

Target a Lower Total Cost of Ownership (TCO) with the Select Sector SPDR® Suite

Those who rotate their sector positions monthly can reduce their Total Cost of Ownership by utilizing SPDR ETFs.

Look Beyond the Expense Ratio

Because ETFs are bought and sold on an exchange like stocks, you need to add trading costs to a fund's expense ratio when evaluating TCO. Low expense ratios do not always lead to low trading costs. And trading costs are obviously more of a factor the more frequently you trade.



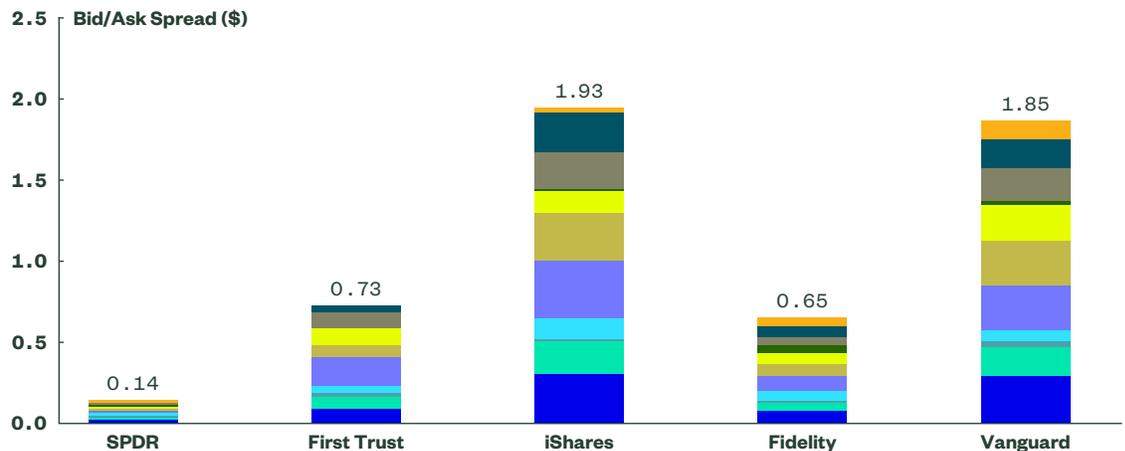
Source: State Street Global Advisors. For illustrative purposes only.

Less Is More

Sector for sector, the Select Sector SPDR ETFs have the lowest bid/ask spreads in the industry.

Figure 1
Sector ETF Bid/Ask Spread (\$) Comparison

- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Materials
- Real Estate
- Technology
- Utilities
- Comm. Svcs.



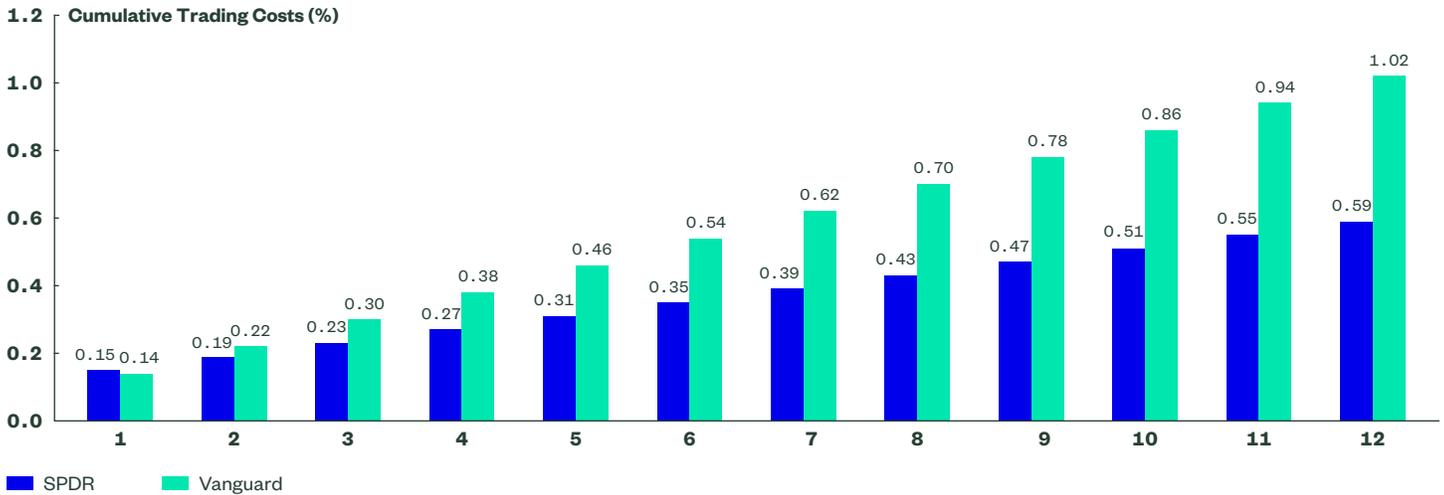
Source: Bloomberg Finance L.P., SPDR Americas Research Team, as of 03/31/2020. Averages over trailing 30 days. Based on averages of sector funds in each fund family that track GICS Sectors. First Trust does not have a Communications Services nor a Real Estate sector ETF in its AlphaDex sector suite. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown.

