

# SPDR® Sector & Industry Dashboard

SPDR Americas Research Team

As the vaccine rollout picks up speed and stimulus spending trickles down into the economy, we have seen a notable shift in market sentiment and investors' positioning. Rising inflation expectations and higher long-term yields further boosted Financials and Energy stock prices in Q1 thanks to their high sensitivity to inflation expectations and yields. On the other hand, Technology — the growth and performance leader from last year — underperformed the broad market in Q1 as investors shied away from stocks with expensive valuations in favor of cyclical sectors with more attractive valuations.

Elevated return dispersion and changing leadership among sectors underscore a constructive environment to generate alpha by using sector and industry exposures. Given the reflationary regime shift and favorable economic outlook, we see three industry opportunities that may benefit from higher rates and inflation expectations — as well as continued economic recovery — including banks, metals and mining, and retail industries.

## Sector and Industry Spotlight

<b>KBE</b>	SPDR® S&P® Bank ETF
<b>XRT</b>	SPDR S&P Retail ETF
<b>XME</b>	SPDR S&P Metals & Mining ETF

## Sector ETF Fund Flow Heatmap

Fund flows followed performance in favor of economic sensitive sectors.

	Current Quarter (\$M)	Trailing 6 Months (\$M)	Trailing 12 Months (\$M)
Communications	-82	715	2,291
Consumer Discretionary	2,986	5,104	8,871
Consumer Staples	-3,176	-4,461	-5,381
Energy	9,506	12,645	14,778
Financials	15,507	20,714	21,959
Health Care	-1,871	-711	5,184
Industrials	5,005	8,753	14,208
Materials	2,314	5,745	7,845
Real Estate	2,507	5,785	1,181
Technology	1,627	2,912	7,114
Utilities	-114	-190	-413

Source: Bloomberg Finance, L.P., as of 03/31/2021. 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

Energy and Financials continued to lead in Q1, benefiting from multi-year highs of inflation expectations and 10-year yields, while Technology and bond-proxy sectors (Utilities and Consumer Staples) lagged.

	Current Quarter (%)	Trailing 6 Month (%)	Trailing 12 Month (%)
Communication Services Select Sector Index	8.8	23.9	67.3
Consumer Discretionary Select Sector Index	4.7	14.8	72.9
Consumer Staples Select Sector Index	1.6	7.9	28.8
Energy Select Sector Index	30.7	67.7	78.2
Financial Select Sector Index	16.0	42.9	67.5
Health Care Select Sector Index	3.2	11.5	34.0
Industrial Select Sector Index	11.4	28.9	69.6
Materials Select Sector Index	9.1	24.8	78.3
Real Estate Select Sector Index	9.0	14.5	32.1
Technology Select Sector Index	2.2	14.2	66.9
Utilities Select Sector Index	2.8	9.5	19.4

Source: Bloomberg Finance, L.P., as of 03/31/2021. Top two and bottom two sectors per period are highlighted in green and orange, respectively. **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

Energy and Financials ranked highest in short-and-medium-term momentum, while momentum in Consumer Discretionary and Technology has waned.

	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	1.12	3.41	41.35	0.04	0.4	8.0	7.6
Consumer Staples	-5.45	-3.60	9.10	-1.02	3.9	5.4	1.5
Energy	24.21	32.19	4.85	1.08	4.7	27.4	21.7
Financials	13.60	27.31	21.54	0.84	5.1	24.2	18.2
Health Care	3.03	4.41	21.90	-0.22	1.4	6.9	5.4
Industrials	2.11	15.13	23.64	0.09	6.9	19.3	11.5
Information Technology	6.48	5.96	48.03	0.44	0.0	9.5	9.5
Materials	2.58	14.80	39.45	0.39	4.5	16.0	11.0
Communication Services	6.95	10.57	35.52	0.36	2.0	13.7	11.5
Real Estate	2.02	2.55	2.00	-0.69	4.2	9.3	4.9
Utilities	-8.41	-1.06	-5.89	-1.33	3.4	4.6	1.2

Source: Bloomberg Finance, L.P., as of 03/31/2021. 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

