

SPDR® Sector & Industry Dashboard

SPDR Americas Research Team

Fueled by monetary easing and trade optimism, the S&P 500 Index ended 2019 on a high note, gaining 31% for the year and reaching an all-time high.¹ However, the rally had low participation at the sector level. The year's best-performing sector (Technology) advanced 50% for the year, outperforming the second-best sector (Financials) by 18%. Such uneven performance posed challenges to sector ETF flows, as six out of 11 sectors posted more than \$1 billion net outflows in 2019. On the other hand, corporate earnings are on track to decline for a fourth straight quarter.² Despite a widely expected earnings recovery, analysts have become more cautious about growth prospects for the year, having downgraded 2020 earnings estimates since September for all sectors except for Health Care, Technology and Real Estate.

If shifts in risk sentiment and bursts of volatility are here to stay, investors should focus on sector fundamentals and take advantage of temporary mispricing opportunities. Looking ahead, we are constructive on: Health Care for its attractive valuations and strong earnings sentiment; Homebuilders for the improving housing market; and Software and Services companies for their upbeat earnings that may be impacted less by trade uncertainty.

Sector and Industry Spotlight

XLV	Health Care Select Sector SPDR Fund
XSW	SPDR S&P® Software & Services ETF
XHB	SPDR S&P Homebuilders ETF

Sector ETF Fund Flow Heatmap

Despite its strong performance in 2019, Financials led sector outflows in 2019, accounting more than a third of sector outflows.

	Current Quarter (\$M)	Trailing 6 Months (\$M)	Trailing 12 Months (\$M)
Communications	70	394	3,635
Consumer Discretionary	-600	-729	-1,256
Consumer Staples	-994	844	2,020
Energy	2,458	905	-4,069
Financial	131	-3,306	-8,563
Health Care	238	-2,400	-4,744
Industrials	438	-227	-2,541
Materials	342	662	-3,232
Real Estate	1,279	3,102	6,319
Technology	2,498	3,676	4,002
Utilities	-633	402	2,416

Source: Bloomberg Finance L.P., as of 12/31/2019. This table represents the fund flows into all US listed ETFs based on their Sector Focus as defined by Bloomberg Finance, L.P. Top two and bottom two sectors per period are highlighted in green and orange, respectively.

Sector Index Returns

Technology had its best yearly gain since 2009, outperforming the second-best performing sector by 18% in 2019.

	Previous Quarter (%)	Trailing 6 Month (%)	Trailing 12 Month (%)
Communication Services Select Sector Index	8.7	9.6	31.4
Consumer Discretionary Select Sector Index	4.3	5.9	28.6
Consumer Staples Select Sector Index	3.4	10.0	27.7
Energy Select Sector Index	5.6	-0.9	12.1
Financial Select Sector Index	10.5	12.7	32.1
Health Care Select Sector Index	14.4	11.8	20.8
Industrial Select Sector Index	5.5	6.6	29.4
Materials Select Sector Index	6.3	6.2	24.4
Real Estate Select Sector Index	-0.5	7.1	29.0
Technology Select Sector Index	14.4	18.2	50.3
Utilities Select Sector Index	0.8	10.2	26.3
S&P 500 Index	8.5	9.8	28.9

Source: Bloomberg Finance, L.P., as of 12/31/2019. Top two and bottom two sectors per period are highlighted in green and orange, respectively. Communication Services Select Sector Index inceptioned on 04/30/2018. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Index performance is not representative of any investment option mentioned herein. One may not invest directly in an index.

Understand the Latest Market Moves by Sector Momentum, Positioning, Volatility, Correlation and Dispersion

Sector Momentum

Momentum in Financials improved significantly, thanks to strong performance in the second half of 2019. Defensive sectors' momentum deteriorated compared to the prior quarter.

	Momentum				Technicals		
	3M	6M	12M	Momentum Z-score	Last Px % Diff to 50 Day MVA (%)	Last Px % Diff to 200 Day MVA (%)	% Diff Between 50 and 200 Day MVA (%)
Consumer Discretionary	2.16	7.79	12.56	-0.34	2.9%	4.7%	1.8%
Consumer Staples	2.06	9.69	10.00	-0.32	2.0%	6.0%	3.8%
Energy	2.20	-1.78	-11.32	-1.74	3.6%	0.7%	-2.8%
Financials	11.96	14.15	11.60	0.73	3.3%	10.5%	7.0%
Health Care	9.74	13.18	4.73	0.27	5.0%	11.2%	5.9%
Industrials	8.25	12.21	13.30	0.40	1.0%	5.6%	4.6%
Information Technology	10.75	20.63	29.67	1.65	5.6%	14.4%	8.3%
Materials	5.92	12.54	10.00	0.13	3.0%	7.0%	3.8%
Communication Services	6.04	9.86	16.63	0.21	3.2%	7.7%	4.3%
Real Estate	-1.66	6.75	14.15	-0.63	0.9%	2.8%	1.9%
Utilities	0.76	8.78	13.41	-0.36	2.3%	6.0%	3.6%

