

# ETF Analyzer

August 2024

## *Select Sector SPDR Edition*

- ▶ Evaluate Sector SPDRs based on investment merit using fundamental data and analysis
- ▶ Compare Sector SPDRs with ease on a variety of forward-looking valuation metrics
- ▶ Succinct reports in three easy-to-read sections: Investment Summary, Fundamentals, and Composition

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# How to use this guide

## A fundamentally different approach

This guide presents fundamental data and analysis on each of the nine Select Sector SPDR funds so you can view and value them the way you would a single stock. It consists of an "Analyzer" page (shown below) covering each fund, along with a Valuation Guide to facilitate easy comparisons between funds as well as with the S&P500 index. For more on our approach to ETF analysis visit ETF Research Center at [www.etfrc.com](http://www.etfrc.com).

**Fund name**  
**Fund basics**  
 Expenses, returns, volume & more  
**Ticker symbol**  
**Price**

### Trading history

See how this fund has performed in the past



### ALTAR Score™ & Recommendation

Our proprietary measure of an ETF's overall investment merit. See *How we rate ETFs* on the following page for an explanation.

### Analyst's view

Our take on the real drivers behind a fund's investment merit

### Valuation metrics

Even funds full of good companies can be bad investments if valued too richly. See how the stocks in this fund add up.

### Results & estimates

Financial results & expectations for the fund's constituents—essential for making an informed investment

### Profitability measures

Graphs show trends in return on equity, profit margins and estimate revisions

### Composition data

Information on top holdings, concentration and market cap segmentation

### Industry breakdown

Shows how important each industry segment is within the sector

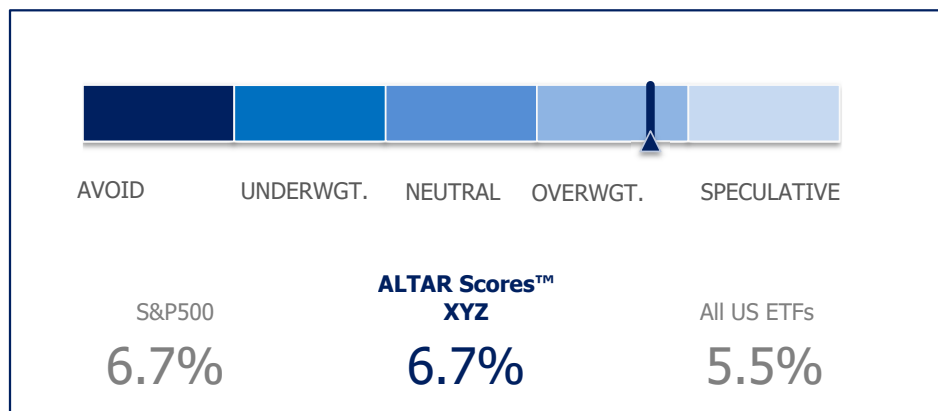
### Keeping up-to-date

Market conditions and expectations change all the time. Go to the [ETF Research Center](http://ETF Research Center) for daily valuation updates on the Sector SPDRs or any of the other thousands of ETFs we cover. This report is updated monthly and is available for download free of charge at [www.etfrc.com](http://www.etfrc.com).

# How we rate ETFs

## AltaVista Recommendation

For every ETF under coverage, we calculate an AltaVista Long Term Annual Return forecast, or ALTAR Score™, explained in more detail in the sidebar. Then, we separate the funds into five tiers (quintiles) based on where their individual scores ranks versus other funds in the category, under a normal distribution probability curve. The five recommendation tiers, defined in detail below, are: SPECULATIVE, OVERWEIGHT, NEUTRAL, UNDERWEIGHT and AVOID.



### What they mean...

#### SPECULATIVE

**Deeply undervalued but risky.** A rating of SPECULATIVE is assigned to ETFs with ALTAR Scores in the top quintile (the top 20%) of their category, indicating exceptional appreciation potential. However, often these are narrowly-focused funds or in industries with structural issues, which may also make them very risky. Nonetheless they may still be useful as part of a well-diversified portfolio.

#### OVERWEIGHT

**Above average appreciation potential.** A rating of OVERWEIGHT is assigned to ETFs with ALTAR Scores in the 4th quintile (ranking higher than 60%-80%) of their category. Typically, funds in this category consist of stocks trading at attractive valuations and/or having above-average fundamentals.

#### NEUTRAL

**Average appreciation potential.** A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds. The majority of funds we cover fall into this category.

#### UNDERWEIGHT

**Below appreciation potential.** A rating of UNDERWEIGHT is assigned to ETFs with ALTAR Scores in the 2nd quintile (ranking higher than only 20%-40%) of their category. Typically, funds in this category consist of stocks trading at relatively expensive valuations and/or having below-average fundamentals.

#### AVOID

**Not worthwhile for most investors.** A rating of AVOID is assigned to ETFs with ALTAR Scores in the lowest quintile (the bottom 20%) of their category. Often, funds in this category consist of stocks with little if any history or expectation of profitability, and as a result our fundamentally-driven analysis may not be as relevant.

## ALTAR Score™

The ALTAR Score™, short for AltaVista Long Term Annual Return forecast, is our measure of an ETF's overall investment merit. For equity funds the formula is:

$$ROE_{avg} \div \frac{P}{BV} - fees$$

where  $ROE_{avg}$  is the average Return on Equity over the course of the business cycle, and  $P/BV$  is the price-to-book value multiple for the current forecast year ("FY1"). Finally, we subtract fund fees which diminish investor returns. Results are expressed as a percentage, with higher values better, all else being equal.

### Origins

The ALTAR Score relates overall profitability of stocks in a fund to their valuations, using the well-established relationship between Return on Equity and Price-to-Book Value multiples, itself a derivation of the Dividend Discount Model, one of the earliest and most basic approaches to equity valuation.

### What it means

The ALTAR Score provides an estimate of a kind of "internal rate of return" from the owner's perspective. The primary benefit of this approach is that it is forward looking--based on current fundamentals and valuation metrics--in contrast to most fund rating methodologies which focus on past share price returns.

### What it does not mean

It is not a price target or prediction about how the market will value the fund in the future. There is no time or momentum component to the ALTAR Score, and it is not meant as any sort of short-term indicator.

### Bottom line

The ALTAR Score can be used to compare funds based on investment merit, but it is not intended as a prediction of future performance. Investors should also consider the many other data points in each report to assess each fund's suitability. For more information visit [www.etfrc.com](http://www.etfrc.com).



For more information visit  
[www.etfrc.com](http://www.etfrc.com)

## Section I: Side-by-Side Sector SPDR Charts

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| Valuation Guide                                   | 8  |
| Consensus Sentiment - Trends in Analysts' Ratings | 10 |

## Section II: Fund Detail Pages

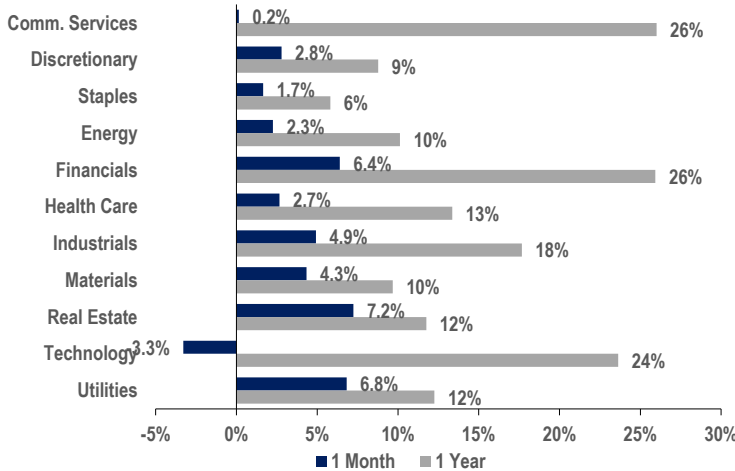
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| Communication Services Sector SPDR (XLC) | 12 |
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| Real Estate Sector SPDR (XLRE)           | 20 |
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# Section I

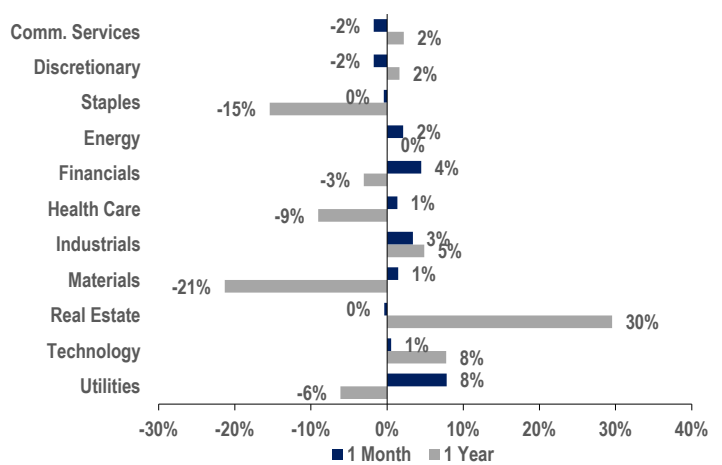
## Side-by-Side Sector SPDR Charts

# Market Activity & Breakdown

**Total Returns\* (Price)**

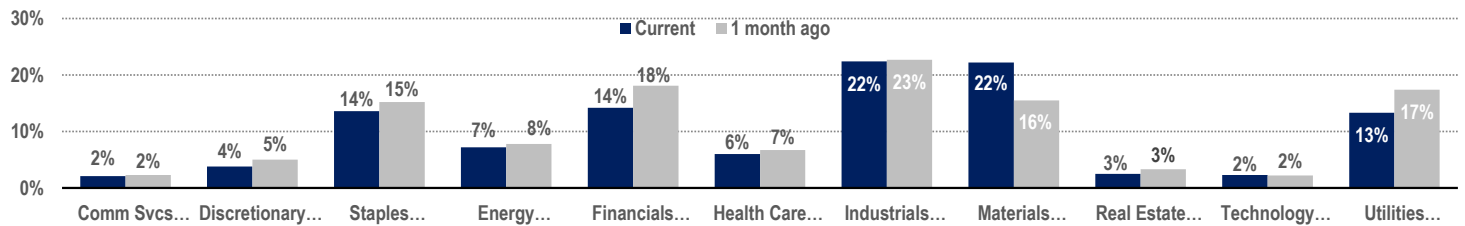


**Changes in Shares Outstanding**

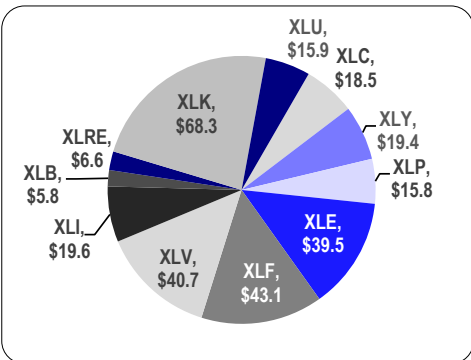


**\*NOTE:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

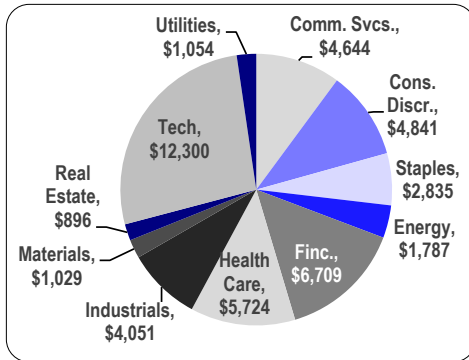
**Short Interest (as a percentage of total shares outstanding)**



