

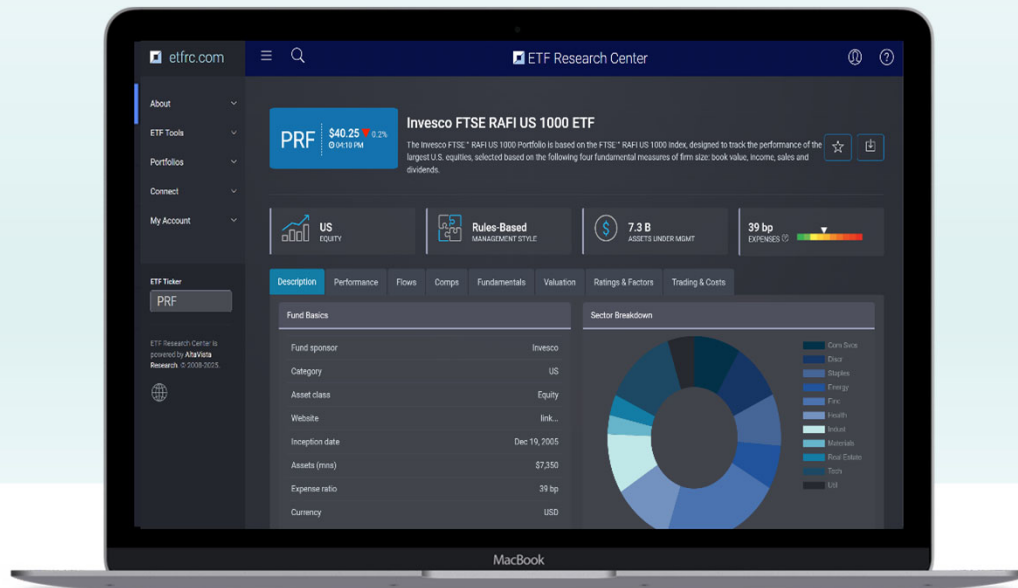
# ETF Analyzer

July 2025

## *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

# Want to stay informed?



*ETF Research Center is the online portal for investors and advisors:*

- ✔ Detailed, fundamentally-driven analysis covering over 2,300 U.S. & Canadian ETFs
- ✔ Screen funds on important, forward-looking investment criteria
- ✔ Check for fund overlap, screen for stock exposure and create watchlists
- ✔ Build and monitor all-ETF portfolios with the Portfolio Builder tool