Source: Bloomberg Finance L.P., as of 12/31/2019. Momentum is measured by S&P 500 sectors' price returns, excluding the most recent month. Communication Services Select Sector Index is used for communication services. Z-score is calculated using the mean and standard deviation of price returns of eleven sectors for each period. Sector's Momentum z-score is the simple average of the z-score of each period. Top and bottom two sectors in the first four columns are shaded in green and orange, respectively. Positive and negative numbers in the last three columns are shaded in green and orange, respectively. **Past performance is not a guarantee of future results.**

Sector Positioning

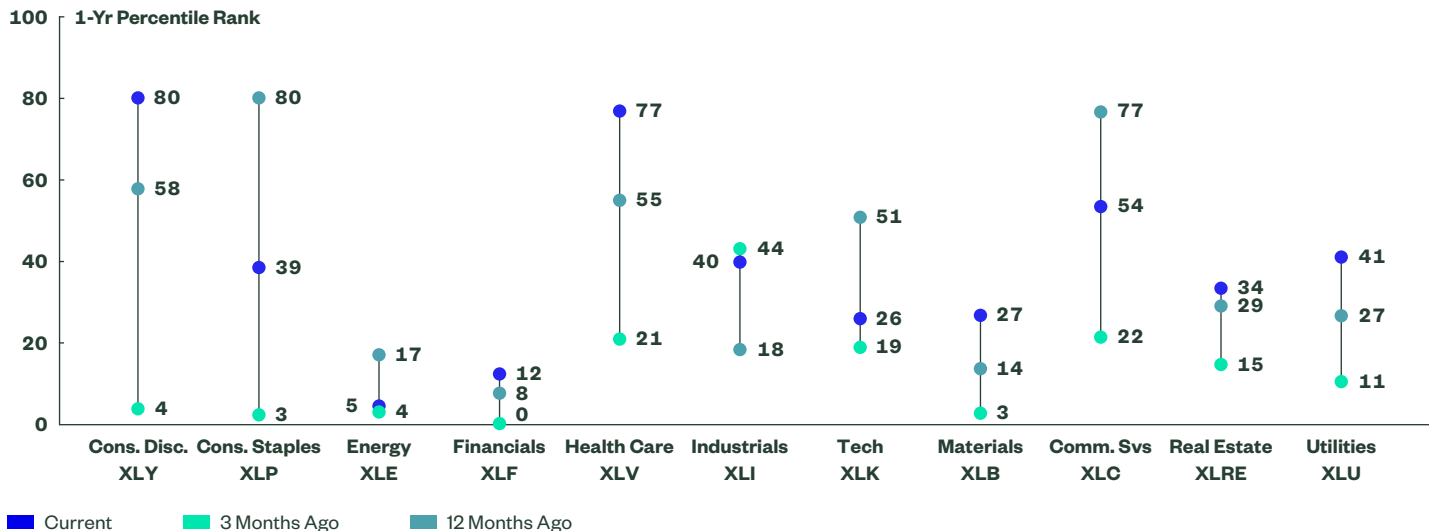
Health Care positioning looks especially bearish in the election year, with put/call open interest and short interest near a one-year peak.

	Put/Call Open Interest Ratio		Short Interest as % Shares Outstanding		
	Current Level	1Yr Percentile Ranking (%)	Current Level (%)	Prior Quarter (%)	1Yr Percentile Ranking (%)
Consumer Discretionary	0.95	2	17.1	13.4	71
Consumer Staples	1.42	35	7.7	6.8	46
Energy	1.31	87	8.7	11.2	42
Financials	2.93	76	9.4	3.1	79
Health Care	2.70	99	19.1	14.2	96
Industrials	1.80	59	9.9	12.1	13
Information Technology	2.14	97	6.9	5.9	54
Materials	1.11	35	13.9	16.8	58
Communication Services	1.71	45	2.3	2.5	29
Real Estate	0.65	13	3.9	4.0	38
Utilities	2.07	80	13.5	17.0	8

Source: Bloomberg Finance L.P., as of 12/31/2019. Select Sector SPDR Fund's Put-call open interest is used to represent the sector. Short interest of all US listed sector ETFs are used to calculate short interest as % of shares outstanding. Current levels of short interest as % of shares outstanding are in green if short interest decreases from last quarter and in orange if short interest increases from last quarter. Sectors with lowest percentile ranking based on put/call ratio and % of short interest are shaded in green and highest ranking in orange.