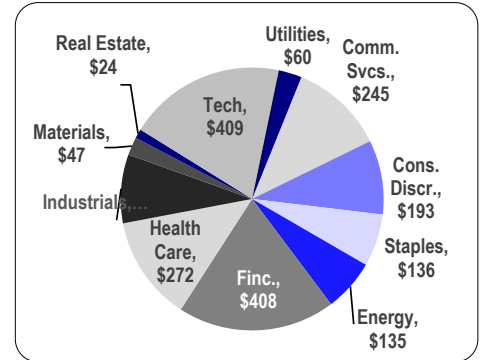
**Assets Under Management (\$bns)**



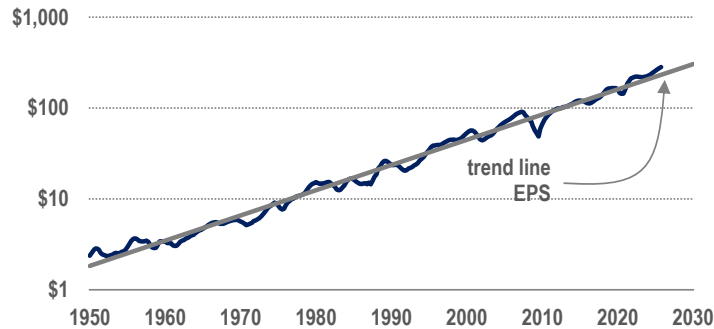
**S&P 500 Market Cap by Sector (\$bns)**



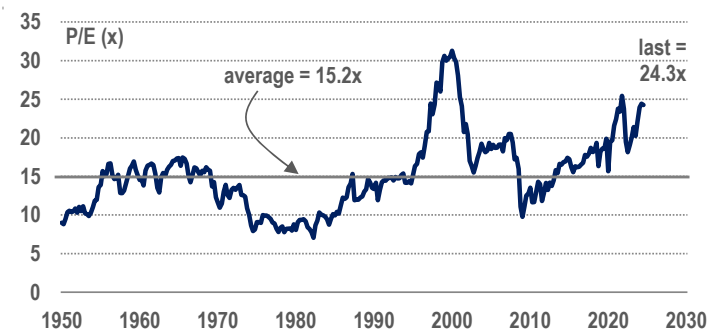
**S&P 500 2024E Profits by Sector (\$bns)**



**S&P 500 Operating Earnings (4 qtrs. rolling, 1950-present)**



**S&P500 Forward P/E multiple on Trend-line EPS**

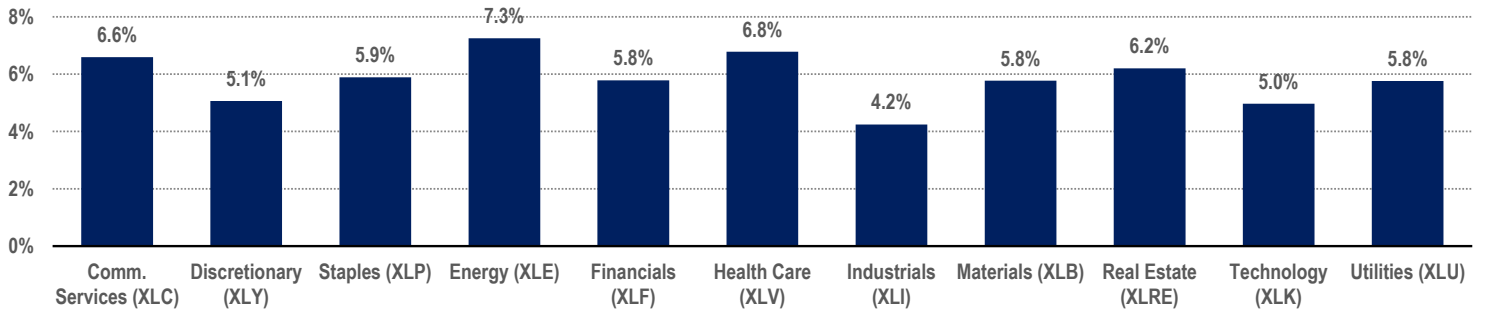




# Select Sector SPDRs

This page provides a summary of valuation metrics for the Select Sector SPDRs and S&P 500 which may be considered when buying or selling these funds.

## ALTAR Score™



## Calculation of ALTAR Score™

|                      | Avg. ROE (20-24E) | Div. by Fwd PBV | Less Exp. | equals ALTAR™ |
|----------------------|-------------------|-----------------|-----------|---------------|
| Comm. Services (XLC) | 15.4%             | 2.3x            | 0.09%     | 6.6%          |
| Discretionary (XLY)  | 31.1%             | 6.1x            | 0.09%     | 5.1%          |
| Staples (XLP)        | 26.8%             | 4.5x            | 0.09%     | 5.9%          |
| Energy (XLE)         | 14.4%             | 2.0x            | 0.09%     | 7.3%          |
| Financials (XLF)     | 11.6%             | 2.0x            | 0.09%     | 5.8%          |
| Health Care (XLV)    | 25.6%             | 3.7x            | 0.09%     | 6.8%          |
| Industrials (XLI)    | 19.7%             | 4.6x            | 0.09%     | 4.2%          |
| Materials (XLB)      | 16.0%             | 2.7x            | 0.09%     | 5.8%          |
| Real Estate (XLRE)   | 15.6%             | 2.5x            | 0.09%     | 6.2%          |
| Technology (XLK)     | 30.9%             | 6.1x            | 0.09%     | 5.0%          |
| Utilities (XLU)      | 11.3%             | 1.9x            | 0.09%     | 5.8%          |

## Risk measures: Standard Deviation

|                      | Prices (3yr Ann.) | Earnings Est. 2024-25E |
|----------------------|-------------------|------------------------|
| Comm. Services (XLC) | 21.4%             | 1.9%                   |
| Discretionary (XLY)  | 25.4%             | 2.7%                   |
| Staples (XLP)        | 13.7%             | 1.0%                   |
| Energy (XLE)         | 28.1%             | 4.8%                   |
| Financials (XLF)     | 20.2%             | 1.7%                   |
| Health Care (XLV)    | 14.7%             | 1.7%                   |
| Industrials (XLI)    | 20.0%             | 1.6%                   |
| Materials (XLB)      | 21.9%             | 3.1%                   |
| Real Estate (XLRE)   | 22.5%             | 3.7%                   |
| Technology (XLK)     | 23.7%             | 2.5%                   |
| Utilities (XLU)      | 18.2%             | 1.2%                   |

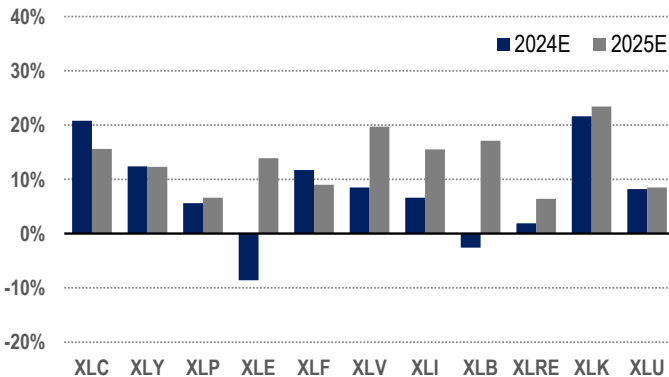
NOTE: The ALTAR Score™ is AltaVista's proprietary measure of an ETF's overall investment merit, based on academic work relating price-to-book value multiples to return on equity (Wilcox, Financial Analysts Journal, Jan-Feb 1984). In general, higher scores suggest better long term investment potential in AltaVista's opinion, but they are not forecasts of future returns. For more information go to [www.etfrc.com](http://www.etfrc.com).

## Valuation multiples (based on 2024 estimates)

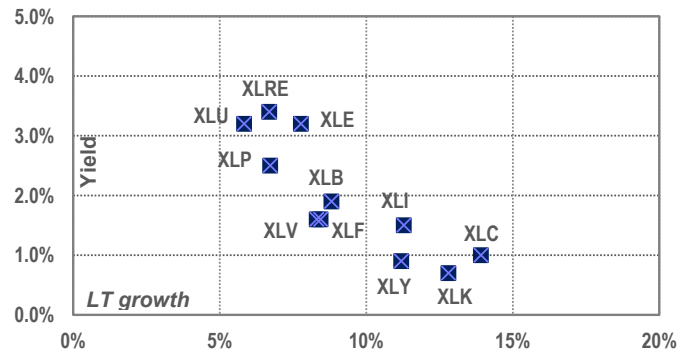
|                      | Price           | P/E         | PEG        | P/CF        | P/Sales    | P/BV       | Yield*     |
|----------------------|-----------------|-------------|------------|-------------|------------|------------|------------|
| Comm. Services (XLC) | \$85.79         | 18.0        | 1.3        | 10.3        | 2.1        | 2.5        | 1.0        |
| Discretionary (XLY)  | \$187.49        | 24.2        | 2.2        | 18.1        | 2.4        | 6.9        | 0.9        |
| Staples (XLP)        | \$77.85         | 20.6        | 3.1        | 17.6        | 1.4        | 4.8        | 2.5        |
| Energy (XLE)         | \$93.21         | 13.5        | 1.7        | 7.5         | 1.4        | 2.1        | 3.2        |
| Financials (XLF)     | \$43.74         | 16.2        | 1.9        | 21.9        | 3.3        | 2.1        | 1.6        |
| Health Care (XLV)    | \$149.63        | 21.1        | 2.5        | 18.8        | 1.8        | 4.1        | 1.6        |
| Industrials (XLI)    | \$127.86        | 23.0        | 2.0        | 18.0        | 2.4        | 5.0        | 1.5        |
| Materials (XLB)      | \$92.14         | 21.6        | 2.5        | 14.1        | 2.3        | 2.9        | 1.9        |
| Real Estate (XLRE)   | \$41.19         | 18.8        | 2.8        | 24.0        | 6.0        | 2.6        | 3.4        |
| Technology (XLK)     | \$218.80        | 31.6        | 2.5        | 20.4        | 4.8        | 6.8        | 0.7        |
| Utilities (XLU)      | \$72.79         | 17.9        | 3.1        | 9.4         | 2.4        | 2.0        | 3.2        |
| <b>S&amp;P500</b>    | <b>5,522.30</b> | <b>22.5</b> | <b>2.2</b> | <b>17.3</b> | <b>2.9</b> | <b>4.1</b> | <b>1.3</b> |

\*Based on consensus dividend forecasts for underlying stocks. May differ from the distribution yield on

## Earnings per share growth



## Yield\* vs. long-term EPS growth of fund constituents



Note: All valuation metrics on this page calculated based on consensus estimates of current fund constituents, as collected by FactSet. Definitions of technical terms can be found on page 23 of this document.

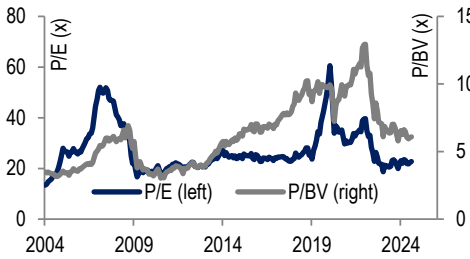


# Select Sector SPDRs

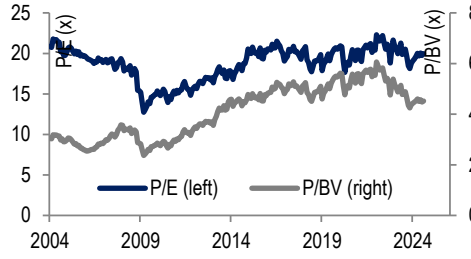
## Trends in P/E and P/BV multiples

This page contains monthly observations of historical price-to-earnings (P/E) and price-to-book value (P/BV) multiples based on rolling twelve-months' earnings and book value per share figures, respectively, for each Sector SPDR (maximum value of 100). It illustrates how these funds have traded in the past in relation to these two valuation metrics.