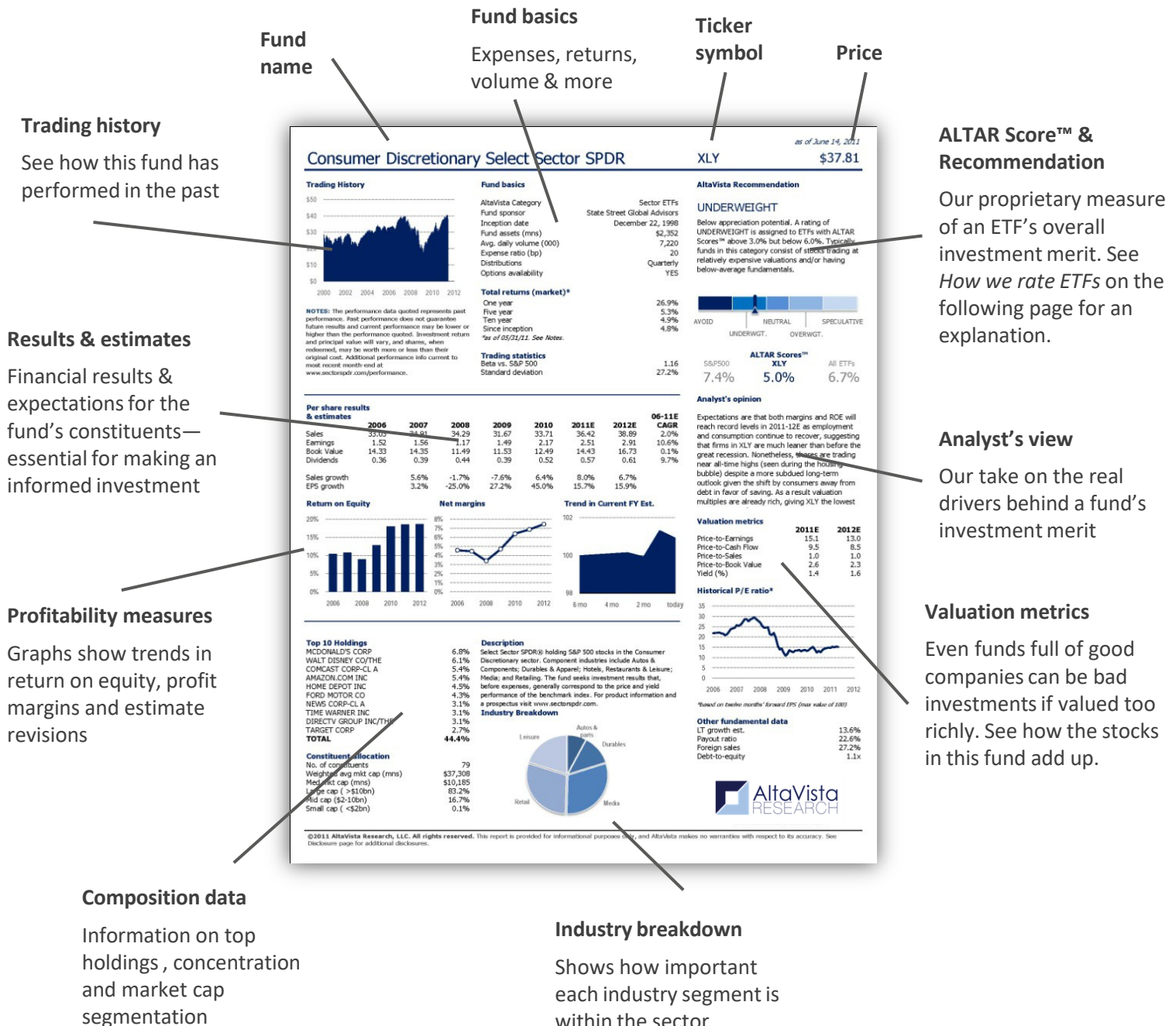
*Sign up for FREE at [etfrc.com](https://etfrc.com)*

 **etfrc.com**

# 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).



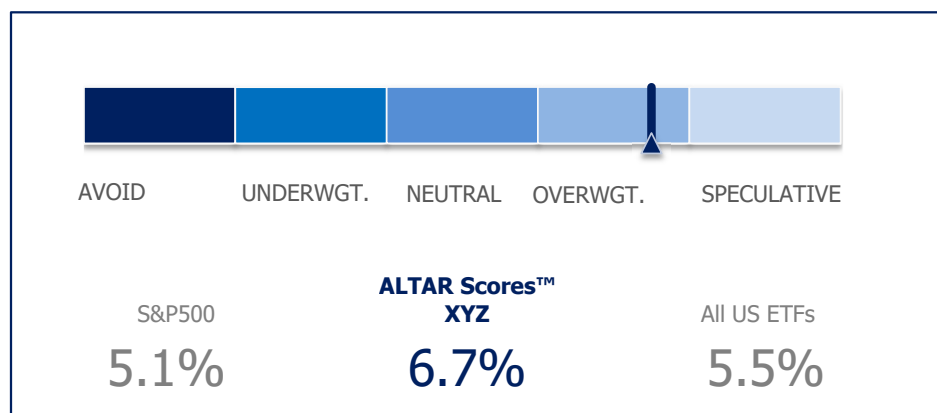
## Keeping up-to-date

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)