Sector Implied Volatility Relative to the Broad Market

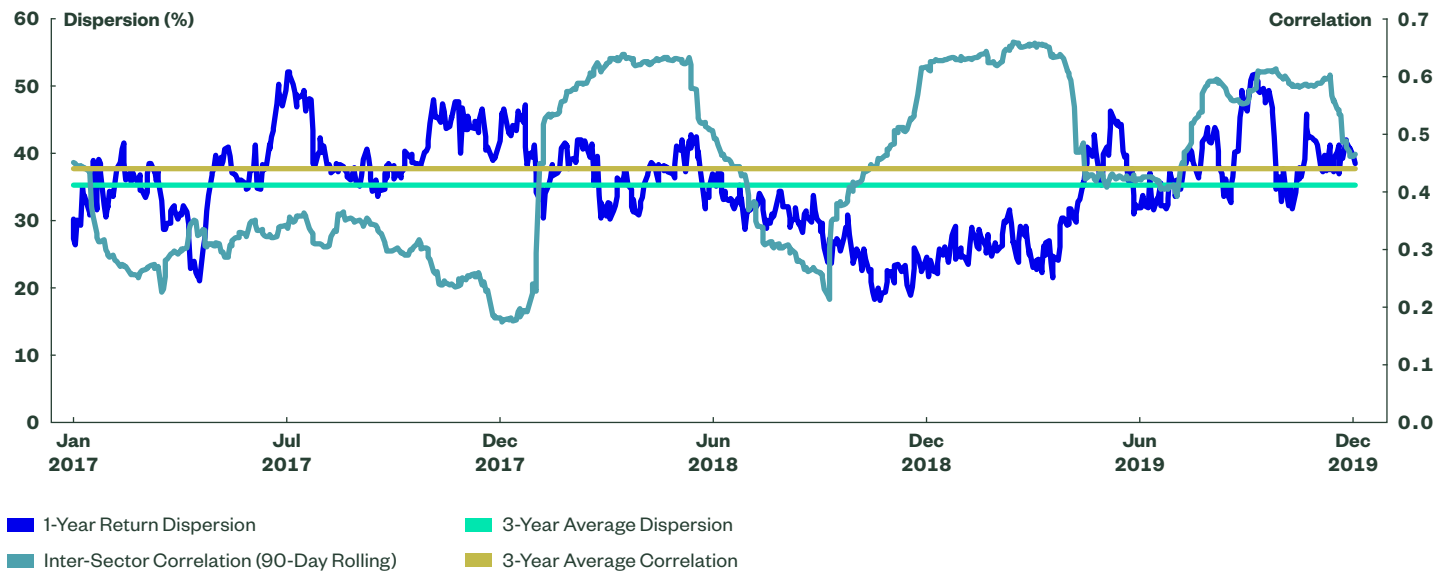
Implied volatility increased in most sectors, with Consumer Discretionary and Health Care moving from the bottom to top quartile. However, Financials and Energy appear tranquil.



Source: Bloomberg Finance L.P., as of 12/31/2019.

Sector Correlation and Dispersion

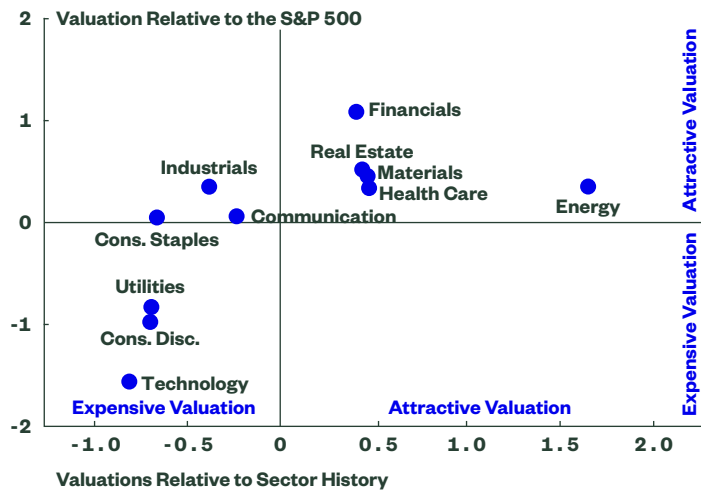
Sector performance started decoupling in December, while dispersions remain above historical averages.



