a first-degree burn while other banks suffered second to fourth degree burns or demise during the financial crisis. However, the regulators treated State Street like other traditional banks and forced the company into a dilutive share issuance to exit the TARP program.

State Street cut its dividend to $.01 per quarter and was prohibited from buying back stock. This certainly contributed to State Street's PE ratio decline from ~20 times trailing earnings in 2008 (18X historical median PE) to ~8 times trailing earnings on October 2011. Thanks to improved performance, Trian's activism and its capital return programs, the PE rebounded to about 11 at the beginning of 2012 and 15 recently. We believe that though State Street's primary subsidiary is a chartered bank, its subsidiaries are more closely reflected to other asset managers, as it is a wholesale bank providing asset management and administration fees. State Street generates ~77% of its revenues from these fee-based operations and sold off its commercial banking operations in 1999 to the Royal Bank of Scotland (RBS) in order to focus on these businesses. Ironically, RBS was a major money-center bank that needed a bailout due to Fred the Shred Goodwin's acquisition spree when he was RBS's CEO.



Source: State Street's Q4 2013 Earnings Release

We believe what provides State Street a wide economic moat is its scale and market leadership in the asset management and administration industry.

Consider the following markets in which State Street and its subsidiaries are a Market Leader:

- #2 in total Assets Under Administration and Custody ($27.4T)
- #1 in Investment Management Operations Outsourcing ($10T)
- #1 in Mutual Fund Accounting
- #1 in Alternative Assets under Administration (Palmeri, International Fund Services, Mourant and Investors Bank and Trust acquisitions) ($1.19T)
- #2 Global Asset Management Organization ($2.35T)
- #2 Institutional Passive Index and ETF Manager ($399B in ETF AUMs)

We also believe that the firm can achieve operating leverage improvements. In 2012, its Non-Interest Expenses represented 71% of net revenue and 97% of fees in 2012. We are expecting that Non-Interest Expenses will stabilize in 2012-13 and grow at 9% for 2014-2016, which is less than the 11% growth we expect for fee based revenue streams. We expect that Non-Interest Expenses will be 90% of Fee-based Revenues in 2016, allowing State Street to preserve its operating margins if Net Interest Income does not improve and to expand operating margins if Net Interest Income improves.

We look for the bank to steadily reduce Non-Interest Expenses as a percentage of fees while ensuring that State Street maintains and expands its strategic business investments. In 2010, State Street invested in technological upgrades to drive operating efficiencies through improved data analysis and automation of manual operating processes. State Street's operating margin of 26% in 2011 was amongst the lowest in the asset management industry but it has edged up to 28.7% in 2012 despite the company's revenue headwinds. Trian suggested that it set a target of 35% for the Investment Servicing Segments and 39% for State Street Global Advisors and limiting expense growth relative to revenue growth was the basis for Trian's over 100% increase in estimated EPS for the company for the five year period ending in 2015.

One area of expense improvement that we believe in achievable is in real estate facilities expenses. In its home state of Massachusetts, State Street operates out of nine facilities, five are in ultra-expensive Downtown Boston and the Back Bay Neighborhood and the other three are in Quincy, a smaller city southeast of Boston. Only two of these locations have front-office business units like State Street Global Advisors or Global Markets, the rest have operations and business unit staff personnel for State Street Global Services asset servicing division.

We believe that it would be prudent for State Street to move some of these team members from Boston to its Quincy offices in order to reduce occupancy expenses as these leases expire. We noticed that State Street is interested in renting space in the new South Boston Channel Center office building and we hope that the company will consolidate its middle and back-office operations teams in the Financial District and the Back Bay into this building, as Southie is a lower cost area of Boston due to its colorful neighborhood history. We were pleased that State Street's year-over-year occupancy expenses decreased by 1% in FY 2013 .