# Table of Contents

## Section I: Side-by-Side Comparisons

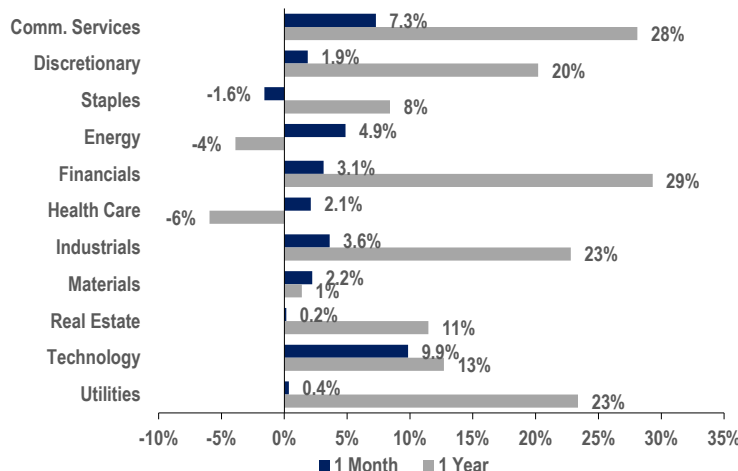
Market Activity & Breakdown	7
Valuation Guide	8
Consensus Sentiment - Trends in Analysts' Ratings	10

## Section II: Fund Detail Pages

Communication Services Sector SPDR (XLC)	12
Consumer Discretionary Sector SPDR (XLY)	13
Consumer Staples Sector SPDR (XLP)	14
Energy Sector SPDR (XLE)	15
Financial Sector SPDR (XLF)	16
Health Care Sector SPDR (XLV)	17
Industrial Sector SPDR (XLI)	18
Materials Sector SPDR (XLB)	19
Real Estate Sector SPDR (XLRE)	20
Technology Sector SPDR (XLK)	21
Utilities Sector SPDR (XLU)	22

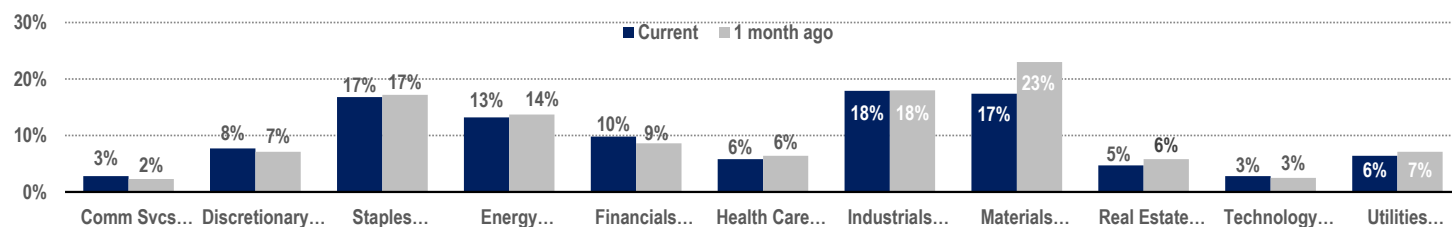
# Section I

## Side-by-Side Comparisons

**Total Returns\* (Price)**

A horizontal bar chart comparing the percentage change in market value for 11 different sectors over two time periods: 1 month (dark blue bars) and 1 year (grey bars). The x-axis represents the percentage change, ranging from -30% to 20% in 5% increments. The y-axis lists the sectors. The data is as follows:

Sector	1 Month (%)	1 Year (%)
Comm. Services	2%	1%
Discretionary	3%	-2%
Staples	0%	-4%
Energy	-2%	-24%
Financials	-3%	-1%
Health Care	-2%	-5%
Industrials	0%	0%
Materials	9%	-2%
Real Estate	1%	11%
Technology	1%	2%
Utilities	2%	15%

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

Category	Value
XLU	\$19.0
XLC	\$24.0
XLY	\$22.5
XLP	\$15.9
XLE	\$26.8
XLF	\$49.7
XLV	\$34.3
XLI	\$22.0
XLB	\$5.3
XLRE	\$7.4

Industry	Value (\$)
Tech	\$16,026
Comm. Svcs.	\$5,680
Cons. Discr.	\$5,477
Finc.	\$4,960
Health Care	\$4,350
Industrials	\$4,350
Energy	\$1,559
Staples	\$2,878
Real Estate	\$1,041
Utilities	\$1,396

Industry	R&D (\$ billions)
Tech	\$516
Finc.	\$413
Health Care	\$292
Comm. Svcs.	\$275
Real Estate	\$27
Materials	\$44
Industrials	\$27
Utilities	\$70
Cons. Discr.	\$184
Staples	\$127
Energy	\$94

A line graph showing the trend of Earnings Per Share (EPS) from 1950 to 2030. The Y-axis is logarithmic, ranging from \$1 to \$1,000. The X-axis shows years from 1950 to 2030. A blue line represents the actual EPS, which fluctuates significantly but generally follows an upward trend. A grey line represents the trend line, which is a straight line on this logarithmic scale, indicating exponential growth. An arrow points to the trend line with the label 'trend line EPS'.