Source: Bloomberg Finance L.P., as of 12/31/2019. Dispersion is measured as the return differences between the best and worst performing sectors on a trailing 1 year basis. Correlation is the average correlations between each pair of 11 GICS sectors over the 90-day period. Past performance is not a guarantee of future results. Characteristics are as of the date indicated and should not be relied upon as current thereafter.

Analyze Sector Opportunities by Examining Valuation, Earnings Growth and Sentiment

Sector Valuations Z-score Despite a strong rally in 2H 2019, Financials continue to look attractive relative to the S&P 500 and their own history.



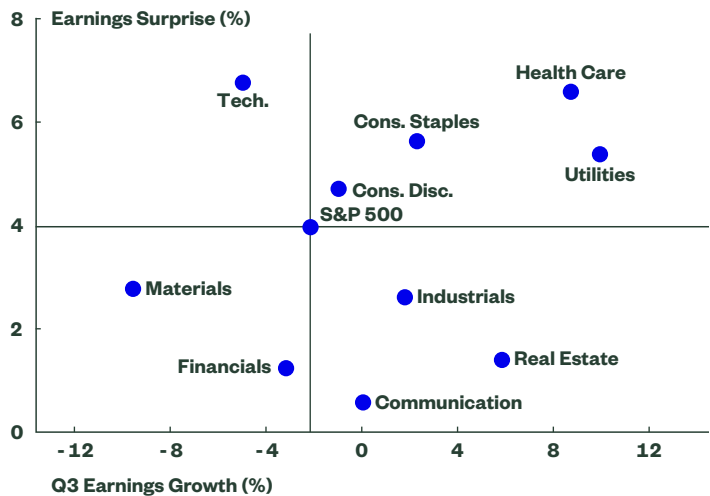
Source: FactSet, as of 12/31/2019. Sectors are represented by the S&P 500 GICS Sector Index. Z-scores are the average of the percentile ranking of sector trailing price-to-earnings (P/E), next twelve month price-to-earnings (NTM P/E), price-to-book (P/B) and price-to-sales (P/S) over the past 15 years. Sectors with cheaper valuation will have higher z-scores.

Earnings Revision Analysts have been optimistic about earnings prospects of Health Care and Tech, but more cautious on cyclical sectors, like Energy, Industrials and Materials.

	2020 Earnings Est.		2020 Sales Est.	
	Upgrade to Downgrade Ratio	Revision (%) in 3M	Upgrade to Downgrade Ratio	Revision (%) in 3M
Cons. Disc.	0.56	-4.11	0.68	-0.35
Consumer Staples	0.65	-0.23	0.57	-0.19
Energy	0.17	-9.18	0.17	-1.17
Financials	0.63	-1.30	0.59	-0.40
Health Care	0.93	0.16	1.54	0.85
Industrials	0.31	-5.01	0.25	-3.63
Tech.	1.26	0.37	0.89	0.35
Materials	0.22	-4.42	0.17	-2.71
Comm. Svs.	0.37	-2.03	0.63	-0.26
Real Estate	0.63	-0.12	1.07	0.10
Utilities	0.59	-0.11	0.56	-0.33

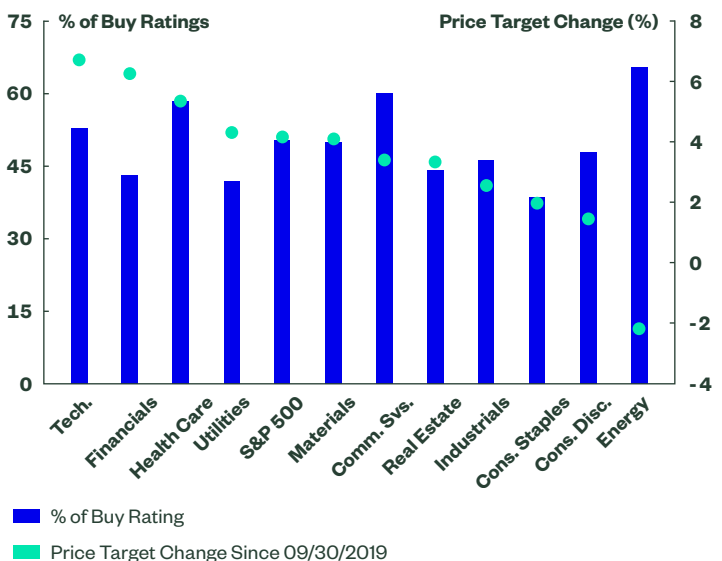
Source: FactSet, as of 12/31/2019. Sectors are represented by the S&P 500 GICS Sector Index. Top and bottom two sectors in each column are highlighted in green and orange, respectively.