VALUATION AND PROJECTIONS

Our $76.18 value is based on applying a 15 times price to earnings multiple to estimated 2016 earnings per share of $6.67 and discounting the terminal value back to 2014 at a cost of capital of 11%. Although State Street's forward PE, P/B and Price to Tangible Book ratios are higher than the average banking institution, we believe it is justified due to its superior franchise and strong and growing presence in fee-based businesses, particularly asset management and asset servicing. Also we noticed that it is trading below similar asset management companies, even though SSgA is the second largest asset manager in the world. We believe that the multiple used is justified considering that the firm grew faster than its industry and traded at a multiple of nearly 20 times trailing earnings before the 2007-2009 financial crisis. Based on the proposals in Nelson Peltz's White Paper, State Street could potentially earn $7.35/share in 2015 and trade at a value of $99 per share.

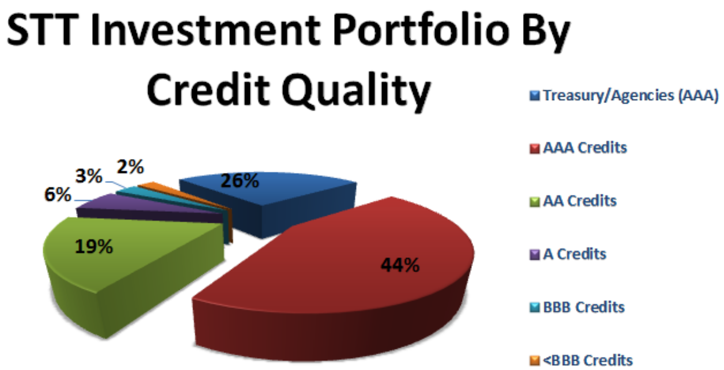
We believe that the company will continue to grow its fee-based revenues faster than net interest income. In our model we estimated that State Street would see an 11% annual growth in fee based revenues from 2014-2016, based on adding new investment management and administration mandates, market appreciation of assets overseen and potential bolt-on acquisitions of smaller firms or acquiring the asset management or securities services divisions of European banks. We estimated that the firm's Net Interest Income would be flat for the period because we feel the firm will maintain its high emphasis on short-term, high quality investment securities for its balance sheet and that while interest rate spreads will improve, that interest rates will be low for an extended period of time due to central bank interventions. The key driver of revenue and profitability for State Street is its fee-based services and solutions business, Net Interest Income represents less than 25% of revenue, unlike traditional banks.

We also believe that the firm's Information Technology and business operations transformation program should ensure a slower growth in non-interest expenses (9% annually) versus fee revenue growth. This will mitigate the impact of slow growth in Net Interest Income and when the yield curve normalizes, allow a greater percentage of revenue to fall to the bottom line to reward shareholders and bolster its balance sheet instead of being utilized to hire new employees. State Street increased its 2012 dividends by 33%, and we estimated that it will increase dividends by 8.33% annually from 2013-2016 and the steady repurchase of about 5.6% of its shares annually from 2014-2016. We also assumed that loan loss provisions, gains on sale of debt securities and impairments would have an immaterial impact on the bank's net income and offset each other. State Street's Forward PE based on consensus EPS estimates is 13X 2014 EPS, which is equal to the 13X Forward PE for BNY Mellon but significantly lower than Northern Trust's 17.7X Forward PE.

KEYS TO INVESTMENT THESIS

We like that the firm has a very low risk balance sheet. 89% of the bank's investments are in AAA or AA issuers. Furthermore, State Street has 56% of its assets are in floating rate securities, which minimizes the risk of rising interest rates. Non U.S. investments only account for 27% of investment securities and only 2.7% of those assets are in weaker European

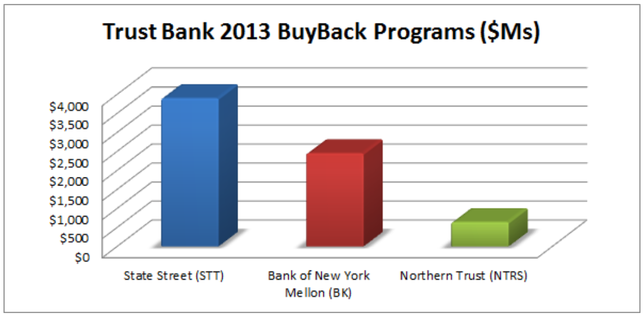
Countries (Italy, Spain, Ireland, Greece, Belgium, France and Portugal).