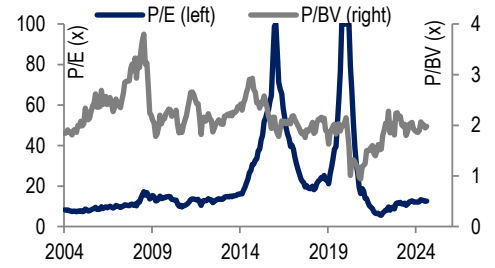
**Consumer Discretionary (XLY)**



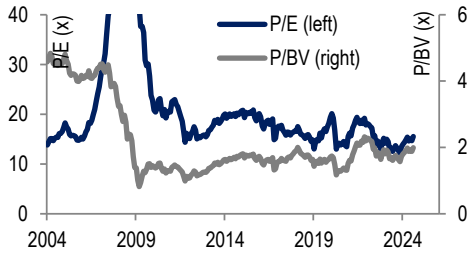
**Consumer Staples (XLP)**



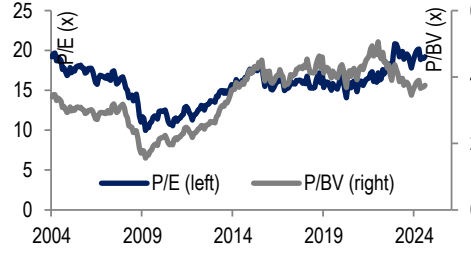
**Energy (XLE)**



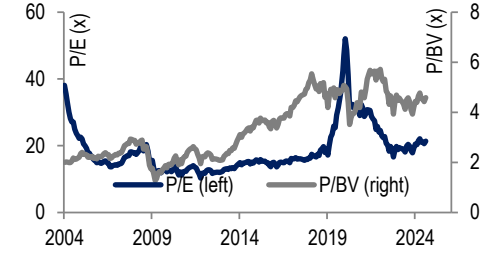
**Financials (XLF)**



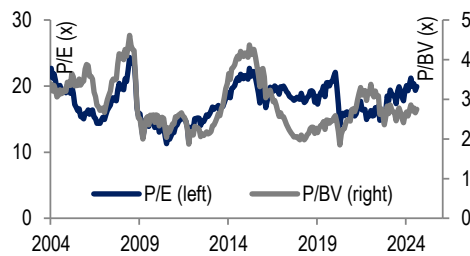
**Health Care (XLV)**



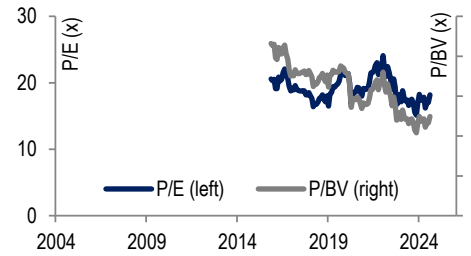
**Industrials (XLI)**



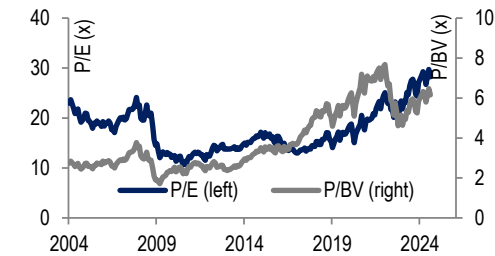
**Materials (XLB)**



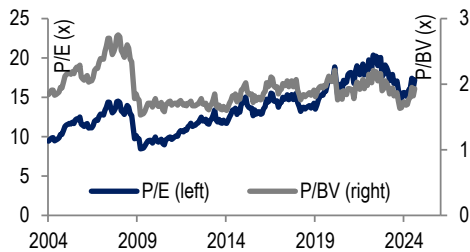
**Real Estate (XLRE)**



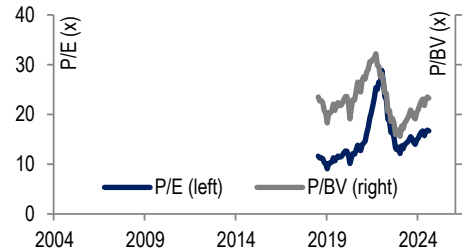
**Technology (XLK)**



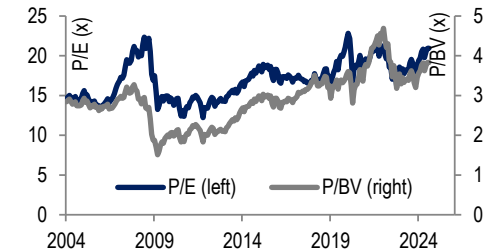
**Utilities (XLU)**



**Communication Services (XLC)**



**S&P 500 (SPY, IVV & VOO)**



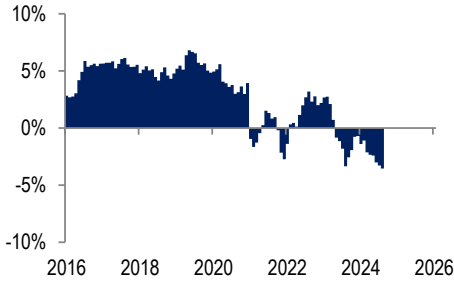
# Select Sector SPDRs

## Trends in Analysts Consensus Ratings

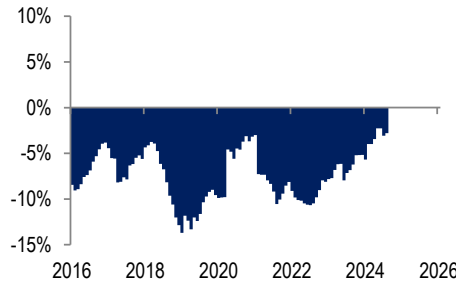
This page contains historical analysts' consensus ratings on each index's underlying constituents, relative to their ratings for the constituents of the S&P 500 overall. A reading of 5% means analysts are five percent more bullish on stocks in the sector than the market overall; a reading of negative 5% means they are five percent more bearish.

Given the prevalence of Buy ratings among analysts for all stocks, the trend and relative ratings may be more important than the rating *level* in gauging analysts' true sentiment regarding the stocks in each index. Investors may consider this along with other data and information when buying or selling any security tracking these indices.

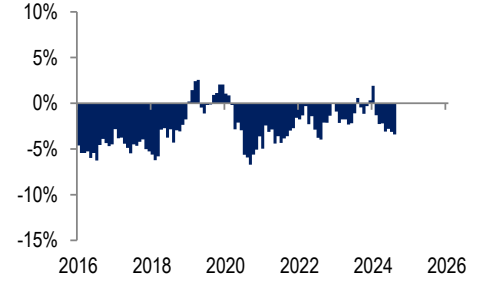
**Consumer Discretionary (XLY)**



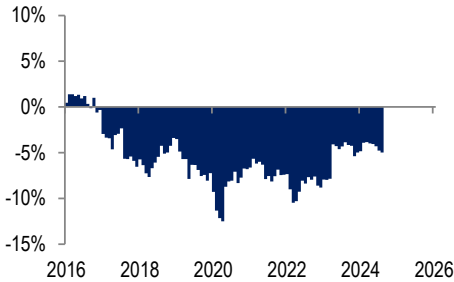
**Consumer Staples (XLP)**



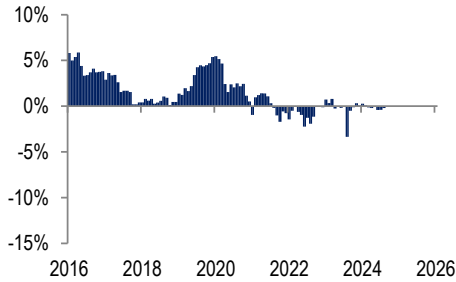
**Energy (XLE)**



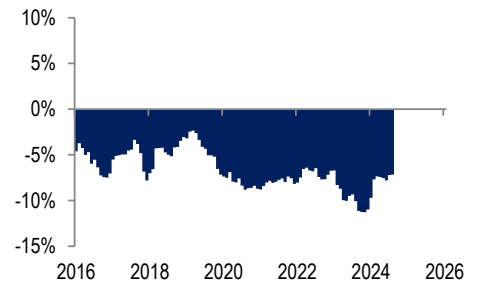
**Financials (XLF)**



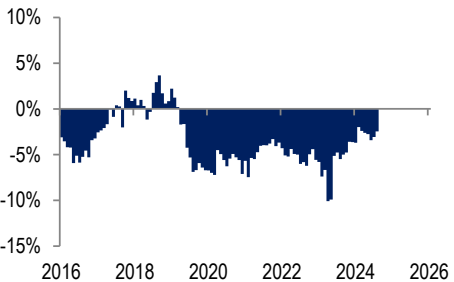
**Health Care (XLV)**



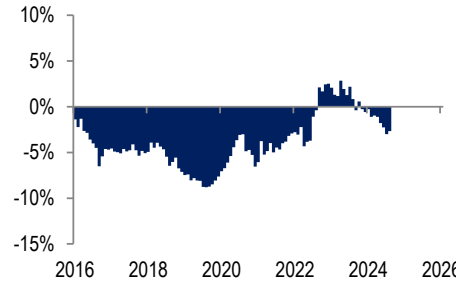
**Industrials (XLI)**



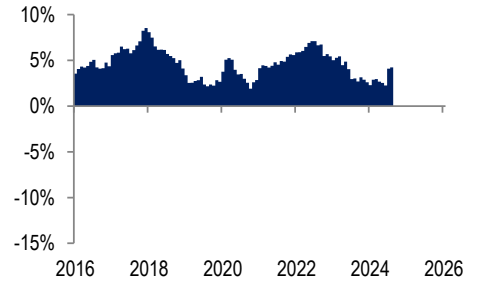
**Materials (XLB)**



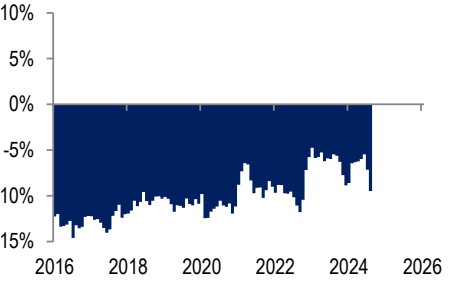
**Real Estate (XLRE)**



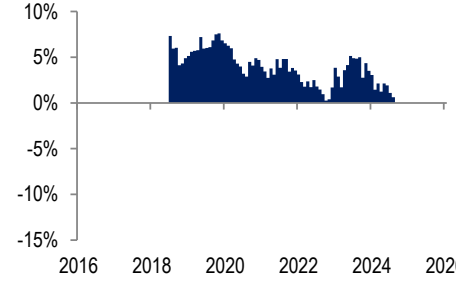
**Technology (XLK)**



**Utilities (XLU)**



**Comm. Services (XLC)**



# Section II

## Fund Detail Pages

# Communication Services Select Sector SPDR Fund

XLC

\$85.79

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor SSGA  
 Inception date June 18, 2018  
 Fund assets (mns) \$18,539  
 Avg. daily volume (000) 4,303  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 26.0%  
 Five year n/a  
 Ten year n/a  
 Since inception n/a

\*as of 07/31/24. See Notes.

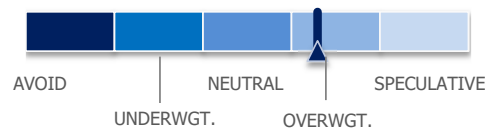
## Trading statistics

Beta vs. S&P 500 1.01  
 Standard deviation 21.4%

## AltaVista Recommendation

### OVERWEIGHT

Above average appreciation potential. A rating of OVERWEIGHT is assigned to ETFs with ALTAR Scores in the 4th quintile (ranking higher than 60%-80%) of their category. Typically, funds in this category consist of stocks trading at attractive valuations and/or having above-average fundamentals.