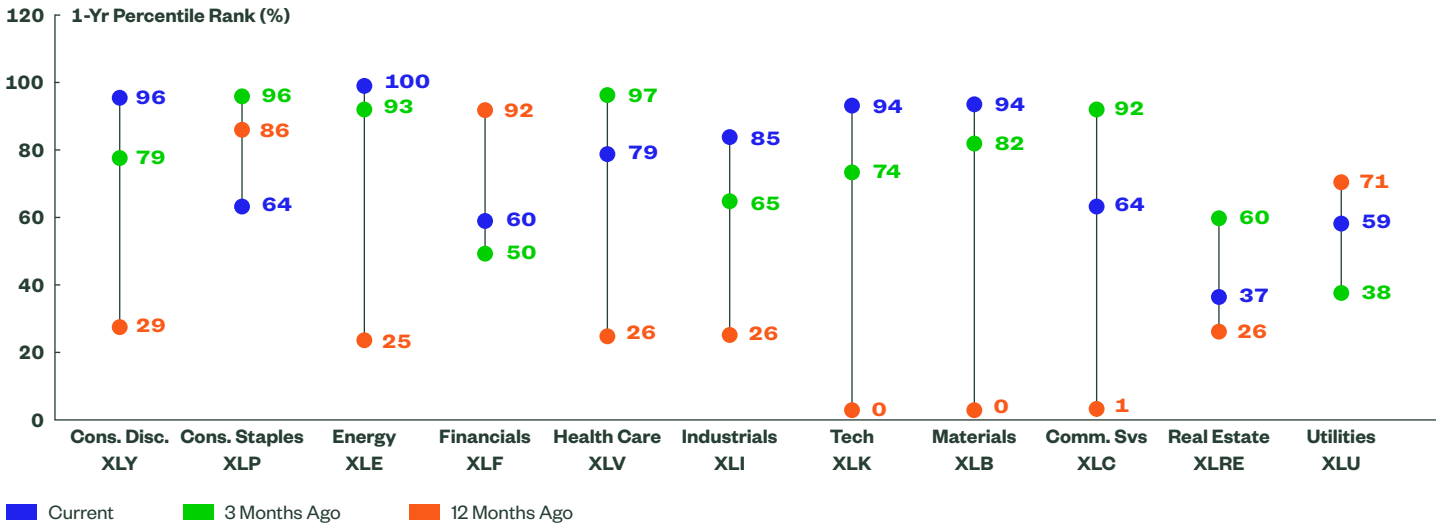
Short interest in Materials has declined significantly in Q1, while short interest in Consumer Staples increased to its one-year high.

	Put/Call Open Interest Ratio		Short Interest as % Shares Outstanding		
	Current Level	1Yr Percentile Ranking (%)	Current Level (%)	Prior Quarter (%)	1Yr Percentile Ranking (%)
Consumer Discretionary	1.56	47	6.6	8.9	0
Consumer Staples	0.44	3	11.5	6.1	100
Energy	1.58	31	7.5	8.0	61
Financials	0.53	19	10.2	11.7	22
Health Care	1.12	33	17.3	17.4	57
Industrials	1.44	41	5.7	6.1	13
Information Technology	1.20	56	2.9	3.1	65
Materials	1.16	2	8.0	12.2	0
Communication Services	0.96	14	1.1	1.5	13
Real Estate	1.16	29	3.0	2.6	65
Utilities	1.01	31	18.5	14.3	87

Source: Bloomberg Finance, L.P., as of 03/31/2021. 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