Source: [State Street Q4 2013 Investment Portfolio Presentation Supplement]

Nelson Peltz's shareholder activism. Though our EPS estimates are more conservative than Trian Fund Management's, we appreciate Peltz's analysis and evaluation of State Street's underperformance. We were shareholders of Investors Financial Services, which State Street acquired in 2007. We were pleased that State Street seemed to navigate the crisis better than traditional banks, though we have been disappointed with operational missteps with its conduits and asset management activities and recurring charges of an ostensibly non-recurring nature. We believe that Peltz's activism is just what the doctor ordered in order to force State Street to refocus its efforts on organic operations growth, profitability and rewarding its shareholders.

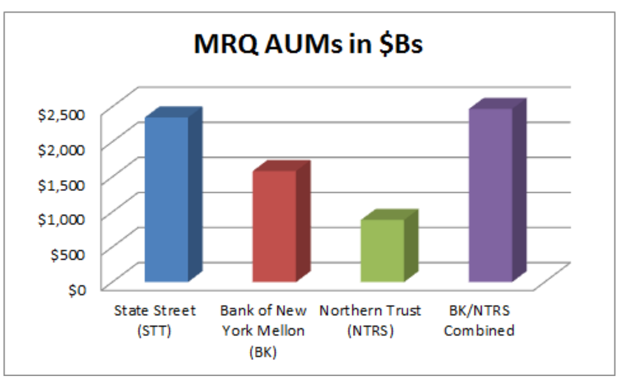
Even though Peltz has not made any activist waves since his October White Paper and recently sold Trian's State Street shares, we believe that State Street's management is getting the message. Our thesis for that statement is that State Street has only made one acquisition (Goldman Sachs's (GS) alternative asset servicing business) since then and elected to not go through with acquiring the asset management businesses of UBS (UBS) and Deutsche Bank (DB). We hope that Jay Hooley's newfound zeal for doing right by shareholders will allow him to survive calls for his job from State Street's largest shareholders especially since State Street's buyback programs are more than what BNY Mellon and Northern Trust are pursuing.



Source: Press Releases for State Street, BNY Mellon and Northern Trust

State Street passed the stress tests with flying colors. In 2008, State Street was one of 19 large, systematically important banking institutions who were required to take a preferred stock capital injection from the US Treasury Department under the Troubled Asset Relief Program. State Street paid it back as soon as it was legally permitted to do so. In 2012 State Street not only passed the Federal Reserve's Stress Test, it had the highest Tier 1 CCAR Ratio under the stress test. In 2013, State Street had the 2nd highest Tier 1 CCAR Ratio under the stress test.

State Street Global Advisors has $2.35T AUM. With $2.35T in AUM, SSgA is the world's second largest asset management institution and it nearly equals the collective $2.2T in AUM from its two closet competitors in the trust banking sector (BK and NTRS). SSgA is the second largest ETF provider with $354B in ETF assets under management and distribution. SSgA introduced the first Exchange Traded Fund, the Standard & Poor's Depository Receipts S&P 500 ETF, which tracked the S&P 500 Index and traded on the American Stock Exchange under the ticker symbol SPY. SPY is the largest individual Exchange Traded Fund with nearly $157B in assets under management. SSgA is also the distribution agent for the SPDR GLD Shares, which is the largest and most liquid physical gold backed offering in the financial marketplace. SSgA added $11B in net new mandates in Q2 2013 excluding $12B in outflows from the GLD.