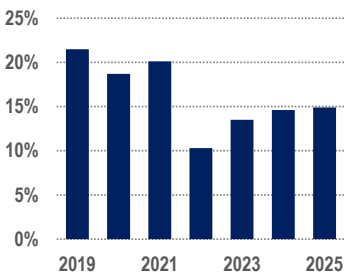
## ALTAR Scores™

S&P 500 5.1%  
 XLC 6.6%  
 Cat. Avg. 5.6%

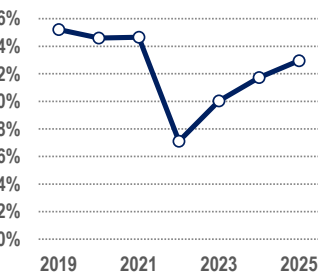
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022   | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|--------|-------|-------|-------|-------------|
| Sales        | 29.85 | 29.00 | 32.30 | 37.85  | 39.31 | 40.66 | 42.55 | 6.4%        |
| Earnings     | 4.54  | 4.23  | 4.74  | 2.69   | 3.94  | 4.77  | 5.51  | 1.0%        |
| Book Value   | 22.59 | 22.73 | 24.46 | 27.60  | 30.71 | 34.58 | 39.16 | 8.9%        |
| Dividends    | 1.03  | 1.03  | 0.92  | 0.89   | 0.83  | 0.89  | 0.93  | n/m         |
| Sales growth |       | -2.9% | 11.4% | 17.2%  | 3.9%  | 3.4%  | 4.7%  |             |
| EPS growth   |       | -6.8% | 11.8% | -43.2% | 46.7% | 20.8% | 15.6% |             |

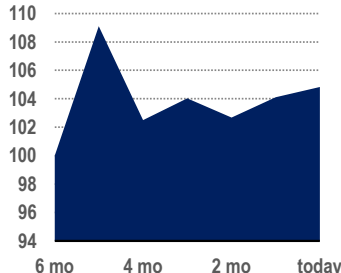
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

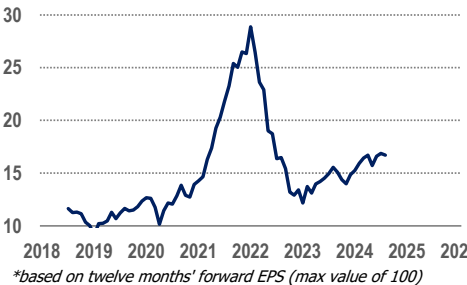
Earnings revisions have been erratic in recent months perhaps reflecting Meta & Alphabet's mixed results with their AI ventures (together almost half of the fund). Nonetheless valuations appear reasonable to us: XLC trades at a P/E discount to the S&P 500 and has the cheapest price-to-growth ("PEG") ratio of any sector, resulting in our Overweight recommendation. However sell-side enthusiasm has waned in recent months to market-neutral.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 18.0  | 15.6  |
| Price-to-Cash Flow  | 10.3  | 9.3   |
| Price-to-Sales      | 2.1   | 2.0   |
| Price-to-Book Value | 2.5   | 2.2   |
| Yield* (%)          | 1.0   | 1.1   |

\*Based on consensus dividend forecasts for underlying stocks. *Ma differ significantly from distribution yield on the ETF.*

## Historical P/E ratio\*



## Other fundamental data

LT growth est. 13.9%  
 Payout ratio 18.8%  
 Debt-to-equity 1.2x

## Top 10 Holdings

|                                 |              |
|---------------------------------|--------------|
| META PLATFORMS INC              | 21.2%        |
| ALPHABET INC. CLASS A           | 11.8%        |
| ALPHABET INC. CLASS C           | 9.9%         |
| CHARTER COMMUNICATIONS, INC. CI | 5.5%         |
| ELECTRONIC ARTS INC             | 4.9%         |
| COMCAST CORP-CL A               | 4.8%         |
| AT&T INC                        | 4.8%         |
| T-MOBILE US, INC.               | 4.6%         |
| VERIZON COMMUNICATIONS INC      | 4.5%         |
| NETFLIX INC                     | 4.1%         |
| <b>TOTAL</b>                    | <b>76.1%</b> |

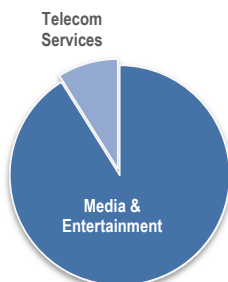
## Description

The Communication Services Select Sector SPDR Fund tracks a market-cap-weighted index of US telecommunication and media & entertainment components of the S&P 500 index.

## Industry Breakdown

## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 22        |
| Weighted avg mkt cap (mns) | \$865,174 |
| Large cap (>\$10bn)        | 99.2%     |
| Mid cap (\$2-10bn)         | 0.8%      |
| Small cap (<\$2bn)         | 0.0%      |



For more information visit [www.etfrc.com](http://www.etfrc.com)

# Consumer Discretionary Select Sector SPDR Fund

XLY

\$187.49

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

|                         |                              |
|-------------------------|------------------------------|
| AltaVista Category      | US                           |
| Fund sponsor            | State Street Global Advisors |
| Inception date          | December 16, 1998            |
| Fund assets (mns)       | \$19,415                     |
| Avg. daily volume (000) | 2,700                        |
| Expense ratio           | 0.09%                        |
| Distributions           | Quarterly                    |
| Options availability    | YES                          |

## Total returns (price)\*

|                 |       |
|-----------------|-------|
| One year        | 8.8%  |
| Five year       | 10.2% |
| Ten year        | 12.3% |
| Since inception | 9.6%  |

\*as of 07/31/24. See Notes.

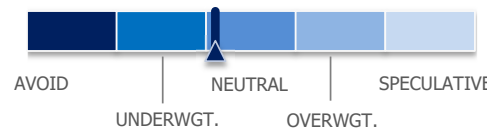
## Trading statistics

|                    |       |
|--------------------|-------|
| Beta vs. S&P 500   | 1.21  |
| Standard deviation | 25.4% |

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



## ALTAR Scores™

|         |             |           |
|---------|-------------|-----------|
| S&P 500 | <b>XLY</b>  | Cat. Avg. |
| 5.1%    | <b>5.1%</b> | 5.6%      |

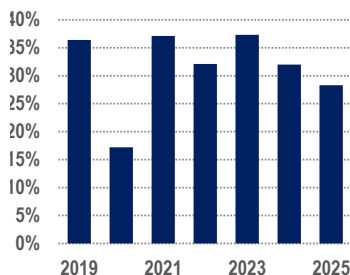
## Analyst's opinion

Revisions have been erratic amid a softening job market and uncertain outlook for consumer spending, and sell-side sentiment has slipped to its lowest level in at least 8 years (see Sentiment page). Our value-conscious rating recently ticked up to Neutral as the sector continues to lag the S&P 500, but multiples remain rich in the absolute, and we question the increasing margin assumptions embedded in earnings forecasts through 2025.

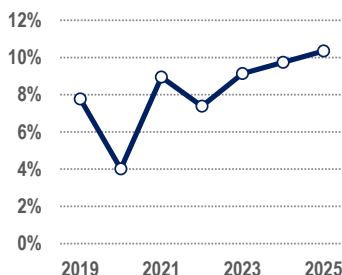
## Per share results & estimates

|              | 2019  | 2020   | 2021   | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|--------|--------|-------|-------|-------|-------|-------------|
| Sales        | 53.80 | 51.56  | 59.92  | 69.76 | 75.59 | 79.68 | 84.25 | 8.2%        |
| Earnings     | 4.18  | 2.07   | 5.36   | 5.15  | 6.91  | 7.76  | 8.72  | 13.2%       |
| Book Value   | 11.40 | 12.63  | 16.31  | 15.81 | 21.18 | 27.29 | 34.25 | 19.1%       |
| Dividends    | 1.41  | 1.03   | 1.09   | 1.37  | 1.54  | 1.65  | 1.77  | 3.2%        |
| Sales growth |       | -4.2%  | 16.2%  | 16.4% | 8.4%  | 5.4%  | 5.7%  |             |
| EPS growth   |       | -50.4% | 158.9% | -3.9% | 34.0% | 12.4% | 12.3% |             |

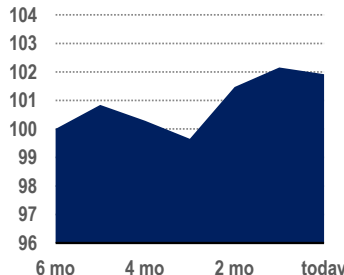
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 24.2  | 21.5  |
| Price-to-Cash Flow  | 18.1  | 16.2  |
| Price-to-Sales      | 2.4   | 2.2   |
| Price-to-Book Value | 6.9   | 5.5   |
| Yield* (%)          | 0.9   | 0.9   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



## Other fundamental data

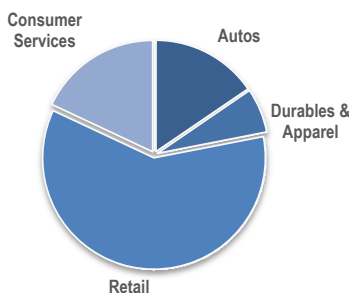
|                    |       |
|--------------------|-------|
| LT EPS growth est. | 11.2% |
| Payout ratio       | 21.3% |
| Debt-to-equity     | 2.4x  |

## Top 10 Holdings

|                             |              |
|-----------------------------|--------------|
| AMAZON.COM INC              | 22.2%        |
| TESLA MOTORS INC            | 17.1%        |
| HOME DEPOT INC              | 9.7%         |
| MCDONALD'S CORP             | 4.5%         |
| LOWE'S COS INC              | 3.8%         |
| TJX COMPANIES INC           | 3.4%         |
| BOOKING HOLDINGS INC.       | 3.4%         |
| STARBUCKS CORP              | 2.4%         |
| CHIPOTLE MEXICAN GRILL-CL A | 2.0%         |
| <b>TOTAL</b>                | <b>70.9%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Consumer Discretionary sector. Component industries include Autos & Components; Durables & Apparel; Consumer Services and Retailing. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.



## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 52        |
| Weighted avg mkt cap (mns) | \$631,884 |
| Large cap (>\$10bn)        | 98.5%     |
| Mid cap (\$2-10bn)         | 1.5%      |
| Small cap (<\$2bn)         | 0.0%      |



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# Consumer Staples Select Sector SPDR Fund

XLP

\$77.85

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

|                         |                              |
|-------------------------|------------------------------|
| AltaVista Category      | US                           |
| Fund sponsor            | State Street Global Advisors |
| Inception date          | December 16, 1998            |
| Fund assets (mns)       | \$15,821                     |
| Avg. daily volume (000) | 9,769                        |
| Expense ratio (bp)      | 9                            |
| Distributions           | Quarterly                    |
| Options availability    | YES                          |

## Total returns (price)\*

|                 |      |
|-----------------|------|
| One year        | 5.8% |
| Five year       | 8.4% |
| Ten year        | 9.0% |
| Since inception | 6.9% |

\*as of 07/31/24. See Notes.