How Much Can You Save?

If you purchase one sector ETF and sell an existing sector position, the total average monthly round-trip trading costs, on average, are 4 basis points (bps) for the Select Sector SPDR ETF, versus 8 bps for Vanguard's sector ETF. Add in the funds' expense ratios, and the yearly cost of trading the Vanguard funds is 43 bps more than trading the Select Sector SPDRs.

Figure 2
Cumulative Trading Cost of Monthly Sector Rebalance: Select Sector SPDRs vs. Vanguard Sector ETFs



Source: Bloomberg Finance L.P., SPDR Americas Research, as of 03/31/2020.

Based on averages of Select Sector SPDRs tracking GICS Sectors. For illustrative purposes only. The information above does not reflect individual purchases and sales of funds; actual results may differ. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Trading Volume: Important in Volatile Markets

The greater a fund's trading volume, the tighter the bid/ask spread. That's especially important in volatile markets.

With more than \$110B in assets and an average of 21.5 million shares traded daily, the Select Sector SPDRs have 32% more assets than does the next-largest competitor and 17x greater average trading volume.¹

Figure 3
Sector ETF Families

	Total Assets (\$B)	3-Month Avg. Volume (\$M)	30-Day Avg. Bid/Ask Spread (%)	Avg. Gross Expense Ratio (%)
SPDR	110.0	1,111.1	0.02	0.13
iShares	10.6	18.6	0.15	0.42
Vanguard	83.5	115.8	0.14	0.10
First Trust	5.0	9.5	0.25	0.63
Fidelity	9.0	12.5	0.19	0.08

Source: Bloomberg Finance, L.P., SPDR Americas Research, as of 03/31/2020.

ssga.com/etfs

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Fund Objectives:

Vanguard sector funds seek to track the IMI sector 25/50 indices. The index universe is the MSCI US IMI index, which includes large, mid and small caps.

Select Sector SPDRs seek to track Select Sector Indices. The index universe is the S&P 500 Index.

iShares sector funds seek to track Dow Jones US sector Indices. The sector classification is based on ICB classification. The index universe includes large, mid and small caps.

First Trust sector funds seek to track StrataQuant sector indices, which employs the AlphaDEX® stock selection methodology. The index universe is the Russell 1000.

Fidelity sector funds seek to track the MSCI USA IMI 25/50 Indices. The index universe is the MSCI US IMI index, which includes large, mid and small caps.

The funds presented herein have different investment objectives, costs and expenses. Each fund is managed by a different investment firm, and the performance of each fund will necessarily depend on the ability of their respective managers to select portfolio investments. These differences, among others,

may result in significant disparity in the funds' portfolio assets and performance. For further information on the funds, please review their respective prospectuses.

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Because of their narrow focus, sector funds tend to be more volatile than funds that diversify across many sectors and companies. Select Sector SPDR Funds bear higher level of risk than more broadly diversified funds. All ETFs are subject to risk, including the possible loss of principal. Sector ETFs products are also subject to sector risk and non-diversification risk, which generally results in greater price fluctuations than the overall market.

Index based ETFs are passively managed and seek to track an index of securities. Expenses may cause the ETF's returns to deviate from the returns of the index.

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No Bank Guarantee
May Lose Value**