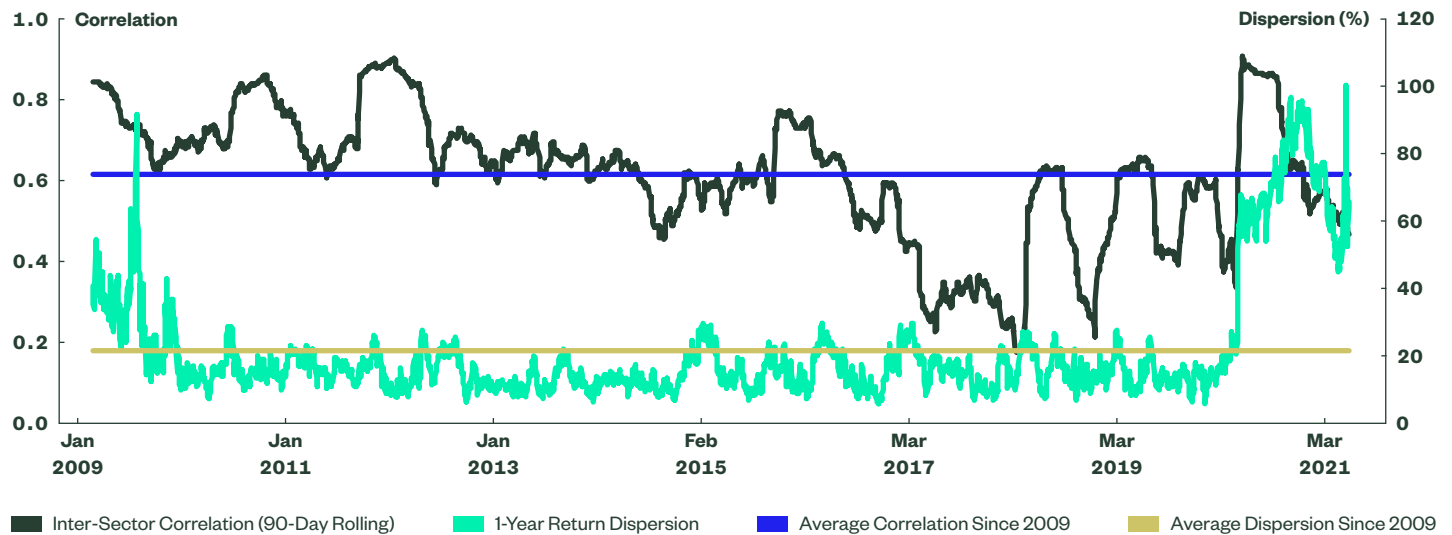
Most sectors experienced higher implied volatility in Q1, led by volatility increases in Technology and Industrials.



Source: Bloomberg Finance, L.P., as of 03/31/2021.

## Sector Correlation and Dispersion

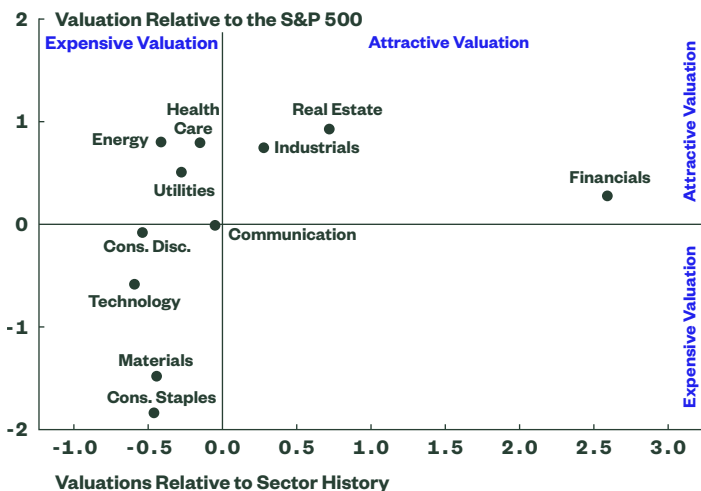
Sector return dispersion broke above last year's record, while correlation is below its long-term averages, underscoring a constructive environment for alpha generation using sector exposures.



Source: Bloomberg Finance, L.P., as of 03/31/2021. 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 its strong performance, Financials' valuations remain attractive relative to their historical norm and the broad market.



Source: FactSet, as of 03/31/2021. 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.