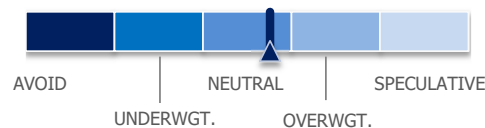
## Trading statistics

|                    |       |
|--------------------|-------|
| Beta vs. S&P 500   | 0.53  |
| Standard deviation | 13.7% |

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



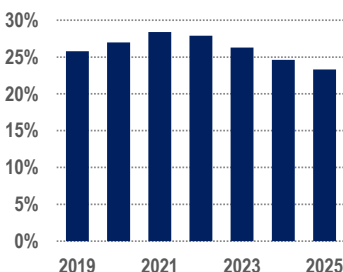
## ALTAR Scores™

|         |      |           |
|---------|------|-----------|
| S&P 500 | XLP  | Cat. Avg. |
| 5.1%    | 5.9% | 5.6%      |

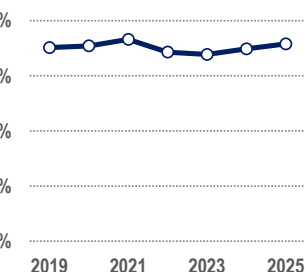
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------------|
| Sales        | 40.42 | 42.43 | 45.13 | 50.40 | 52.72 | 54.05 | 56.14 | 6.0%        |
| Earnings     | 2.84  | 3.01  | 3.30  | 3.46  | 3.57  | 3.77  | 4.02  | 5.8%        |
| Book Value   | 11.04 | 11.21 | 12.04 | 12.73 | 14.45 | 16.26 | 18.23 | 8.1%        |
| Dividends    | 1.51  | 1.55  | 1.63  | 1.79  | 1.86  | 1.96  | 2.06  | 5.4%        |
| Sales growth |       | 5.0%  | 6.4%  | 11.7% | 4.6%  | 2.5%  | 3.9%  |             |
| EPS growth   |       | 5.9%  | 9.9%  | 4.7%  | 3.3%  | 5.6%  | 6.6%  |             |

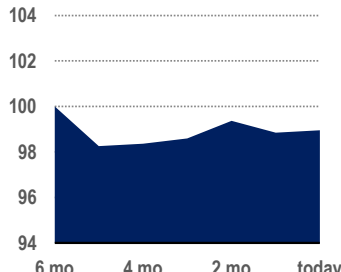
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

The sell-side outlook for Staples has improved markedly in the past two years though still below average (Sentiment page) even as share prices lagged the market considerably. Going forward, easing inflation for raw materials may take some pressure off margins, allowing earnings to grow faster than revenue. Valuation-wise, Staples' P/E multiple has traded in rather tight range for the past 8+ years (chart below), resulting in a rating ahead of the richly-valued S&P 500.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 20.6  | 19.4  |
| Price-to-Cash Flow  | 17.6  | 16.1  |
| Price-to-Sales      | 1.4   | 1.4   |
| Price-to-Book Value | 4.8   | 4.3   |
| Yield* (%)          | 2.5   | 2.6   |

\*Based on consensus dividend forecasts for underlying stocks. All differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Top 10 Holdings

|                              |              |
|------------------------------|--------------|
| PROCTER & GAMBLE CO/THE      | 14.1%        |
| COSTCO WHOLESALE CORP        | 13.5%        |
| WAL-MART STORES INC          | 10.9%        |
| COCA-COLA CO/THE             | 9.6%         |
| PHILIP MORRIS INTERNATIONAL  | 5.0%         |
| PEPSICO INC                  | 4.6%         |
| MONDELEZ INTERNATIONAL INC-A | 3.9%         |
| ALTRIA GROUP INC             | 3.6%         |
| COLGATE-PALMOLIVE CO         | 3.5%         |
| TARGET CORP                  | 3.0%         |
| <b>TOTAL</b>                 | <b>71.8%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Consumer Staples sector. Component industries include Food & Staples Retailing, Food, Beverage & Tobacco producers, and Household and Personal Products companies. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 38        |
| Weighted avg mkt cap (mns) | \$243,948 |
| Large cap ( >\$10bn)       | 99.6%     |
| Mid cap (\$2-10bn)         | 0.4%      |
| Small cap ( <\$2bn)        | 0.0%      |

## Other fundamental data

|                |       |
|----------------|-------|
| LT growth est. | 6.7%  |
| Payout ratio   | 52.1% |
| Debt-to-equity | 1.1x  |



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# Energy Select Sector SPDR Fund

XLE

\$93.21

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$39,533  
 Avg. daily volume (000) 12,655  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 10.1%  
 Five year 13.6%  
 Ten year 3.6%  
 Since inception 8.4%

\*as of 07/31/24. See Notes.

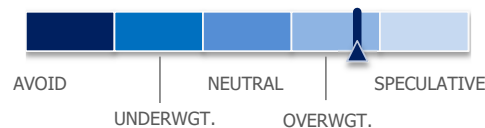
## Trading statistics

Beta vs. S&P 500 0.63  
 Standard deviation 28.1%

## AltaVista Recommendation

### OVERWEIGHT

Above average appreciation potential. A rating of OVERWEIGHT is assigned to ETFs with ALTAR Scores in the 4th quintile (ranking higher than 60%-80%) of their category. Typically, funds in this category consist of stocks trading at attractive valuations and/or having above-average fundamentals.



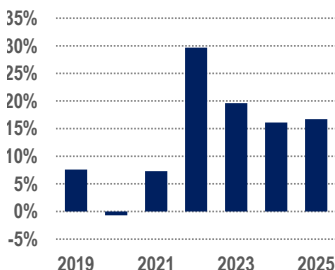
## ALTAR Scores™

S&P 500 5.1%  
 XLE 7.3%  
 Cat. Avg. 5.6%

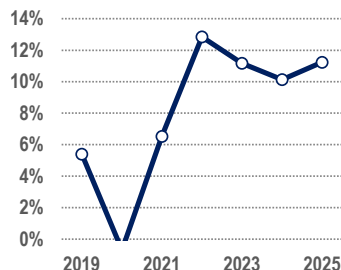
## Per share results & estimates

|              | 2019  | 2020    | 2021     | 2022   | 2023   | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|---------|----------|--------|--------|-------|-------|-------------|
| Sales        | 50.27 | 33.47   | 33.08    | 78.17  | 67.74  | 68.21 | 70.05 | 6.3%        |
| Earnings     | 2.72  | -0.23   | 2.16     | 10.04  | 7.56   | 6.91  | 7.87  | 20.5%       |
| Book Value   | 35.12 | 27.97   | 31.26    | 36.29  | 40.93  | 44.85 | 49.54 | 5.0%        |
| Dividends    | 2.38  | 2.25    | 1.19     | 2.89   | 2.92   | 3.00  | 3.17  | 4.7%        |
| Sales growth |       | -33.4%  | -1.2%    | 136.3% | -13.3% | 0.7%  | 2.7%  |             |
| EPS growth   |       | -108.5% | -1039.5% | 365.1% | -24.7% | -8.6% | 13.9% |             |

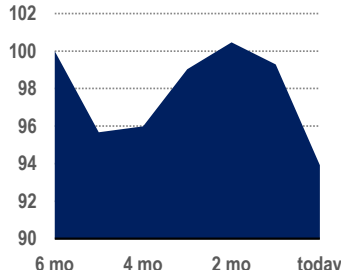
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

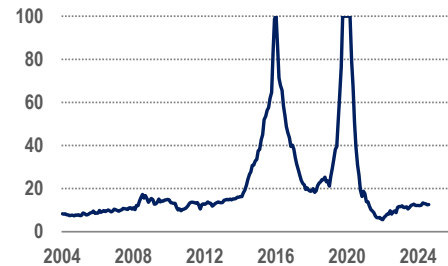
Estimate revisions turned sharply negative over the last month, though analysts still expect a rebound in earnings in 2025. Years of underinvestment and reasonable valuation metrics--including the cheapest P/E and P/CF multiples of any sector-- drive our Overweight recommendation, but a more favorable regulatory environment come January could change that by driving capex higher and prices lower.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 13.5  | 11.9  |
| Price-to-Cash Flow  | 7.5   | 7.1   |
| Price-to-Sales      | 1.4   | 1.3   |
| Price-to-Book Value | 2.1   | 1.9   |
| Yield* (%)          | 3.2   | 3.4   |

\*Based on consensus dividend forecasts for underlying stocks. *Ma differ significantly from distribution yield on the ETF.*

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

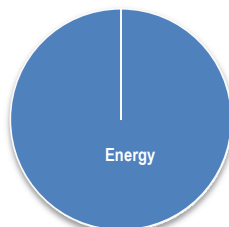
## Top 10 Holdings

|                     |              |
|---------------------|--------------|
| EXXON MOBIL CORP    | 23.3%        |
| CHEVRON CORP        | 17.8%        |
| EOG RESOURCES, INC. | 4.7%         |
| SCHLUMBERGER LTD    | 4.7%         |
| PHILLIPS 66         | 4.4%         |
| MARATHON PETROLEUM  | 4.4%         |
| CONOCOPHILLIPS      | 4.3%         |
| VALERO ENERGY CORP  | 3.8%         |
| WILLIAMS COS INC    | 3.7%         |
| ONEOK INC           | 3.5%         |
| <b>TOTAL</b>        | <b>74.4%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Energy sector. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 22        |
| Weighted avg mkt cap (mns) | \$206,662 |
| Large cap (>\$10bn)        | 100.0%    |
| Mid cap (\$2-10bn)         | 0.0%      |
| Small cap (<\$2bn)         | 0.0%      |

## Other fundamental data

LT growth est. 7.8%  
 Payout ratio 43.3%  
 Debt-to-equity 0.5x



For more information visit [www.etfrc.com](http://www.etfrc.com)



# Financial Select Sector SPDR Fund

XLF

\$43.74

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$43,138  
 Avg. daily volume (000) 37,406  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 25.9%  
 Five year 11.4%  
 Ten year 13.8%  
 Since inception 6.7%

\*as of 07/31/24. See Notes.

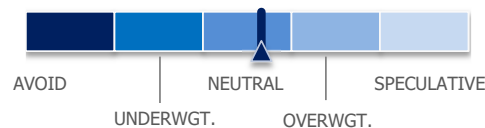
## Trading statistics

Beta vs. S&P 500 0.92  
 Standard deviation 20.2%

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



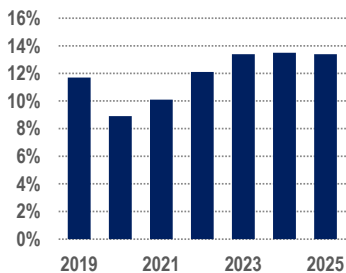
## ALTAR Scores™

S&P 500 5.1%  
 XLF 5.8%  
 Cat. Avg. 5.6%

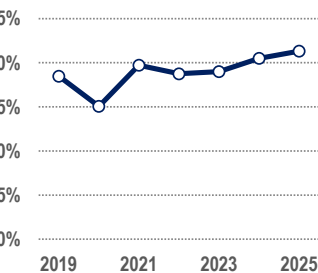
## Per share results & estimates

|              | 2019  | 2020   | 2021  | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|--------|-------|-------|-------|-------|-------|-------------|
| Sales        | 9.90  | 10.16  | 9.23  | 11.50 | 12.72 | 13.16 | 13.79 | 5.8%        |
| Earnings     | 1.83  | 1.53   | 1.82  | 2.16  | 2.42  | 2.70  | 2.94  | 8.1%        |
| Book Value   | 16.61 | 17.68  | 18.35 | 17.14 | 18.92 | 20.91 | 23.09 | 4.7%        |
| Dividends    | 0.51  | 0.52   | 0.39  | 0.61  | 0.65  | 0.71  | 0.76  | 6.9%        |
| Sales growth |       | 2.6%   | -9.1% | 24.5% | 10.6% | 3.4%  | 4.8%  |             |
| EPS growth   |       | -16.4% | 19.0% | 18.4% | 12.1% | 11.7% | 9.0%  |             |

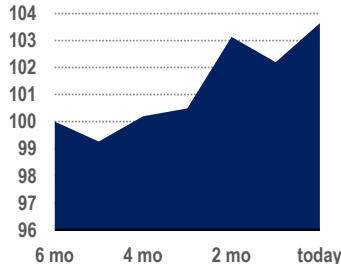
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Estimates have been trending upwards as a Fed rate cut likely draws near, and earnings are forecast to grow another 9% next year presuming the economy avoids recession. Valuations remain well within their long-term range excluding the GFC when earnings tanked (P/E History chart). We rank Financials ahead of the S&P 500 though still in Neutral territory; however sell-side sentiment remains below average (see Sentiment page).