Q3 2019 S&P 500 ex-Energy Sector Earnings Growth and Surprise Health Care led earnings growth and beat analyst expectations by a large margin. Tech's Q3 earnings were much better than investors feared.



Source: FactSet, as of 12/31/2019. Sectors are represented by the S&P 500 GICS Sector Index.

Analyst Sentiment While sell-side analysts have given buy ratings to two thirds of energy stocks, they have become less aggressive on their price targets since Q3.



Source: FactSet, as of 12/31/2019. Sectors are represented by the S&P 500 GICS Sector Index.

SPDR Sector and Industry Fundamental Data

ETF	ETF Name	Fundamentals							International Exposure	Macro Sensitivities (Beta)				Fund Information		
		Price to Book	Price to Earnings (FY1)	Dividend Yield	Return on Equity	LT Debt to Capital (%)	EST 1 Year EPS Growth	EST 3-5 Years EPS Growth		% Foreign Sales	US \$ (36 Mth)	US 10 Year Yield (36 Mth)	Brent Crude Oil (36 Mth)	10 Year Break-even Inflation Rate (36 Mth)	AUM (\$M)	3 Month Fund Flow (M)
S&P Kensho New Economy Sector																
KOMP	SPDR S&P Kensho New Economies ETF	5.87	19.5	1.05	9.9	30.74	3.80	12.4	44.63	-0.73	0.21	0.33	0.25	6	0	0.1
FITE	SPDR S&P Kensho Future Security ETF	6.79	21.6	0.58	3.5	32.28	10.15	23.4	38.69	-0.50	0.16	0.34	0.23	14	4	0.1
ROKT	SPDR S&P Kensho Final Frontier ETF	6.07	20.4	1.02	13.4	47.18	9.06	10.8	36.72	-0.69	0.09	0.27	0.19	3	0	0.1
CNRG	SPDR S&P Kensho Clean Power ETF	3.63	18.8	1.57	-2.1	42.60	-0.82	10.5	41.07	-0.39	0.37	0.38	0.41	3	0	0.1
HAIL	SPDR S&P Kensho Smart Mobility ETF	3.90	12.8	1.05	13.9	26.53	-8.86	8.0	58.80	-1.34	0.39	0.47	0.32	7	1	0.1
SIMS	SPDR S&P Kensho Intelligent Structure ETF	3.45	17.9	1.13	11.7	31.97	1.60	9.4	42.43	-0.91	0.25	0.32	0.23	9	3	0.1
Industry																
XBI	SPDR S&P Biotech ETF	10.95	17.0	0.19	-19.3	24.53	-0.55	19.3	11.35	-0.74	0.13	0.41	0.27	4,506	-34	410.7
XHS	SPDR S&P Health Care Services ETF	5.94	16.6	0.58	9.7	38.54	5.86	13.0	5.61	-0.35	0.21	0.27	0.23	107	-19	0.8
XHE	SPDR S&P Health Care Equipment ETF	9.89	33.6	0.26	4.2	23.66	9.59	17.1	35.79	-0.18	0.06	0.22	0.14	651	87	6.3
XPH	SPDR S&P Pharmaceuticals ETF	15.25	10.9	0.73	12.9	41.69	1.63	4.1	26.74	-1.10	0.24	0.40	0.32	248	-35	2.6
XSD	SPDR S&P Semiconductor ETF	6.78	25.6	0.76	10.8	28.88	-8.09	14.5	79.04	-0.53	0.19	0.30	0.30	310	19	6.7
XSW	SPDR S&P Software & Services ETF	12.33	25.2	0.39	3.4	30.89	11.16	19.1	31.93	-0.18	0.16	0.40	0.19	214	61	2.9
XTH	SPDR S&P Technology Hardware ETF	4.65	18.0	1.04	8.3	36.70	3.01	13.4	59.25	-0.96	0.26	0.39	0.35	8	0	0.1
XWEB	SPDR S&P Internet ETF	11.33	30.0	0.20	5.4	40.99	3.32	23.3	27.53	-0.57	0.16	0.35	0.19	54	5	0.8
XITK	SPDR FactSet Innovative Technology ETF	11.34	34.7	0.14	-6.2	19.02	10.19	28.7	29.83	-0.47	0.10	0.42	0.19	79	10	1.2

