

August 3, 2020
Weekly Bulletin

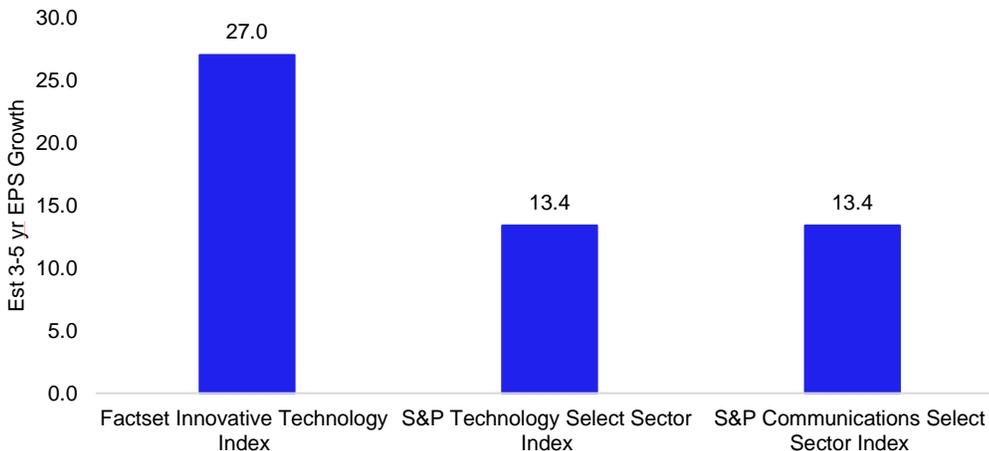
Earning an Allocation to Your Portfolio – XITK

- Last week, legacy Technology titans, such as Apple and Facebook, illustrated their growth dominance and resiliency in our current environment by crushing earnings expectations, 2.58 vs. 2.07 and 1.80 vs. 1.39 per share, respectively;¹ these firms have been rewarded since the onset of the pandemic, as XITK has posted an 81% return since the market bottom.²
- As the pandemic continues and there is an increased need for new technology to keep our society connected, innovative companies in the Technology and Communication Services sectors may continue to benefit from the societal sea change in behavior and be a potential beacon of future growth
- Congress, however, continues to discuss antitrust reform — presenting headline risk to some of the larger mega-cap legacy Technology firms — which could curtail future growth opportunities for the titans if any of the beltway grandstanding is acted upon

The Takeaway

Through a unique, bottom-up, revenue-focused, equal-weighting methodology, the SPDR FactSet Innovative Technology ETF [XITK] allows investors to obtain Communication Services and Information Technology sector exposure in one trade, while also limiting concentration risk alongside targeting smaller and high-revenue growth segments. Given the inflection point in our society, which may result in high-revenue growth opportunities, combined with the potential downside risks of antitrust headlines in a tense election year, investors may want to consider an allocation to XITK — an exposure potentially able to target innovative technology firms that provide cutting-edge products and services that are expected to outgrow traditional large-cap technology firms by twice as much, as shown below.

Chart of the Week:
Estimated 3–5 Year
EPS Growth %



Source: Factset as of 07/31/2020

Standard Performance

<u>Ticker</u>	<u>Name</u>	<u>YTD</u>	<u>1 Year</u>	<u>Annualized</u>			<u>Since Inception</u>	<u>Inception Date</u>
				<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>		
XITK (NAV)	SPDR® FactSet Innovative Technology ETF	28.10	37.68	29.10	-	-	28.46	01/13/2016
XITK (MKT)	SPDR® FactSet Innovative Technology ETF	28.12	37.70	29.08	-	-	28.46	

Source:ssga.com/etfs as of 06/30/2020. **Performance returns for periods of less than one year are not annualized. Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. For SPDR ETFs, visit ssga.com/etfs for most recent month-end performance.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ.

¹ Source: Bloomberg Finance LLP as of 7/31/2020. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The holdings are taken from the accounting records of SSGA which may differ from the official books and records of the custodian.

² Source: Bloomberg Finance LLP as of 7/31/2020

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Investing involves risk including the risk of loss of principal.

While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of **market stress**.

Concentrated investments in a particular sector or industry (technology sector and electronic media companies) tend to be more volatile than the overall market and increases risk that events negatively affecting such sectors or industries could reduce returns, potentially causing the value of the Fund's shares to decrease.

Growth stocks may underperform stocks in other broad style categories (and the stock market as a whole) over any period of time and may shift in and out of favor with investors generally, sometimes rapidly.

Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

Non-diversified funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

Passively managed funds hold a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the

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State Street Global Advisors,
One Iron Street, Boston, MA
02210-1641

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