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 16.2  | 14.9  |
| Price-to-Cash Flow  | 21.9  | 20.0  |
| Price-to-Sales      | 3.3   | 3.2   |
| Price-to-Book Value | 2.1   | 1.9   |
| Yield* (%)          | 1.6   | 1.7   |

\*Based on consensus dividend forecasts for underlying stocks. *Ma differ significantly from distribution yield on the ETF.*

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Other fundamental data

LT growth est. 8.4%  
 Payout ratio 26.3%  
 Debt-to-equity 1.4x

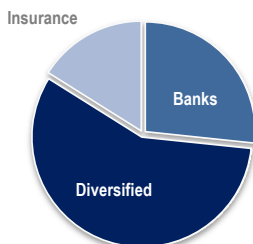
## Top 10 Holdings

|                               |              |
|-------------------------------|--------------|
| BERKSHIRE HATHAWAY INC-CL B   | 13.1%        |
| JPMORGAN CHASE & CO           | 10.1%        |
| VISA INC. CLASS A             | 6.9%         |
| MASTERCARD INCORPORATED CLASS | 6.3%         |
| BANK OF AMERICA CORP          | 4.5%         |
| WELLS FARGO & CO              | 3.4%         |
| GOLDMAN SACHS GROUP INC       | 2.7%         |
| S&P GLOBAL, INC.              | 2.6%         |
| AMERICAN EXPRESS CO           | 2.4%         |
| MORGAN STANLEY                | 2.1%         |
| <b>TOTAL</b>                  | <b>54.1%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Financial sector. Component industries include diversified financial services, insurance, banks, capital markets, consumer finance, thrifts and mortgage finance, and mortgage REITs. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 71        |
| Weighted avg mkt cap (mns) | \$342,207 |
| Large cap (>\$10bn)        | 99.6%     |
| Mid cap (\$2-10bn)         | 0.4%      |
| Small cap (<\$2bn)         | 0.0%      |



For more information visit [www.etfrc.com](http://www.etfrc.com)

# Health Care Select Sector SPDR Fund

XLV

\$149.63

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

|                         |                              |
|-------------------------|------------------------------|
| AltaVista Category      | US                           |
| Fund sponsor            | State Street Global Advisors |
| Inception date          | December 16, 1998            |
| Fund assets (mns)       | \$40,664                     |
| Avg. daily volume (000) | 7,104                        |
| Expense ratio (bp)      | 9                            |
| Distributions           | Quarterly                    |
| Options availability    | YES                          |

## Total returns (price)\*

|                 |       |
|-----------------|-------|
| One year        | 13.4% |
| Five year       | 12.3% |
| Ten year        | 11.2% |
| Since inception | 9.0%  |

\*as of 07/31/24. See Notes.

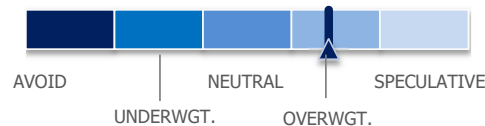
## Trading statistics

|                    |       |
|--------------------|-------|
| Beta vs. S&P 500   | 0.64  |
| Standard deviation | 14.7% |

## AltaVista Recommendation

### OVERWEIGHT

Above average appreciation potential. A rating of OVERWEIGHT is assigned to ETFs with ALTAR Scores in the 4th quintile (ranking higher than 60%-80%) of their category. Typically, funds in this category consist of stocks trading at attractive valuations and/or having above-average fundamentals.



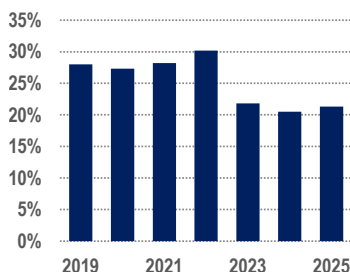
### ALTAR Scores™

|         |      |           |
|---------|------|-----------|
| S&P 500 | XLV  | Cat. Avg. |
| 5.1%    | 6.8% | 5.6%      |

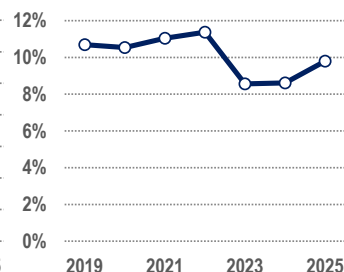
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022  | 2023   | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|-------|--------|-------|-------|-------------|
| Sales        | 52.71 | 57.48 | 63.57 | 72.09 | 76.32  | 82.33 | 86.66 | 9.3%        |
| Earnings     | 5.64  | 6.06  | 7.02  | 8.20  | 6.53   | 7.09  | 8.49  | 4.7%        |
| Book Value   | 21.00 | 23.30 | 26.45 | 27.83 | 32.17  | 36.88 | 42.84 | 11.9%       |
| Dividends    | 1.62  | 1.77  | 1.82  | 2.14  | 2.20   | 2.38  | 2.53  | 8.0%        |
| Sales growth |       | 9.1%  | 10.6% | 13.4% | 5.9%   | 7.9%  | 5.3%  |             |
| EPS growth   |       | 7.4%  | 15.9% | 16.8% | -20.3% | 8.5%  | 19.7% |             |

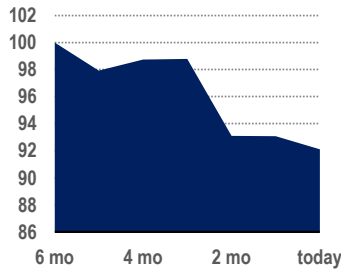
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Earnings estimates have been cut significantly year-to-date (see Trend chart) but are still on track to surpass the vaccine-related peak of 2022 by next year. Meanwhile Health Care stocks are trading near the upper end of their P/E range for the last two decades, but still appear reasonable versus the broader market resulting in an Overweight recommendation. Sell-side analysts however view the sector on par with the S&P 500.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 21.1  | 17.6  |
| Price-to-Cash Flow  | 18.8  | 16.7  |
| Price-to-Sales      | 1.8   | 1.7   |
| Price-to-Book Value | 4.1   | 3.5   |
| Yield* (%)          | 1.6   | 1.7   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Top 10 Holdings

|                              |              |
|------------------------------|--------------|
| ELI LILLY & CO               | 11.6%        |
| UNITEDHEALTH GROUP INC       | 9.6%         |
| JOHNSON & JOHNSON            | 6.9%         |
| ABBVIE INC                   | 5.9%         |
| MERCK & CO. INC.             | 5.2%         |
| THERMO FISHER SCIENTIFIC INC | 4.2%         |
| ABBOTT LABORATORIES          | 3.3%         |
| DANAHER CORP                 | 3.3%         |
| AMGEN INC                    | 3.2%         |
| PFIZER INC                   | 3.1%         |
| <b>TOTAL</b>                 | <b>56.5%</b> |

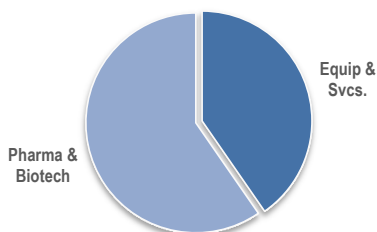
## Constituent allocation

|                            |           |
|----------------------------|-----------|
| No. of constituents        | 63        |
| Weighted avg mkt cap (mns) | \$276,632 |
| Large cap (>\$10bn)        | 99.3%     |
| Mid cap (\$2-10bn)         | 0.6%      |
| Small cap (<\$2bn)         | 0.0%      |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Health Care sector. Component industries include Health Care Equipment & Services; and Pharmaceutical & Biotechnology. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Other fundamental data

|                |       |
|----------------|-------|
| LT growth est. | 8.3%  |
| Payout ratio   | 33.6% |
| Debt-to-equity | 0.8x  |



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# Industrial Select Sector SPDR Fund

XLI

\$127.86

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$19,643  
 Avg. daily volume (000) 9,484  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 17.7%  
 Five year 12.3%  
 Ten year 11.5%  
 Since inception 9.0%

\*as of 07/31/24. See Notes.

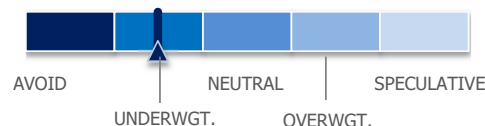
## Trading statistics

Beta vs. S&P 500 1.01  
 Standard deviation 20.0%

## AltaVista Recommendation

### UNDERWEIGHT

Below average appreciation potential. A rating of UNDERWEIGHT is assigned to ETFs with ALTAR Scores in the 2nd quintile (ranking higher than only 20%-40%) of their category. Typically, funds in this category consist of stocks trading at relatively expensive valuations and/or having below-average fundamentals.



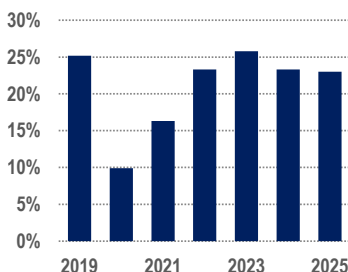
## ALTAR Scores™

S&P 500 5.1%  
 XLI 4.2%  
 Cat. Avg. 5.6%

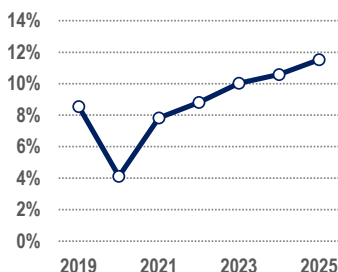
## Per share results & estimates

|              | 2019  | 2020   | 2021  | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|--------|-------|-------|-------|-------|-------|-------------|
| Sales        | 43.81 | 38.06  | 36.11 | 48.84 | 52.00 | 52.52 | 55.68 | 3.7%        |
| Earnings     | 3.74  | 1.57   | 2.82  | 4.30  | 5.21  | 5.56  | 6.42  | 8.2%        |
| Book Value   | 15.37 | 16.23  | 18.50 | 18.51 | 21.96 | 25.65 | 30.08 | 10.8%       |
| Dividends    | 1.50  | 1.38   | 1.09  | 1.66  | 1.76  | 1.86  | 2.00  | 4.5%        |
| Sales growth |       | -13.1% | -5.1% | 35.2% | 6.5%  | 1.0%  | 6.0%  |             |
| EPS growth   |       | -58.2% | 80.4% | 52.4% | 21.2% | 6.6%  | 15.5% |             |

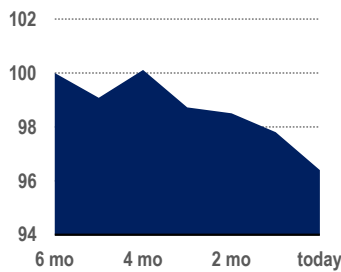
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

The margin expansion baked into estimates for 2024-25 seem optimistic to us given the cloudy outlook for global growth, especially in China, and estimates have been trending lower. P/E multiples remain rich excluding the Covid spike (due to the earnings collapse in 2020), resulting in our Underweight recommendation. Sell-side analysts agree, with Industrials rated 2nd lowest after Utilities (Sentiment page), though any rate cuts could improve the outlook.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 23.0  | 19.9  |
| Price-to-Cash Flow  | 18.0  | 16.3  |
| Price-to-Sales      | 2.4   | 2.3   |
| Price-to-Book Value | 5.0   | 4.3   |
| Yield* (%)          | 1.5   | 1.6   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Other fundamental data

LT growth est. 11.3%  
 Payout ratio 33.5%  
 Debt-to-equity 1.4x

## Top 10 Holdings

|                             |              |
|-----------------------------|--------------|
| GENERAL ELECTRIC COMPANY    | 4.8%         |
| CATERPILLAR INC             | 4.3%         |
| RAYTHEON TECHNOLOGIES CORP/ | 4.0%         |
| UNION PACIFIC CORP          | 3.8%         |
| UBER TECHNOLOGIES, INC.     | 3.4%         |
| HONEYWELL INTERNATIONAL INC | 3.4%         |
| EATON CORP PLC              | 3.1%         |
| LOCKHEED MARTIN CORP        | 3.0%         |
| BOEING CO                   | 2.8%         |
| AUTOMATIC DATA PROCESSING   | 2.7%         |
| <b>TOTAL</b>                | <b>35.4%</b> |