ETF	ETF Name	Fundamentals							International Exposure	Macro Sensitivities (Beta)				Fund Information		
		Price to Book	Price to Earnings (FY1)	Dividend Yield	Return on Equity	LT Debt to Capital (%)	EST 1 Year EPS Growth	EST 3-5 Years EPS Growth		% Foreign Sales	US \$ (36 Mth)	US 10 Year Yield (36 Mth)	Brent Crude Oil (36 Mth)	10 Year Break-even Inflation Rate (36 Mth)	AUM (\$M)	3 Month Fund Flow (M)

Industry (Cont'd)

XNTK	SPDR Morgan Stanley Technology ETF	10.99	25.7	0.94	25.0	32.39	3.61	16.5	59.08	-0.99	0.20	0.33	0.33	426	16	2.1
XOP	SPDR S&P Oil & Gas Exploration & Production ETF	1.25	12.9	1.63	9.7	38.40	-29.07	6.2	12.00	-0.71	0.57	0.80	0.59	2,078	-422	588.3
XES	SPDR S&P Oil & Gas Equipment & Services ETF	1.74	20.0	1.77	4.1	30.32	-9.85	15.9	37.84	-0.80	0.79	1.01	0.66	225	-24	15.6
XRT	SPDR S&P Retail ETF	8.85	14.4	1.85	14.9	39.05	5.09	10.5	13.68	-0.44	0.34	0.33	0.29	274	-280	242.5
XHB	SPDR S&P Homebuilders ETF	6.32	15.3	1.16	25.1	44.31	7.07	12.2	17.56	-0.78	0.02	0.23	0.15	689	50	120.7
XTL	SPDR S&P Telecom ETF	3.08	16.6	1.12	3.2	43.27	10.05	8.0	32.81	-0.21	0.22	0.30	0.26	104	-7	1.2
XAR	SPDR S&P Aerospace & Defense ETF	6.00	19.7	0.84	19.9	45.92	10.34	17.2	27.76	-0.61	0.11	0.31	0.21	1,327	-5	17.9
XTN	SPDR S&P Transportation ETF	5.36	13.4	1.20	18.3	38.95	3.73	8.8	17.06	-0.57	0.26	0.30	0.28	157	-14	1.0
XME	SPDR S&P Metals and Mining ETF	2.16	11.8	1.71	14.2	38.29	-20.18	-3.0	41.07	-1.46	0.29	0.48	0.37	476	-40	71.5
KRE	SPDR S&P Regional Banking ETF	1.37	12.2	2.56	11.6	20.67	5.12	8.4	1.77	-0.31	0.47	0.35	0.40	2,549	-763	442.8
KIE	SPDR S&P Insurance ETF	2.09	13.2	1.75	9.3	23.79	12.31	13.5	21.06	-0.25	0.15	0.18	0.15	710	-21	9.5
KCE	SPDR S&P Capital Markets ETF	11.89	14.1	2.55	21.0	32.42	4.29	8.1	22.16	-0.63	0.29	0.27	0.27	38	-10	0.3
KBE	SPDR S&P Bank ETF	1.53	11.9	2.45	12.3	21.93	6.01	9.0	4.60	-0.35	0.44	0.35	0.38	2,140	-750	136.1

Sector

XLC	Communication Services Select Sector SPDR Fund	5.09	21.2	0.90	21.6	27.63	1.59	15.6	38.05	-0.82	0.15	0.35	0.05	5,370	2089	167.7
XLRE	Real Estate Select Sector SPDR Fund	6.56	39.2	3.03	14.1	53.21	2.77	8.5	15.47	0.10	-0.16	0.08	0.00	3,072	83	168.5
XLU	Utilities Select Sector SPDR Fund	2.48	20.8	3.05	11.2	51.16	5.41	5.8	3.03	0.13	-0.08	0.04	0.00	9,295	-47	934.4
XLF	Financial Select Sector SPDR Fund	5.96	14.0	1.96	11.7	31.86	6.96	8.9	20.10	-0.43	0.31	0.23	0.28	22,384	-2804	1,394.3

ETF	ETF Name	Fundamentals							International Exposure	Macro Sensitivities (Beta)				Fund Information		
		Price to Book	Price to Earnings (FY1)	Dividend Yield	Return on Equity	LT Debt to Capital (%)	EST 1 Year EPS Growth	EST 3-5 Years EPS Growth		% Foreign Sales	US \$ (36 Mth)	US 10 Year Yield (36 Mth)	Brent Crude Oil (36 Mth)	10 Year Break-even Inflation Rate (36 Mth)	AUM (\$M)	3 Month Fund Flow (M)