Source: Q4 2013 Company Press Releases from State Street, BNY Mellon and Northern Trust

The Dodd-Frank Wall Street reform law will not hurt State Street as much as other banks. In September 2012, State Street announced the launch of its swaps clearing platform, enhancing its comprehensive derivatives solution that includes servicing, custody, accounting, risk, analytics, valuation and collateral management, as one of the requirements of that law is for swap contracts that are currently traded over the counter to migrate to a centrally cleared counterparty. The new regulations impose collateral and real-time reporting requirements designed to reduce counterparty risk. One such solution State Street recently created for its clients relates to compliance testing and reporting requirements for the Commodity Futures Trading Commission's new rule amendments. Plus, State Street has typically had higher levels of capital in spite of its low-risk balance sheet and fee-based business model and did not participate in the proprietary trading or consumer lending activities covered by Dodd-Frank.

We like State Street's asset servicing business and here is why we do. State Street Global Services is the second largest global custodian bank, with $27.4T in assets under custody and administration, an increase of 12.5% vs. Q4 2012.

- We like the fact that there are maybe one or two dozen companies that have significant asset servicing scale and most of which have been acquired by other firms.
- We believe asset management and servicing specialists like State Street offer better execution and a stronger service commitment than financial conglomerates.
- State Street services $10T in middle-office operations outsourcing contracts, more than its next five competitors combined.
- State Street provides performance and analytics services to 1,370 clients with asset volumes of $12T
- State Street strikes the per share NAVs for 41% of the US Mutual Funds Market
- #1 in Alternative Assets Servicing ($1.19T) and it picked up 41 new alternative asset servicing mandates

RISKS TO ACHIEVING FAIR VALUE TARGET PRICE

- Failure of investment community to recognize State Street's competitive advantages, resulting in a stagnant or declining price/earnings ratio.

- Failure to obtain revenue or expense synergies from an acquired business or its IT and Operations Transformation Program.
- Failure to increase Net Interest Margin from its interest earning assets and liability mix.
- Economic headwinds (European debt crisis) affecting asset flows and market valuations of client assets serviced in its asset management and servicing businesses.
- Revision of the Volcker Rule and Dodd-Frank to increase regulations on financial firms, as well as imposing additional regulations on banks who use its assets as seed capital in its asset and wealth management operations.
- Loss of key personnel

FINANCIAL HEALTH

State Street has a strong balance sheet. State Street has over $234B of cash and other investment security assets, which represents 94% of its balance sheet assets. State Street has a solid common stockholder equity capital base ($20B). State Street generated 10.5% annualized return on equity and its dividend of $1.04/share exceeds its pre-crisis high of $.96/share. In addition, it returned nearly $1B in capital to shareholders in 2011, $1.6B in 2012 and $2.2B in 2013. We also like its profit margins, which were nearly 20% in 2011, 21% in 2012 and 21.6% in 2013, despite the fact that it was facing a weaker interest rate environment.

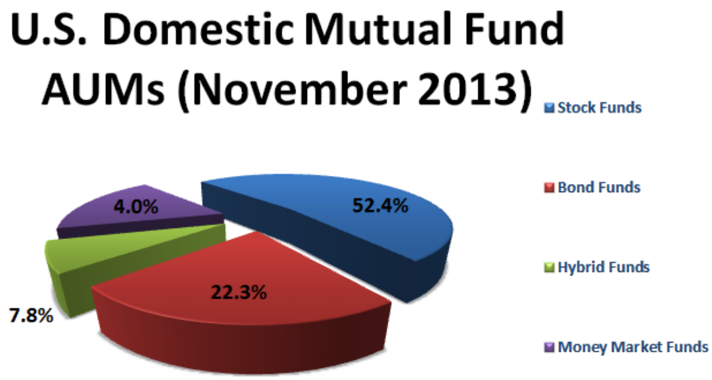
BANKING AND ASSET MANAGEMENT INDUSTRY OUTLOOK

We expect the banking and diversified financial services industries to continue to consolidate, as weaker banks and non-bank institutions either get seized by the government or sell out to stronger banks. Overall credit losses reached a peak in Q2 2010 and have been declining since then and this has helped lift bank earnings. However, we remain concerned that the European debt crisis will serve as an economic headwind as well as potentially impact balance sheets of banks and other financial institutions.