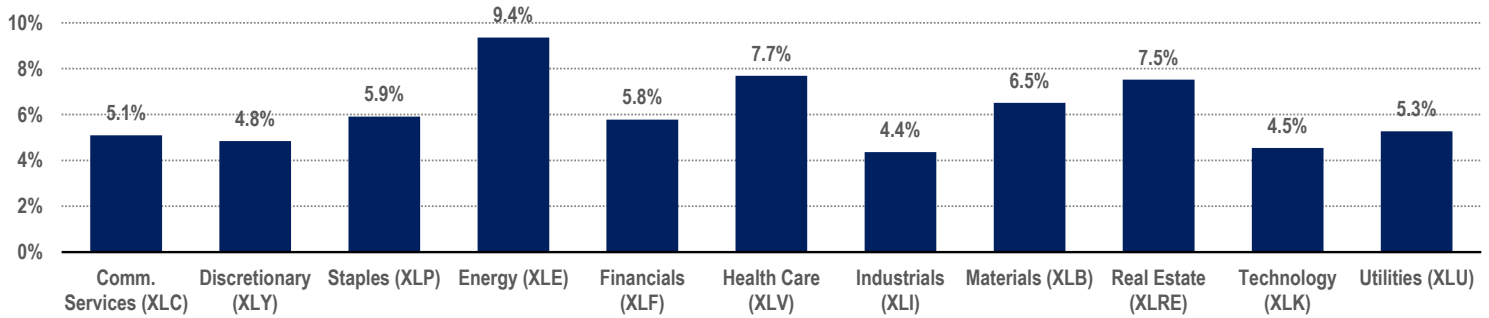
The chart displays the historical P/E ratio of the S&P 500 from 1950 to 2030. The y-axis represents the P/E ratio in multiples (x), ranging from 0 to 35. The x-axis shows the years from 1950 to 2030. A blue line tracks the P/E ratio over time, showing a general upward trend with significant fluctuations. A horizontal line at 15.3x indicates the average P/E ratio. The current P/E ratio is 25.5x.



# 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.

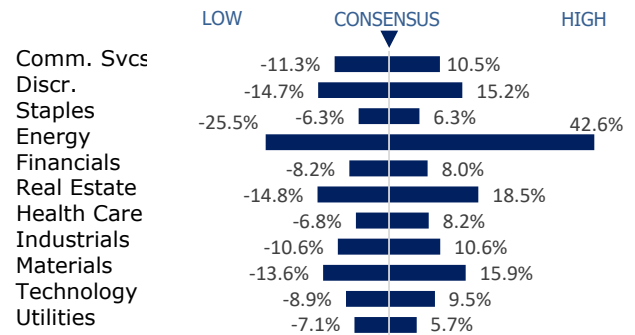
## ALTAR Score™



## Calculation of ALTAR Score™

	Avg. ROE (21-25E)	Div. by Fwd PBV	Less Exp.	equals ALTAR™
Comm. Services (XLC)	13.2%	2.6x	0.08%	5.1%
Discretionary (XLY)	29.5%	6.0x	0.08%	4.8%
Staples (XLP)	23.1%	3.9x	0.08%	5.9%
Energy (XLE)	17.5%	1.9x	0.08%	9.4%
Financials (XLF)	12.0%	2.0x	0.08%	5.8%
Health Care (XLV)	25.3%	3.3x	0.08%	7.7%
Industrials (XLI)	22.2%	5.0x	0.08%	4.4%
Materials (XLB)	15.9%	2.4x	0.08%	6.5%
Real Estate (XLRE)	19.6%	2.6x	0.08%	7.5%
Technology (XLK)	31.9%	6.9x	0.08%	4.5%
Utilities (XLU)	11.7%	2.2x	0.08%	5.3%