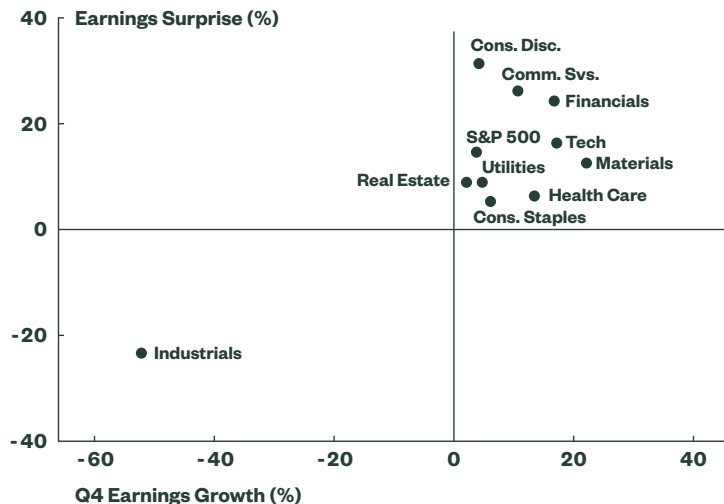
**Earnings Revision** Energy and Materials led earnings and sales revisions, as commodity prices continue to recover.

	2021 Earnings Est.		2021 Sales Est.	
	Upgrade to Downgrade Ratio	Revision (%) in 3M	Upgrade to Downgrade Ratio	Revision (%) in 3M
Cons. Disc.	1.33	0.50	1.63	2.29
Consumer Staples	2.10	0.63	3.57	0.43
Energy	6.67	86.64	6.67	9.82
Financials	3.57	10.42	2.76	1.01
Health Care	1.30	2.61	3.85	1.98
Industrials	3.06	-4.71	2.36	0.70
Tech.	4.14	6.18	8.25	3.76
Materials	3.00	11.84	6.00	4.94
Comm. Svs.	2.25	5.03	7.67	1.49
Real Estate	0.75	1.33	0.87	1.25
Utilities	0.69	-0.75	0.93	-0.57

Source: FactSet, as of 03/31/2021. 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. The above estimates are based on consensus analyst estimates compiled by FactSet. There is no guarantee that the estimates will be achieved.

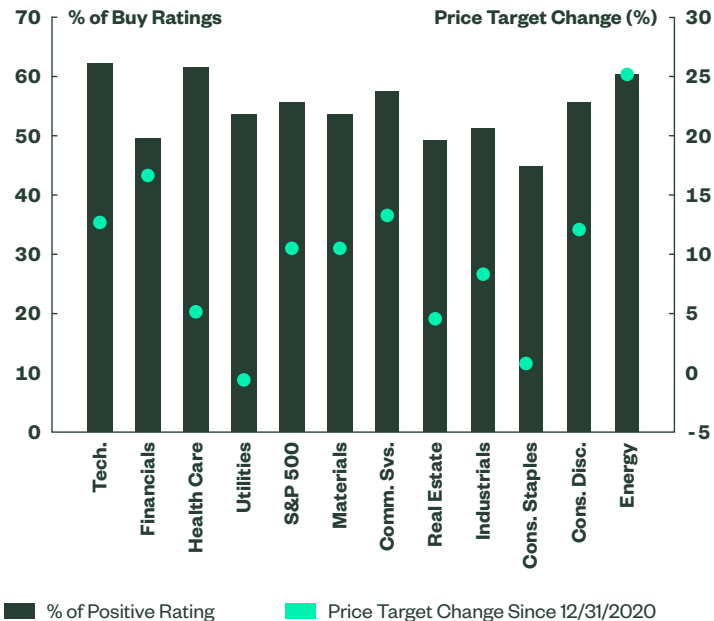
## Q4 2020 S&P 500 ex-Energy Sector Earnings

Financials posted strong Q4 growth with significant upside surprises, while Industrials is the only sector with both negative growth and downbeat earnings.



Source: FactSet, as of 03/31/2021. Sectors are represented by the S&P 500 GICS Sector Index.

**Analyst Sentiment** Analysts raised price targets for Energy and Financials the most, while being less optimistic about Consumer Staples and Real Estate.