The US banking industry has been facing declines in loans and total assets as banks attempted to mitigate the damage from the recession and credit crunch by letting loan and security portfolios runoff and reducing new credit extended in order to improve capital ratios as well as to build loan loss reserves. We see loan and total asset balances for the industry to remain either stagnant or declining in 2011 and into future years, until there is more certainty with regards to an economic pickup and also greater regulatory clarity. We feel that banks that derive a large revenue proportion from asset management, administration, and other fee-based businesses other than those impacted by Dodd-Frank will outperform banking industry peers.

We are noticing a bifurcation of the asset management between boutique firms that can add value through active management and large quantitative-style low-cost index driven passive managers. We are seeing consolidation of the "middle class" of asset managers globally and the remaining firms are typically pure play firms, who have the advantage of no longer being trapped under the bureaucracy of a commercial bank, brokerage or insurance institution. State Street is the second largest ETF provider with $399B in ETF assets under management and distribution and the second largest passive index manager and we believe that it can acquire either other passive managers or small, innovative asset management boutiques through its State Street Global Alliance joint venture with the Dutch Pension Fund APG. This joint venture currently has a majority interest in two managers involved in healthcare sector specialties (Sectoral) and absolute return multi-asset class strategies (SSARIS). Former affiliates included Tuckerman (real estate), Rexiter (emerging markets and private equity (Shott Capital).

Increased Risk Management Interest based on a reaction to 2008 and 2009 crisis. Following the credit crisis and global bear market that began in 2008 and early 2009, investors and financial advisors have become increasingly interested in absolute return strategies, or strategies that seek positive returns over full market cycles. A 2010 survey of financial advisors and brokers by Putnam Investments states that 59% of advisors were likely to recommend absolute return strategies to their clients. The study states that advisors generally see the benefits of absolute return strategies as minimizing portfolio volatility and serving as an asset class diversification strategy. Industry consultant Casey, Quirk & Associates predicts that over the next 10 years, managers will increasingly be paid for investment solutions instead of products. Pensions & Investments notes that top money management firms are starting to strengthen its solutions units to provide highly customized investment solutions for its clients, with a goal of forming strategic partnerships and stronger relationships with clients. After falling to a low of $10T in 2008, domestic AUMs surpassed its $13T pre-crisis peak in 2007 and reach $14.8T as of November 2013. Stock funds represented 51% of the over $14.8T total net assets of mutual funds, while bond funds represented nearly 23%, hybrid funds 8% and the remaining 18% was in money market funds.



Source: S&P NetAdvantage

We have noticed the demand for Global Assets Growing Faster than US Assets. With more than 50% of the global market capitalization represented by non-U.S. companies, U.S. investors are increasingly looking to diversify their assets through non-U.S. investments. We believe U.S. investors are under-allocated in global equities relative to global benchmarks, particularly in the defined contribution channel, with only 7% of defined contribution assets invested in non-U.S. equities. In response to increased demand, Cerulli Associates indicates that 65% of managers are allocating over 30% of new products to international strategies and 47% are allocating over 70% of new products to international strategies. According to the Investment Company Institute, flows to foreign stock funds increased more than 210% in 2010 relative to 2009.

Demand by U.S. investors for life cycle funds has been driven by investors' desire to diversify their investments across various asset classes as well as to automatically shift to less risky asset classes as these investors near or enter retirement. Cerulli Associates estimates assets in life cycle funds will increase by 40% per year from 2009 through 2015. As part of the Pension Protection Act of 2006, target-date funds have become a default option of 401(k) plans that have an automatic enrollment feature subject to safe harbor protections for plan sponsors. A study by Hewitt Associates and Financial Engines found that participants that receive help in the form of professionally-managed target-date funds, managed accounts or online advice achieve better returns than participants that do not receive help. As a result of the Pension Protection Act of 2006 and subsequent U.S. Department of Labor guidelines, plan sponsors are now actively seeking automatic retirement savings solutions for their employees. Under the Pension Protection Act of 2006, employers who automatically enroll their employees in what are known as Qualified Default Investment Alternatives, or QDIAs, are safeguarded from fiduciary and legal risk if they adhere to certain regulatory guidelines.