## Range of Earnings Estimates (2025E)



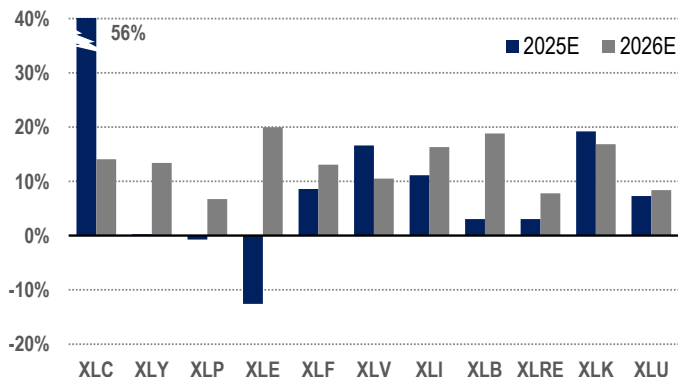
NOTE: The ALTAR Score™ is AltaVista's proprietary measure of an ETF's overall investment merit, based on academic work relating price-to-book value multiples to return on equity (Wilcox, Financial Analysts Journal, Jan-Feb 1984). In general, higher scores suggest better long term investment potential 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 2025 estimates)

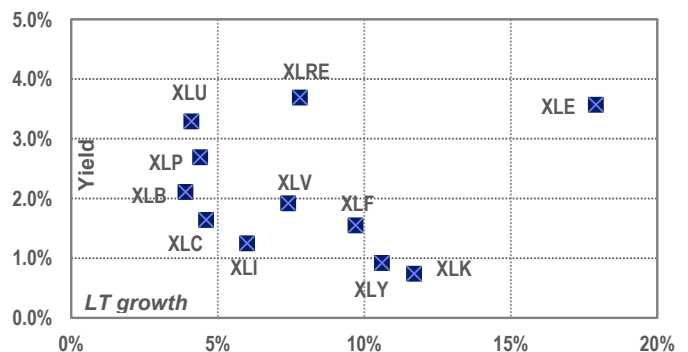
	Price	P/E	PEG	P/CF	P/Sales	P/BV	Yield*
Comm. Services (XLC)	\$108.53	19.6	4.3	7.5	2.1	2.7	1.6
Discretionary (XLY)	\$217.33	27.2	2.6	13.9	2.3	6.6	0.9
Staples (XLP)	\$80.97	20.1	4.6	11.1	1.4	4.0	2.7
Energy (XLE)	\$84.81	16.3	0.9	5.9	1.2	1.9	3.6
Financials (XLF)	\$52.37	18.0	1.9	14.1	3.5	2.1	1.6
Health Care (XLV)	\$134.79	16.8	2.3	11.3	1.4	3.5	1.9
Industrials (XLI)	\$147.52	25.9	4.3	14.6	2.7	5.4	1.3
Materials (XLB)	\$87.81	23.6	6.1	10.4	2.0	2.5	2.1
Real Estate (XLRE)	\$41.42	15.3	2.0	14.0	6.3	2.7	3.7
Technology (XLK)	\$253.23	30.2	2.6	20.3	7.0	7.7	0.7
Utilities (XLU)	\$81.66	18.5	4.5	6.8	2.7	2.2	3.3
<b>S&amp;P500</b>	<b>6,204.95</b>	<b>23.3</b>	<b>2.4</b>	<b>14.1</b>	<b>3.1</b>	<b>4.3</b>	<b>1.2</b>

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

## 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. Definitions of technical terms can be found on page 23 of this document.

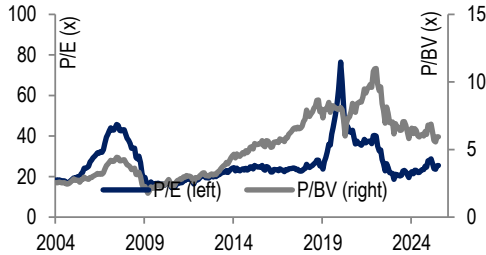


# Select Sector SPDRs

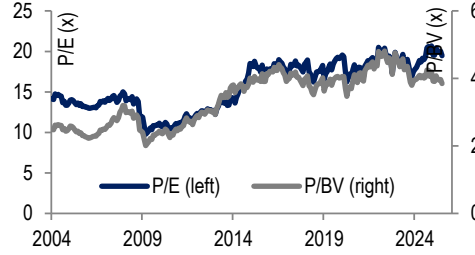
## Trends in P/E and P/BV multiples

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.