Source: FactSet, as of 03/31/2021. 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)	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)	3 Month Average Daily Notional Volume (\$M)
<b>Kensho</b>															
<b>KOMP</b>	SPDR S&P Kensho New Economies Composite ETF	3.72	21.8	-5.2	30.80	9.41	18.7	44.86	-3.40	0.26	0.34	0.42	2,043	-102.19	24.45
<b>FITE</b>	SPDR S&P Kensho Future Security ETF	3.80	26.0	5.9	40.40	6.85	18.9	37.48	-1.55	0.13	0.19	0.26	22	3	0.2
<b>ROKT</b>	SPDR S&P Kensho Final Frontier ETF	3.21	23.9	9.1	44.57	4.42	17.4	32.39	-1.54	0.16	0.20	0.27	24	11	0.5
<b>CNRG</b>	SPDR S&P Kensho Clean Power ETF	2.94	24.9	-1.5	36.99	7.89	15.1	45.63	-3.69	0.19	0.27	0.40	371	171	11.2
<b>HAIL</b>	SPDR S&P Kensho Smart Mobility ETF	3.11	16.9	-6.0	35.55	12.74	22.2	53.07	-3.39	0.26	0.33	0.45	237	125	8.9
<b>SIMS</b>	SPDR S&P Kensho Intelligent Structures ETF	3.76	23.2	4.9	38.20	9.80	16.6	34.07	-2.45	0.19	0.26	0.30	43	18	0.7
<b>Industry</b>															
<b>XBI</b>	SPDR S&P Biotech ETF	4.99	13.0	-33.4	21.34	-1.92	15.2	10.26	-2.27	0.09	0.33	0.24	7,278	466	973.5
<b>XHS</b>	SPDR S&P Health Care Services ETF	3.79	18.1	9.2	191.78	10.48	13.8	3.29	-1.78	0.11	0.19	0.26	140	-10	1.3
<b>XHE</b>	SPDR S&P Health Care Equipment ETF	5.09	31.9	-2.2	25.30	8.00	14.1	32.41	-1.42	0.06	0.19	0.21	770	23	5.5
<b>XPH</b>	SPDR S&P Pharmaceuticals ETF	3.33	12.3	-6.7	41.31	6.69	13.7	24.63	-1.82	0.19	0.17	0.24	267	-6	3.1
<b>XSD</b>	SPDR S&P Semiconductor ETF	6.06	27.8	9.9	26.72	45.14	17.4	77.54	-2.22	0.14	0.23	0.31	1,031	116	31.9
<b>XSW</b>	SPDR S&P Software & Services ETF	6.73	30.8	-1.4	44.67	9.28	19.6	31.14	-1.96	0.10	0.27	0.25	479	114	6.5
<b>XWEB</b>	SPDR S&P Internet ETF	5.98	35.3	-1.0	46.33	-8.92	35.1	24.02	-2.99	0.08	0.36	0.27	70	-6	1.4
<b>XITK</b>	SPDR FactSet Innovative Technology ETF	7.09	43.8	-9.7	31.77	6.16	20.9	31.62	-2.21	0.06	0.30	0.22	369	-40	6.4
<b>XNTK</b>	SPDR NYSE Technology ETF	10.04	28.6	18.9	33.61	16.56	23.2	61.72	-2.22	0.09	0.20	0.25	681	-23	5.8

ETF	ETF Name	Fundamentals						International Exposure	Macro Sensitivities (Beta)				Fund Information		
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**Industry (Cont'd)**