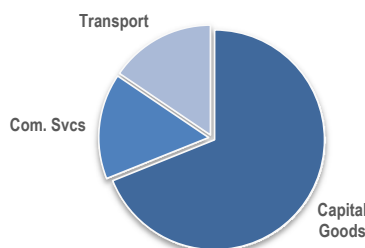
## Constituent allocation

|                            |          |
|----------------------------|----------|
| No. of constituents        | 78       |
| Weighted avg mkt cap (mns) | \$89,075 |
| Large cap (>\$10bn)        | 97.4%    |
| Mid cap (\$2-10bn)         | 0.9%     |
| Small cap (<\$2bn)         | 0.0%     |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Industrials sector. Component industries include Capital Goods; Commercial Services & Supplies; and Transportation firms. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



For more information visit [www.etfrc.com](http://www.etfrc.com)

# Materials Select Sector SPDR Fund

XLB

\$92.14

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$5,766  
 Avg. daily volume (000) 4,222  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 9.7%  
 Five year 11.8%  
 Ten year 8.8%  
 Since inception 8.7%  
*\*as of 07/31/24. See Notes.*

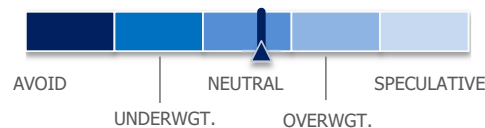
## Trading statistics

Beta vs. S&P 500 1.06  
 Standard deviation 21.9%

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



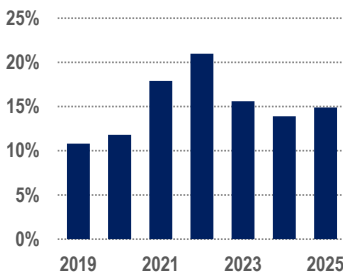
## ALTAR Scores™

S&P 500 5.1%  
**XLB 5.8%**  
 Cat. Avg. 5.6%

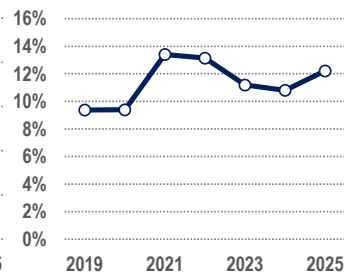
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022  | 2023   | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|-------|--------|-------|-------|-------------|
| Sales        | 31.17 | 29.62 | 33.40 | 42.32 | 39.10  | 39.44 | 40.83 | 4.8%        |
| Earnings     | 2.92  | 2.78  | 4.48  | 5.56  | 4.37   | 4.26  | 4.99  | 7.8%        |
| Book Value   | 23.44 | 23.68 | 26.19 | 26.78 | 29.43  | 31.92 | 35.04 | 6.4%        |
| Dividends    | 1.25  | 1.35  | 1.29  | 1.80  | 1.72   | 1.77  | 1.86  | 7.2%        |
| Sales growth |       | -5.0% | 12.8% | 26.7% | -7.6%  | 0.9%  | 3.5%  |             |
| EPS growth   |       | -4.9% | 60.9% | 24.2% | -21.3% | -2.6% | 17.1% |             |

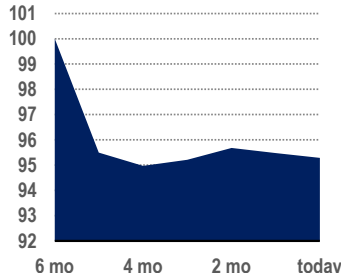
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Though estimates have stabilized recently, negative revisions earlier this year (Trend chart) likely mean any recovery in earnings will have to wait until 2025. Weak consumption especially from China is a drag on demand even as commodity prices overall remain firm. Meanwhile P/E multiples remain close to the upper end of their historical norms (chart below). The sector ranks ahead of the S&P 500 in our value-conscious framework but still within Neutral

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 21.6  | 18.5  |
| Price-to-Cash Flow  | 14.1  | 13.0  |
| Price-to-Sales      | 2.3   | 2.3   |
| Price-to-Book Value | 2.9   | 2.6   |
| Yield* (%)          | 1.9   | 2.0   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Top 10 Holdings

|                              |              |
|------------------------------|--------------|
| LINDE PLC                    | 20.9%        |
| SHERWIN-WILLIAMS CO/THE      | 7.8%         |
| FREEMONT-MCMORAN COPPER      | 6.3%         |
| AIR PRODUCTS & CHEMICALS INC | 5.6%         |
| ECOLAB INC                   | 5.6%         |
| NEWMONT MINING CORP          | 5.0%         |
| CORTEVA INC                  | 3.8%         |
| NUCOR CORP                   | 3.8%         |
| DOW, INC.                    | 3.7%         |
| MARTIN MARIETTA MATERIALS    | 3.5%         |
| <b>TOTAL</b>                 | <b>66.0%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Basic Materials sector. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |          |
|----------------------------|----------|
| No. of constituents        | 27       |
| Weighted avg mkt cap (mns) | \$82,170 |
| Large cap (>\$10bn)        | 99.3%    |
| Mid cap (\$2-10bn)         | 0.7%     |
| Small cap (<\$2bn)         | 0.0%     |

## Other fundamental data

LT growth est. 8.8%  
 Payout ratio 41.5%  
 Debt-to-equity 0.7x



For more information visit [www.etfrc.com](http://www.etfrc.com)

# Real Estate Select Sector SPDR Fund

XLRE

\$41.19

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

|                         |                              |
|-------------------------|------------------------------|
| AltaVista Category      | US                           |
| Fund sponsor            | State Street Global Advisors |
| Inception date          | October 7, 2015              |
| Fund assets (mns)       | \$6,636                      |
| Avg. daily volume (000) | 5,424                        |
| Expense ratio (bp)      | 9                            |
| Distributions           | Quarterly                    |
| Options availability    | YES                          |

## Total returns (price)\*

|                 |       |
|-----------------|-------|
| One year        | 11.8% |
| Five year       | 5.4%  |
| Ten year        | n/a   |
| Since inception | n/a   |

\*as of 07/31/24. See Notes.

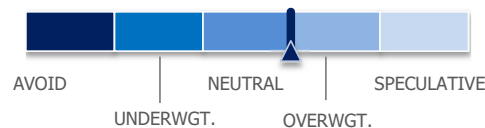
## Trading statistics

|                    |       |
|--------------------|-------|
| Beta vs. S&P 500   | 1.08  |
| Standard deviation | 22.5% |

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.

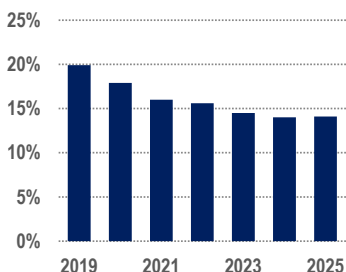


|         |                      |           |
|---------|----------------------|-----------|
|         | <b>ALTAR Scores™</b> |           |
| S&P 500 | <b>XLRE</b>          | Cat. Avg. |
| 5.1%    | 6.2%                 | 5.6%      |

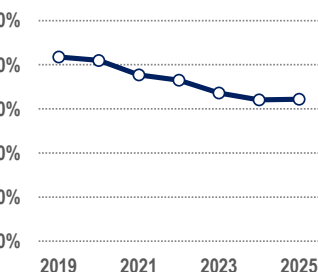
## Per share results & estimates

|              | 2019 | 2020  | 2021  | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|------|-------|-------|-------|-------|-------|-------|-------------|
| Sales        | 4.50 | 4.46  | 5.07  | 5.89  | 6.40  | 6.84  | 7.25  | 8.8%        |
| Earnings     | 1.88 | 1.83  | 1.91  | 2.15  | 2.15  | 2.19  | 2.34  | 3.2%        |
| Book Value   | 9.61 | 10.84 | 13.08 | 14.41 | 15.24 | 16.09 | 16.99 | 10.9%       |
| Dividends    | 1.15 | 1.09  | 1.13  | 1.36  | 1.37  | 1.40  | 1.46  | 4.1%        |
| Sales growth |      | -0.9% | 13.7% | 16.2% | 8.7%  | 6.9%  | 6.0%  |             |
| EPS growth   |      | -2.7% | 4.6%  | 12.5% | 0.1%  | 1.9%  | 6.4%  |             |

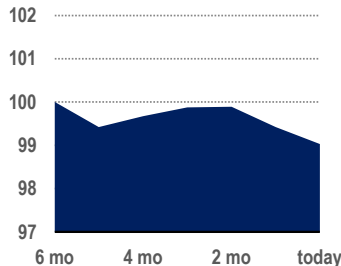
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Real Estate was the best performing sector in July (+7.2%) as investors cheered the increasing likelihood of pending rate cuts. Valuations appear quite reasonable in an otherwise frothy market resulting in a rating well ahead of the S&P 500 (though it just tipped down from Overweight territory). We view the sector as a secular growth story dominated by tech and mobile infrastructure plays (5G towers, AI data centers, etc.) more so than troubled commercial real estate.

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 18.8  | 17.6  |
| Price-to-Cash Flow  | 24.0  | 17.4  |
| Price-to-Sales      | 6.0   | 5.7   |
| Price-to-Book Value | 2.6   | 2.4   |
| Yield* (%)          | 3.4   | 3.6   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward FFO (max value of 100)

## Other fundamental data

|                |       |
|----------------|-------|
| LT growth est. | 6.7%  |
| Payout ratio   | 63.9% |
| Debt-to-equity | 1.3x  |

## Top 10 Holdings

|                          |              |
|--------------------------|--------------|
| PROLOGIS INC             | 11.0%        |
| AMERICAN TOWER CORP-CL A | 9.7%         |
| EQUINIX INC              | 7.1%         |
| WELLTOWER, INC.          | 6.3%         |
| SIMON PROPERTY GROUP INC | 4.7%         |
| REALTY INCOME CORP       | 4.7%         |
| DIGITAL REALTY TRUST INC | 4.6%         |
| CROWN CASTLE INTL CORP   | 4.5%         |
| PUBLIC STORAGE           | 4.4%         |
| CBRE GROUP, INC. CLASS A | 3.2%         |
| <b>TOTAL</b>             | <b>60.3%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Real Estate sector. Component industries Real Estate Investment Trusts, excluding Mortgage REITS. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |          |
|----------------------------|----------|
| No. of constituents        | 31       |
| Weighted avg mkt cap (mns) | \$48,584 |
| Large cap (>\$10bn)        | 99.2%    |
| Mid cap (\$2-10bn)         | 0.8%     |
| Small cap (<\$2bn)         | 0.0%     |



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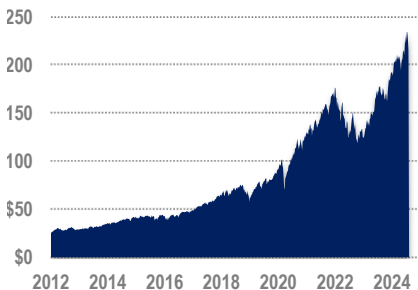


# Technology Select Sector SPDR Fund

XLK

\$218.80

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$68,267  
 Avg. daily volume (000) 5,038  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 23.6%  
 Five year 23.2%  
 Ten year 20.4%  
 Since inception 9.2%

\*as of 07/31/24. See Notes.