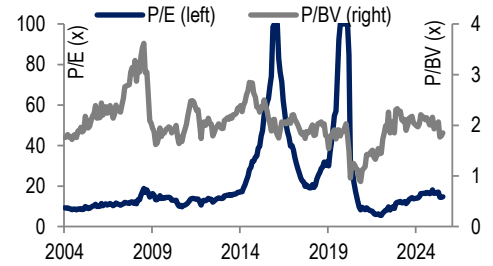
### Consumer Discretionary (XLY)



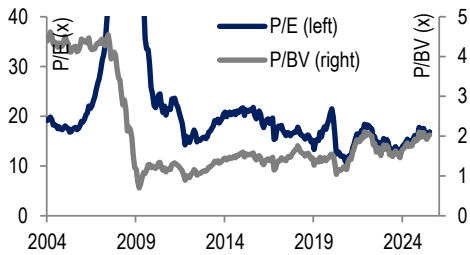
### Consumer Staples (XLP)



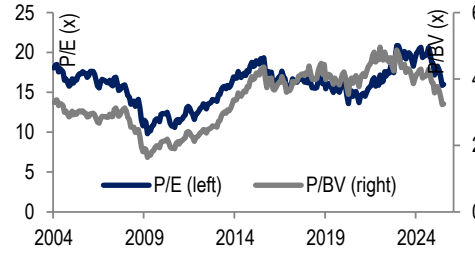
### Energy (XLE)



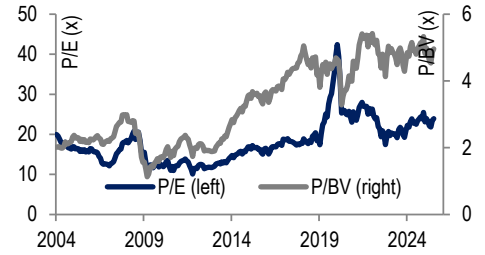
### Financials (XLF)



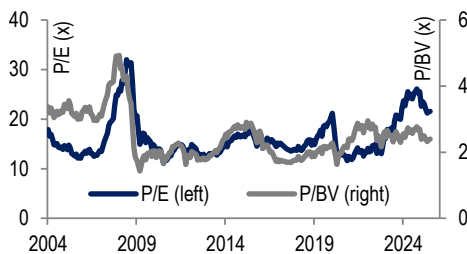
### Health Care (XLV)



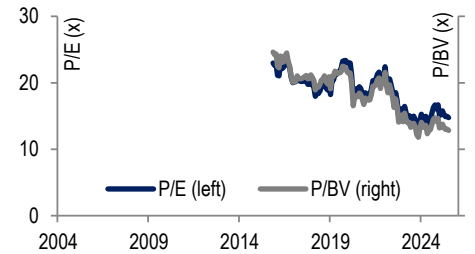
### Industrials (XLI)



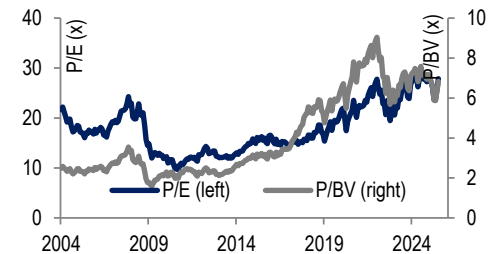
### Materials (XLB)



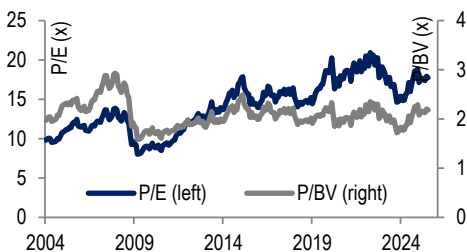
### Real Estate (XLRE)



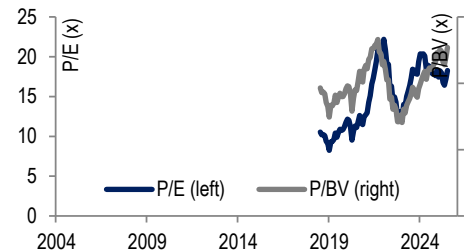
### Technology (XLK)