Overall, we feel the industries are fairly valued, however we would use declines in the market to add to positions in high quality banks and asset managers like State Street and gains in the market to sell weaker banks and asset managers.

VALUATION ANALYSIS

DCF/NPV Model Summary

Fiscal Year	2010A	2011A	2012A	2013A	2014E	2015E	2016E	Assumptions
Fee Revenue	$6,540	$7,194	$7,088	$7,590	$8,425	$9,352	$10,380	11% Growth Rate
Net Interest Revenue	$2,699	$2,333	$2,538	$2,303	$2,264	$2,225	$2,188	-1.7% Growth Rate
Trading Gains/Losses on Available for Sale Securities	-$55	$140	$55	-$9	$0	$0	$0	N/M
Impairments	-$231	-$73	-$32	$0	$0	$0	$0	N/M
Total Revenue	$8,953	$9,594	$9,649	$9,884	$10,689	$11,577	$12,568	
Loan Loss Provisions	$25	$0	-$3	$6	$0	$0	$0	N/M
Expenses	$6,272	$7,058	$6,886	$7,192	$7,839	$8,545	$9,314	9% Growth Rate
Net Income Before NonRecurring items	$1,970	$1,920	$2,061	$2,136	$2,137	$2,274	$2,441	
Dividends on Oustanding Preferred Stock	$0	$20	$29	$26	$26	$26	$26	$490M Outstanding Preferred Stock
Earnings Allocated to Participating Securities	$16	$18	$13	$8	$10	$10	$10	
Diluted EPS	$3.94	$3.79	$4.20	$4.62	$5.20	$5.87	$6.67	5.6% Share Reduction
DVD/Share	$0.04	$0.72	$0.96	$1.04	$1.13	$1.22	$1.32	8.33% DVD Growth
BVPS	$35.45	$39.79	$44.43	$45.81	$49.88	$54.53	$59.88	
PV of Dividend Stream	N/A	N/A	N/A	N/A	$1.02	$0.99	$0.97	$2.97
		PE	P/B	2016 Stock Price				
Terminal Value of Stock			15	1.672002	$100.12			$73.21
Cumulative PV of Stock & DVD								$76.18
Current Price								$67.00
Net Present Value								$9.18
Discount to Estimated Intrinsic Value								***12.05%***
Estimated Annual Total Return								15.71%
Discount Rate/Cost of Capital								11%

Source: Saibus Research forecasts

DISCLOSURES

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Disclosure: Analyst(s) covering this company does not own its stock.

RECOMMENDATION SCALE

INVESTMENT RATING	DEFINITION
STRONG BUY	Stocks expected to be 20% underpriced relative to its intrinsic value and whose total return is expected to significantly exceed the market index benchmarks.
ACCUMULATE	Stocks expected to be at least 10% underpriced relative to its intrinsic value and whose total return is expect to exceed the market index benchmarks.
NEUTRAL	Stocks expected to be fairly priced relative to its intrinsic value and whose total return is expected to closely track the market index benchmarks.
AVOID	Stocks expected to be slightly overpriced and to either potentially see a small, incremental decline in its price to converge with its intrinsic value or expected to appreciate at a slower pace relative to the market index benchmarks.
STRONG SELL	Stocks expected to be strongly overpriced and to potentially see a rapid decline in price to converge with its intrinsic value or expected to significantly underperform relative to the market index benchmarks.

Relevant benchmarks: In North America, the relevant benchmark is the S&P 500 Index