Sector (Cont'd)

XLE	Energy Select Sector SPDR Fund	1.75	20.2	3.79	11.2	24.83	-21.02	5.4	39.19	-0.59	0.38	0.51	0.39	13,986	-1662	893.8
XLY	Consumer Discretionary Select Sector SPDR Fund	16.59	23.4	1.38	31.0	68.02	3.04	13.2	33.64	-0.70	0.15	0.28	0.25	12,827	-825	575.0
XLP	Consumer Staples Select Sector SPDR Fund	9.02	21.1	2.61	31.8	47.94	3.78	5.8	43.47	-0.22	0.01	0.09	0.05	10,780	135	766.7
XLV	Health Care Select Sector SPDR Fund	7.93	17.5	1.63	21.1	39.41	11.95	10.2	36.96	-0.75	0.10	0.07	0.14	19,467	320	883.5
XLK	Technology Select Sector SPDR Fund	13.30	23.2	1.24	38.6	39.47	9.52	12.9	55.78	-0.25	0.16	0.31	0.25	19,788	-1113	919.1
XLI	Industrial Select Sector SPDR Fund	7.50	19.2	1.82	24.8	49.55	6.38	9.6	35.26	-0.75	0.20	0.26	0.26	10,464	-1541	940.2
XLB	Materials Select Sector SPDR Fund	3.97	20.7	1.92	17.7	37.46	2.75	9.3	51.25	-0.82	0.17	0.28	0.16	4,165	97	399.5

Source: Bloomberg Finance, L.P., FactSet, as of 12/31/2019. **Past performance is not a guarantee of future results.** Fundamentals and Beta sensitivities are calculated using weighted average of underlying holdings' characteristics and beta sensitivity. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Estimated Earnings Per Share (EPS), which are based on a consensus of analyst estimates, should not be construed as an indication of the current or future profitability of any investment product. Actual earnings per share may differ, even substantially, from that of estimated earnings per share. Blue shades are the funds included in the sector and industry spotlight.

- 1 Bloomberg Finance L.P., as of 12/31/2019.
- 2 FactSet, as of 12/31/2019.

Glossary

10 Year Breakeven Inflation Rate (used in Macro Sensitivity) represents a measure of expected inflation derived from 10-Year Treasury Constant Maturity Securities and 10-Year Treasury Inflation-Indexed Constant Maturity Securities.

Beta Volatility measure of the percentage price change of the security given a one percent change in a representative market index. The beta value is generated by a risk model and determined by comparing the price movements of the security and the representative market index. A beta below 1 can indicate either an investment with lower volatility than the market.

Brent Crude Spot Price (Used in Macro Sensitivity) Current spot price in current pipeline export quality Brent blend as supplied at Sullom Voe.

Communication Services Select Sector Index The Communication Services Select Sector Index includes companies from the following industries: diversified telecommunication services; wireless telecommunication services; media; entertainment; and interactive media & services.

Consumer Discretionary Select Sector Index The Consumer Discretionary Select Sector Index includes companies from the following industries: retail (specialty, multi-line, internet and catalog); media; hotels, restaurants & leisure; household durables; textiles, apparel & luxury goods; automobiles, auto components and distributors; leisure equipment & products; and diversified consumer services.

Consumer Staples Select Sector Index The Consumer Staples Select Sector Index includes companies from the following industries: food & staples retailing; household products; food products; beverages; tobacco; and personal products.

Correlation measures the historical tendency of two investments to move together. Investors often combine investments with low correlations to diversify portfolios.

Dispersion measures variations of differing members of a universe.

Earnings Per Share Earnings per share (EPS) is the monetary value of earnings per outstanding share of common stock for a company.

Earnings Revision measures the changes to the analysts' expected earnings.

Energy Select Sector Index The Energy Select Sector Index includes companies from

the following industries: oil, gas & consumable fuels and energy equipment & services.

EPS Growth Rate The Compounded Annual Growth Rate (CAGR) of the operating Earnings per Share (EPS) over the specified time period.

Estimated 3-5 EPS Growth (%) The estimated 3-5 year EPS growth is based on the underlying holdings of the index. The earnings estimates for the underlying holdings are provided by FactSet and are used to calculate a compounded annual growth rate for earnings per share over the next 3-5 years. These analysts estimates are forecasts of the firms' potential ability to increase earnings per share over a full market cycle, and not a measure of expected stock or index price performance. The 3-5 year EPS estimate for an index is a market cap weighted average of the underlying firms' figures. Financial Select Sector Index

The Financial Select Sector Index includes companies from the following industries: diversified financial services; insurance; commercial banks; capital markets; real estate investment trusts ("REITs"); thrift & mortgage finance; consumer finance; and real estate management & development.