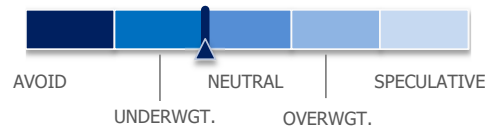
## Trading statistics

Beta vs. S&P 500 1.21  
 Standard deviation 23.7%

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



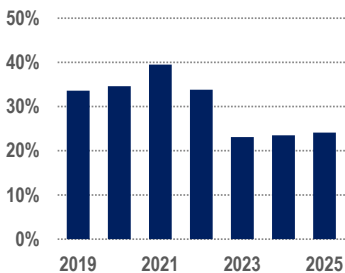
## ALTAR Scores™

S&P 500 5.1%  
 XLK 5.0%  
 Cat. Avg. 5.6%

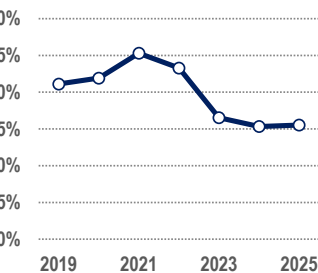
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022  | 2023   | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|-------|--------|-------|-------|-------------|
| Sales        | 20.85 | 22.51 | 25.95 | 29.76 | 34.52  | 45.21 | 55.16 | 16.7%       |
| Earnings     | 4.40  | 4.93  | 6.57  | 6.93  | 5.70   | 6.94  | 8.56  | 9.5%        |
| Book Value   | 13.50 | 14.96 | 18.30 | 22.64 | 26.80  | 32.12 | 38.95 | 18.9%       |
| Dividends    | 1.43  | 1.31  | 1.34  | 1.57  | 1.54   | 1.62  | 1.72  | 2.5%        |
| Sales growth |       | 7.9%  | 15.3% | 14.7% | 16.0%  | 31.0% | 22.0% |             |
| EPS growth   |       | 12.0% | 33.2% | 5.5%  | -17.7% | 21.6% | 23.4% |             |

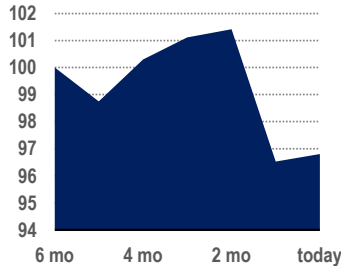
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Tech was the only sector to take a breather last month (-3.3%) as investors rotated into more economically-sensitive sectors likely to benefit from possible rate cuts, as well as small caps. Even so, the sector's P/E multiple remains near its 20-year highs (chart below) resulting in our recommendation bordering on Underweight. Regardless, sell side analysts continue to rate Technology ahead of all other sectors (see Sentiment page).

## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 31.6  | 25.6  |
| Price-to-Cash Flow  | 20.4  | 14.6  |
| Price-to-Sales      | 4.8   | 4.0   |
| Price-to-Book Value | 6.8   | 5.6   |
| Yield* (%)          | 0.7   | 0.8   |

\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.

## Historical P/E ratio\*



\*based on twelve months' forward EPS (max value of 100)

## Top 10 Holdings

|                        |              |
|------------------------|--------------|
| MICROSOFT CORP         | 21.5%        |
| NVIDIA CORP            | 19.9%        |
| APPLE INC              | 4.9%         |
| BROADCOM INC.          | 4.3%         |
| SALESFORCE.COM INC     | 2.7%         |
| ADOBE SYSTEMS INC      | 2.6%         |
| ADVANCED MICRO DEVICES | 2.5%         |
| ORACLE CORP            | 2.3%         |
| ACCENTURE PLC-CL A     | 2.2%         |
| QUALCOMM INC           | 2.1%         |
| <b>TOTAL</b>           | <b>65.0%</b> |

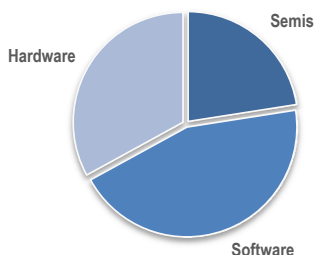
## Constituent allocation

|                            |             |
|----------------------------|-------------|
| No. of constituents        | 67          |
| Weighted avg mkt cap (mns) | \$1,030,480 |
| Large cap (>\$10bn)        | 100.0%      |
| Mid cap (\$2-10bn)         | 0.0%        |
| Small cap (<\$2bn)         | 0.0%        |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Technology sector. Component industries include Semiconductors & Semi Equipment; Software & Services; Tech Hardware & Equipment; and Telecommunication Services. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Other fundamental data

|                |       |
|----------------|-------|
| LT growth est. | 12.8% |
| Payout ratio   | 23.3% |
| Debt-to-equity | 0.6x  |



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# Utilities Select Sector SPDR Fund

XLU

\$72.79

## Trading History



**NOTES:** The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Additional performance info current to most recent month-end at [www.sectorspdr.com/performance](http://www.sectorspdr.com/performance).

## Fund basics

AltaVista Category US  
 Fund sponsor State Street Global Advisors  
 Inception date December 16, 1998  
 Fund assets (mns) \$15,917  
 Avg. daily volume (000) 9,064  
 Expense ratio (bp) 9  
 Distributions Quarterly  
 Options availability YES

## Total returns (price)\*

One year 12.3%  
 Five year 7.5%  
 Ten year 9.4%  
 Since inception 7.4%  
*\*as of 07/31/24. See Notes.*

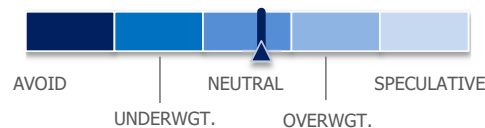
## Trading statistics

Beta vs. S&P 500 0.67  
 Standard deviation 18.2%

## AltaVista Recommendation

**NEUTRAL**

Average appreciation potential. A rating of NEUTRAL is assigned to ETFs with ALTAR Scores in the middle quintile (ranking between 40%-60%) of their category. This indicates that valuations adequately reflect the fundamentals of stocks in these funds.



**ALTAR Scores™**  
 S&P 500 5.1%  
**XLU 5.8%**  
 Cat. Avg. 5.6%

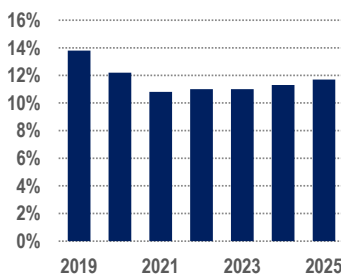
## Per share results & estimates

|              | 2019  | 2020  | 2021  | 2022  | 2023  | 2024E | 2025E | 19-24E CAGR |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------------|
| Sales        | 24.92 | 23.92 | 26.99 | 29.94 | 30.85 | 30.87 | 32.26 | 4.4%        |
| Earnings     | 3.92  | 3.68  | 3.45  | 3.62  | 3.75  | 4.06  | 4.40  | 0.7%        |
| Book Value   | 29.19 | 31.05 | 32.64 | 33.36 | 34.93 | 36.67 | 38.62 | 4.7%        |
| Dividends    | 2.60  | 2.15  | 2.07  | 2.13  | 2.18  | 2.32  | 2.46  | n/m         |
| Sales growth |       | -4.0% | 12.8% | 10.9% | 3.0%  | 0.1%  | 4.5%  |             |
| EPS growth   |       | -6.3% | -6.0% | 4.9%  | 3.5%  | 8.2%  | 8.5%  |             |

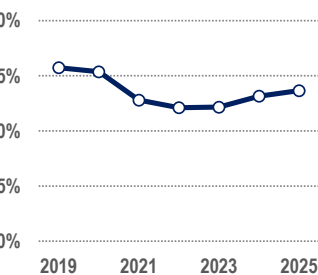
## Analyst's opinion

Utilities were the second best performing sector last month (+6.8%) in anticipation of a rate cut likely coming soon, increasing the sector's relative appeal as an income play. Our value-conscious framework ranks the sector well ahead of the S&P 500, though still in Neutral territory. However sell-side analysts disagree; they rate Utilities lower than any other sector.

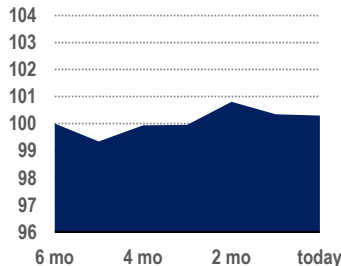
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Valuation metrics

|                     | 2024E | 2025E |
|---------------------|-------|-------|
| Price-to-Earnings   | 17.9  | 16.5  |
| Price-to-Cash Flow  | 9.4   | 8.6   |
| Price-to-Sales      | 2.4   | 2.3   |
| Price-to-Book Value | 2.0   | 1.9   |
| Yield* (%)          | 3.2   | 3.4   |

*\*Based on consensus dividend forecasts for underlying stocks. May differ significantly from distribution yield on the ETF.*

## Historical P/E ratio\*



*\*based on twelve months' forward EPS (max value of 100)*

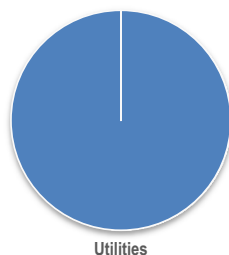
## Top 10 Holdings

|                               |              |
|-------------------------------|--------------|
| NEXTERA ENERGY GROUP          | 14.1%        |
| SOUTHERN CO                   | 8.2%         |
| DUKE ENERGY CORP              | 7.6%         |
| CONSTELLATION ENERGY CORPORAT | 5.4%         |
| AMERICAN ELECTRIC POWER       | 4.7%         |
| SEMPRA ENERGY                 | 4.6%         |
| DOMINION RESOURCES INC/VA     | 4.0%         |
| PUBLIC SERVICE ENTERPRISE GP  | 3.6%         |
| P G & E CORP                  | 3.5%         |
| EXELON CORP                   | 3.4%         |
| <b>TOTAL</b>                  | <b>59.1%</b> |

## Description

Select Sector SPDR® holding S&P 500 stocks in the Utilities sector. The fund seeks investment results that, before expenses, generally correspond to the price and yield performance of the benchmark index.

## Industry Breakdown



## Constituent allocation

|                            |          |
|----------------------------|----------|
| No. of constituents        | 31       |
| Weighted avg mkt cap (mns) | \$57,831 |
| Large cap (>\$10bn)        | 99.1%    |
| Mid cap (\$2-10bn)         | 0.9%     |
| Small cap (<\$2bn)         | 0.0%     |

## Other fundamental data

|                |       |
|----------------|-------|
| LT growth est. | 5.8%  |
| Payout ratio   | 57.1% |
| Debt-to-equity | 1.7x  |



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**Earnings/Net Income:** Unless denoted as a GAAP figure, earnings are calculated on a "pro forma" basis using consensus EPS results/estimates for the individual constituents of each index, multiplied by the float-adjusted shares in the index. For Real Estate Investment Trusts (REITs), the consensus per-share figure for funds from operations, or FFO, is used in place of EPS data.

**Cash Flow:** Adds depreciation and amortization to consensus earnings estimates

**Standard deviation:** Statistical measure of price volatility using 3 years of monthly return data. Figures are annualized.

**Beta:** Measures relative volatility of a given sector index versus the S&P500 by comparing 3 years of monthly return data.

**Book Value:** Common Equity as reported by index constituents according to GAAP. Forecasts reflect pro-forma calculations using most recently reported figures, plus earnings less dividends.

**Dividends per share:** Dividends paid by companies in the index on a pro forma basis.

**Payout ratio:** Dividends as a percentage of Earnings/Net Income in a given year.

**Return on Equity:** Net income divided by average common equity over the period.

**Debt-to-equity:** Ratio of long- and short-term debt to owners equity.

**Long-term growth:** Uses consensus estimates of 3-5 year earnings growth for individual constituents of each index to calculate a float-adjusted earnings-weighted growth rate for the index as a whole.

**Trend in Current FY Estimates:** Illustrates changes in consensus estimates over time by examining the monthly change in current fiscal year EPS estimates for individual constituents of each index. Base period is set equal to 100.

**Price-to-Earnings, -Cash Flow, -Sales and -Book Value:** Valuation multiples derived by dividing the index price by the per-share figures for earnings, cash flow, sales and book value, respectively, as per the 'per share results & estimates' for each index.

**Additional information is available upon request.**



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