

May 3, 2021
Weekly Bulletin

Welcome to Tool Time – XHB

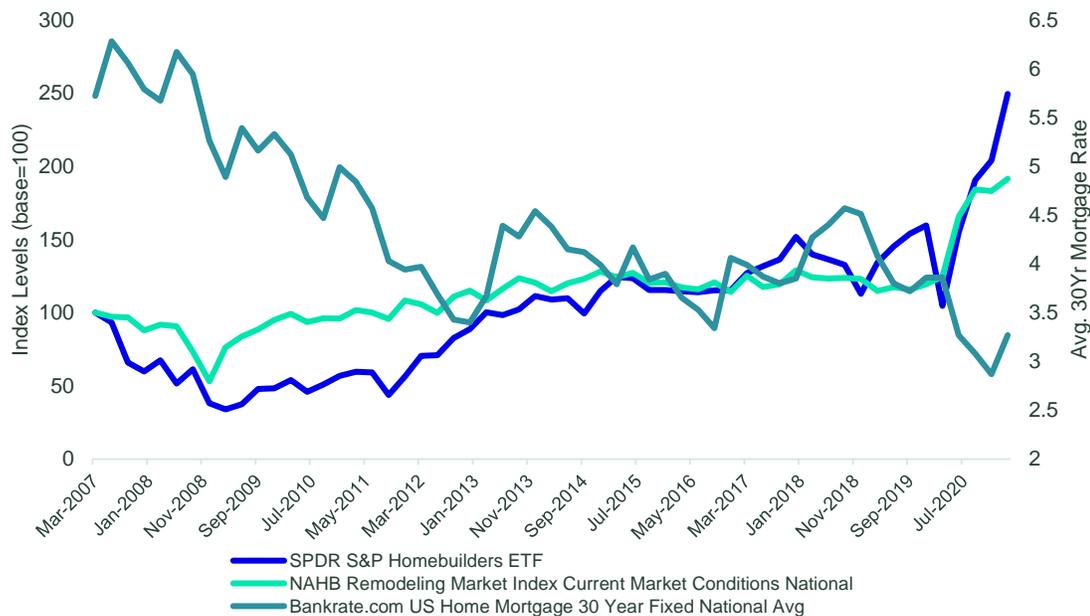
- In a year dominated by COVID-19, the combination of historically low interest rates, pandemic driven demand, and a lack of inventory drove US home sales to a 14 year high in 2020¹
- In the first quarter of 2021, homebuilders produced 1 out of every 4 single family home listed, the largest share of new construction on record, because few homeowners are listing their properties creating an inventory shortage
- The SPDR S&P Homebuilders ETF [XHB] boasts strong technicals with a 12 month and 24 month P/E ratio trading at its 44th and 52th percentile, respectively, over the past 10 years² and U.S. homebuilding stocks are trading at a multiple of 1.8x book value relative to their 1.5x long-term average³

The Takeaway

Federal stimulus payments coupled with the post-pandemic outlook has led consumers to place a greater emphasis on their living arrangements with a greater desire for space and the need for improved functionality. Since the market bottom in March of 2020, XHB has outperformed the market by more than double with a total return of 213%.⁴ The SPDR S&P Homebuilders ETF [XHB] may position investors to capture that momentum with an equal-weighted approach to companies across the industry, from building materials to new home construction.

Chart of the Week

Home Improvements on the Rise as Rates Remain Low



Source: Bloomberg Finance L.P., as of 04/30/2021. Performance quoted represents past performance, which is no guarantee of future results.

Standard Performance

Ticker	Name	YTD	Annualized					Inception Date	Gross Expense Ratio (%)
			1 Year	3 Year	5 Year	10 Year	Since Inception		
XHB (NAV)	SPDR® S&P® Homebuilders ETF	22.24	138.21	21.25	16.80	15.38	3.75	01/31/2006	0.35
XHB (MKT)	SPDR® S&P® Homebuilders ETF	22.23	128.11	21.10	16.80	15.38	3.75		

Source: ssga.com/etfs as of 03/31/2021. **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. All results are historical and assume the reinvestment of dividends and capital gains. 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. The gross expense ratio is the fund's total annual operating expenses ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus.

1 The National Association of Realtors as of 12/31/2020

2 Source: Factset., as of 4/29/2021

3 Source: Bloomberg Finance L.P., as of 4/30/2021

4 Source: Bloomberg Finance L.P., 03/23/2020 - 4/30/2021. Broad market represented by the S&P 500 Index. **Performance quoted represents past performance, which is no guarantee of future results.**

ssga.com/etfs

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Funds investing in a **single sector** may be subject to more volatility than funds investing in a diverse group of sectors.

Because of their narrow focus, **sector funds** tend to be more volatile than broadly diversified funds and generally result in greater price fluctuations than the overall market.

Non-diversified fund may invest in a relatively small number of issuers, a decline in the market value may affect its value more than if it invested in a larger number of issuers. While the Fund is expected to operate as a diversified fund, it may become non-diversified for periods of time solely as a result of changes in the composition of its benchmark index. The Fund may not purchase securities of any issuer if, as a result, more than 5% of the Fund's total assets would be invested in that issuer's securities; except as may be necessary to approximate the composition of its target index. This limitation does not apply to obligations of the U.S. government or its agencies or instrumentalities.

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