Health Care Select Sector Index The Health Care Select Sector Index includes companies from the following industries: pharmaceuticals; health care providers & services; health care equipment & supplies; biotechnology; life sciences tools & services; and health care technology.

Implied Volatility represents the market's forward-looking expectation of volatility based on current options pricing.

Industrial Select Sector Index The Industrial Select Sector Index includes companies from the following industries: industrial conglomerates; aerospace & defense; machinery; air freight & logistics; road & rail; commercial services & supplies; electrical equipment; construction & engineering; building products; airlines; and trading companies & distributors.

LT Debt to Equity Ratio is a financial ratio indication the relative proportion of long-term debt and shareholders' equity. A high LT debt to equity ratio generally means that a company has been aggressive in financing its business with debt.

Macro Sensitivity to Economic Variables This is measured as the beta of returns relative to a particular variable. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the a particular variable.

Materials Select Sector Index The Materials Select Sector Index includes companies from the following industries: chemicals; metals & mining; paper & forest products; containers & packaging; and construction materials.

Percentage of Foreign Firm Assets This figure represents the weighted average of the amount of the underlying foreign firm assets as a percent of total geographic segment firm assets.

Percentage of Foreign Firm Sales This figure represents the weighted average of the amount of the underlying foreign firm sales as a percent of total geographic segment firm sales.

Price to Book Ratio (P/B) A financial ratio used to compare a company's current market price to its book value which is the carrying value of an asset according to its balance sheet account balance. A low P/B is representative of a value security. A high P/B is more indicative of a growth stock.

Price to Earnings Ratio (P/E) The ratio of the price of a stock and the firms earnings per share. A low P/E translates into a value stock. A high P/E is more indicative of a growth stock.

Put-Call Ratio The ratio measures how many put options are being traded relative to call options. It is calculated by dividing the number of traded put options by the number of traded call options.

Real Estate Select Sector Index The Real Estate Select Sector Index includes companies from the following industries: real estate management and development and REITs, excluding mortgage REITs.

Return on Equity (ROE) This measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity. ROE shows how well a company uses investment funds to generate earnings growth.

Select Sector Index The companies included in each Select Sector Index are selected on the basis of general industry classification from a universe of companies defined by the Standard & Poor's 500 Composite Stock® Index ("S&P 500®").

Short Interest Short interest is the number of shares that have been sold short but have not yet covered or closed out. It is an indicator of market sentiment that tells whether investors expect a stock's price is likely to fall.

SMA Simple Moving Average A simple moving average (SMA) is an arithmetic moving average calculated by adding recent closing prices and then dividing that by the number of time periods in the calculation average.

Technology Select Sector Index The Technology Select Sector Index includes companies from the following industries: computers & peripherals; software; diversified telecommunication services; communications equipment; semiconductor & semiconductor equipment; internet software & services; IT

services; wireless telecommunication services; electronic equipment & instruments; and office electronics.

US 10 Year-2 Year Yield (Used in Macro Sensitivity) The rate differential between Generic United States on-the-run government 10 Year Treasuries and Generic United States on-the-run government 2 Year Treasuries. The yield quoted is yield to maturity and on a pre-tax basis.

US 10 Year Yield (Used in Macro Sensitivity) The rate is comprised of Generic United States on-the-run government 10 Year Treasuries. The yield quoted is yield to maturity and on a pre-tax basis.

US Dollar Spot Index (Used in Macro Sensitivity) The Dollar Spot Index tracks the performance of a basket of ten leading global currencies versus the US Dollar. Each currency in the basket and their weight is determined annually based on their share of international trade and FX liquidity.

Utilities Select Sector Index The Utilities Select Sector Index includes companies from the following industries: electric utilities; multi-utilities; independent power producers & energy traders; and gas utilities.

Z-score Z-score measures how many standard deviations an element is above or below the population mean. A sector z-score can be calculated from the following formula. $z = (X - \mu) / \sigma$, where X is the sector value of the metrics. μ is the mean of 11 sector values for a certain metric. σ is the standard deviation of the value of eleven sectors.

State Street Global Advisors One Iron Street, Boston MA 02210. T: +1 617 786 3000.

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ID130394-2078974.91.AM.RTL 0120
Exp. Date: 04/30/2020 SSL001127

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