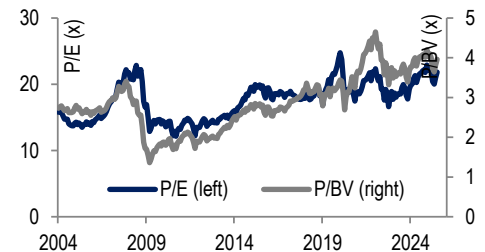
### Utilities (XLU)



### Communication Services (XLC)



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



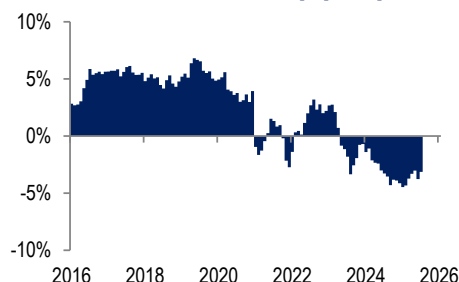
# Select Sector SPDRs

## Trends in Analysts Consensus Ratings

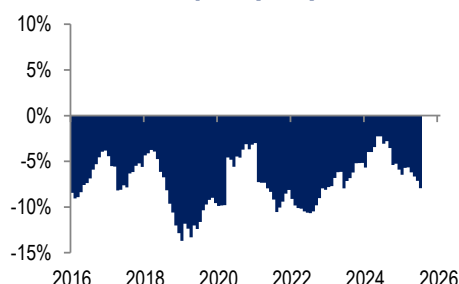
This page contains historical analysts' consensus ratings on each index's underlying constituents, relative to their ratings for the constituents of the S&P 500 overall. A reading of 5% means analysts are five percent more bullish on stocks in the sector than the market overall; a reading of negative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

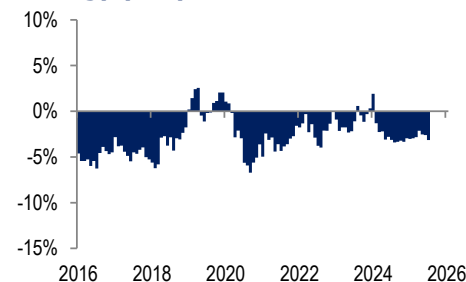
### Consumer Discretionary (XLY)



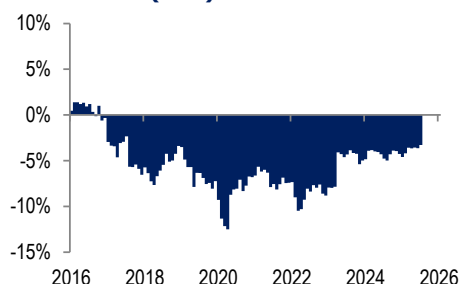
### Consumer Staples (XLP)



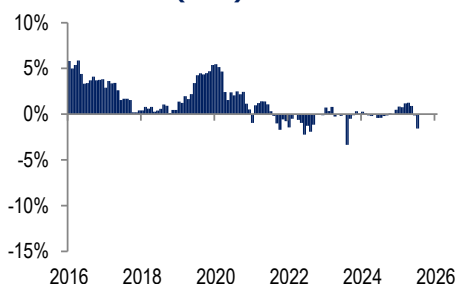
### Energy (XLE)



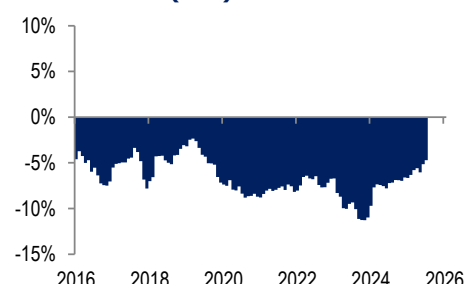
### Financials (XLF)



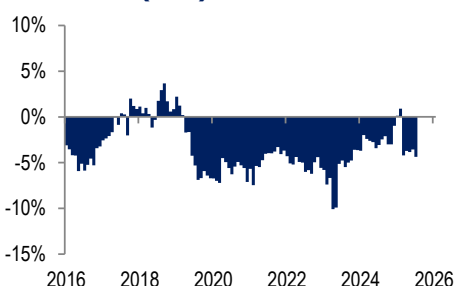
### Health Care (XLV)