<b>XOP</b>	SPDR S&P Oil & Gas Exploration & Production ETF	1.54	15.5	-26.9	45.43	-72.69	7.9	13.92	-3.32	0.49	0.49	0.74	3,889	518	603.7
<b>XES</b>	SPDR S&P Oil & Gas Equipment & Services ETF	1.04	32.8	-31.0	35.44	-22.18	8.2	39.64	-4.51	0.60	0.63	0.81	152	-9	7.0
<b>XRT</b>	SPDR S&P Retail ETF	3.85	18.8	7.2	50.48	-1.64	14.4	9.97	-2.15	0.29	0.32	0.45	627	-311	377.1
<b>XHB</b>	SPDR S&P Homebuilders ETF	3.76	15.9	22.9	47.77	19.52	13.8	17.64	-1.80	0.18	0.30	0.39	1,776	159	142.6
<b>XTL</b>	SPDR S&P Telecom ETF	2.09	20.2	0.0	55.14	-6.91	14.0	32.83	-1.72	0.16	0.17	0.31	81	19	5.3
<b>XAR</b>	SPDR S&P Aerospace & Defense ETF	3.51	25.6	7.1	46.18	1.68	20.0	25.06	-1.53	0.21	0.23	0.29	1,355	-41	15.7
<b>XTN</b>	SPDR S&P Transportation ETF	2.93	20.4	-0.6	46.77	16.47	18.0	16.27	-1.55	0.31	0.23	0.36	742	187	9.2
<b>XME</b>	SPDR S&P Metals & Mining ETF	2.30	12.3	-2.3	41.02	35.99	6.8	37.28	-2.96	0.34	0.32	0.49	1,755	641	183.7
<b>KRE</b>	SPDR S&P Regional Banking ETF	1.40	14.8	6.2	18.91	16.48	13.9	1.91	-1.49	0.44	0.24	0.45	4,840	2176	556.6
<b>KIE</b>	SPDR S&P Insurance ETF	0.91	12.1	9.4	23.57	7.38	25.2	21.20	-1.52	0.19	0.19	0.26	437	53	12.7
<b>KCE</b>	SPDR S&P Capital Markets ETF	3.17	15.1	17.6	40.04	11.13	11.4	23.97	-1.56	0.21	0.20	0.31	75	20	1.3
<b>KBE</b>	SPDR S&P Bank ETF	1.34	12.7	7.5	21.43	18.07	12.3	4.19	-1.55	0.40	0.25	0.42	3,869	588	176.7

**Sector**

<b>XLC</b>	The Communication Services Select Sector SPDR Fund	4.09	23.9	16.7	30.03	1.53	16.0	39.16	-1.27	0.14	0.18	0.07	12,909	-485	309.1
<b>XLRE</b>	The Real Estate Select Sector SPDR Fund	3.64	52.4	13.0	57.46	-2.04	7.5	16.43	-0.47	0.06	0.11	0.16	2,532	92	177.3
<b>XLU</b>	Utilities Select Sector SPDR Fund	2.23	19.3	8.5	53.54	5.10	5.6	2.63	-0.15	0.04	0.05	0.11	11,972	-212	803.1
<b>XLF</b>	The Financial Select Sector SPDR Fund	1.54	15.3	10.7	32.93	17.37	13.2	22.10	-1.49	0.26	0.19	0.33	38,924	9380	2,069.3
<b>XLE</b>	The Energy Select Sector SPDR Fund	1.78	21.7	-16.8	36.64	-65.69	8.6	39.67	-1.84	0.38	0.34	0.49	22,982	4535	1,635.3
<b>XLY</b>	The Consumer Discretionary Select Sector SPDR Fund	9.04	32.3	14.9	63.31	10.23	29.2	34.25	-2.07	0.14	0.19	0.34	19,540	203	703.8
<b>XLP</b>	The Consumer Staples Select Sector SPDR Fund	5.67	21.1	30.2	55.99	4.82	6.9	42.56	-0.68	0.05	0.06	0.14	10,747	-2586	842.2

ETF	ETF Name	Fundamentals						International Exposure	Macro Sensitivities (Beta)				Fund Information		
		Price to Book	Price to Earnings (FY1)	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)	3 Month Average Daily Notional Volume (\$M)

**Sector (Cont'd)**

<b>XLV</b>	The Health Care Select Sector SPDR Fund	4.77	16.5	18.9	42.33	13.06	10.3	35.98	-1.14	0.04	0.08	0.15	24,555	-1774	1,068.7
<b>XLK</b>	The Technology Select Sector SPDR Fund	10.30	27.8	42.0	42.36	22.89	14.5	57.17	-1.48	0.10	0.16	0.25	39,004	-756	1,166.4
<b>XLI</b>	The Industrial Select Sector SPDR Fund	5.10	23.3	21.9	55.75	14.09	11.4	33.15	-1.47	0.20	0.18	0.29	20,197	2116	1,200.5
<b>XLB</b>	The Materials Select Sector SPDR Fund	3.34	20.4	13.7	41.49	21.59	12.9	55.08	-1.49	0.17	0.17	0.23	6,978	1248	593.0

Source: Bloomberg Finance, L.P., FactSet, as of 03/31/2021. **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.



Information Classification: General

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 include 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.

**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.  $\mu$  is the mean of 11 sector values for a certain metric.  $\sigma$  is the standard deviation of the value of eleven sectors.

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