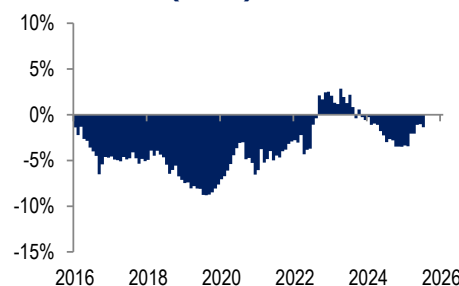
### Industrials (XLI)



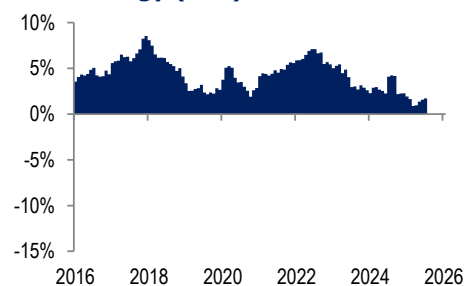
### Materials (XLB)



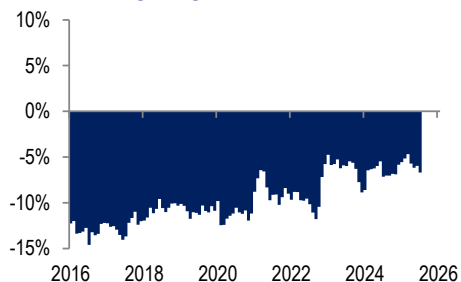
### Real Estate (XLRE)



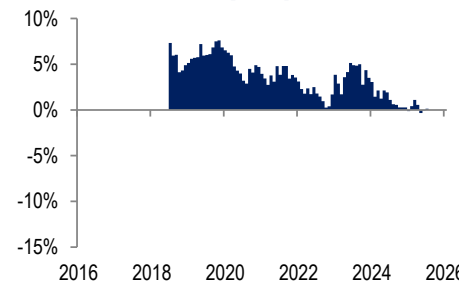
### Technology (XLK)



### Utilities (XLU)



### Comm. Services (XLC)



# Section II

## Fund Detail Pages

# Communication Services Select Sector SPDR Fund

XLC

\$108.53

## 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.sectspdr.com/performance](http://www.sectspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	SSGA
Inception date	June 18, 2018
Fund assets (mns)	\$24,023
Avg. daily volume (000)	6,039
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	28.1%
Five year	16.0%
Ten year	n/a
Since inception	n/a

\*as of 05/31/25. See Notes.

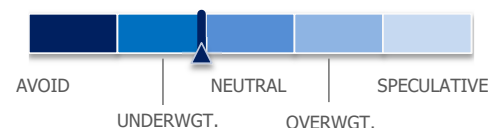
## Trading statistics

Beta vs. S&P 500	0.97
Standard deviation	18.8%

## 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.



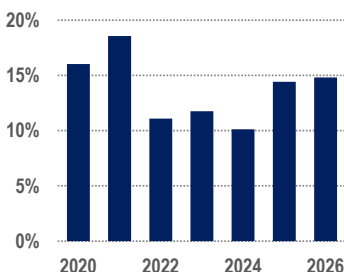
## ALTAR Scores™

S&P 500	XLC	Cat. Avg.
5.0%	5.1%	5.8%

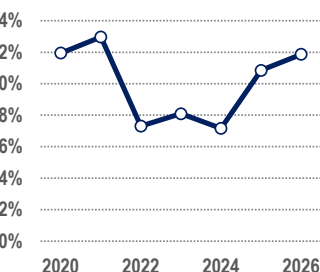
## Per share results & estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	36.91	40.95	47.92	48.93	49.80	51.17	53.35	6.8%
Earnings	4.41	5.31	3.50	3.96	3.57	5.55	6.33	4.7%
Book Value	27.41	29.76	33.36	33.99	36.60	40.37	45.09	8.1%
Dividends	3.10	1.14	1.17	0.86	0.96	1.78	1.61	n/m
Sales growth		10.9%	17.0%	2.1%	1.8%	2.8%	4.3%	
EPS growth		20.4%	-34.1%	13.1%	-9.8%	55.5%	14.1%	

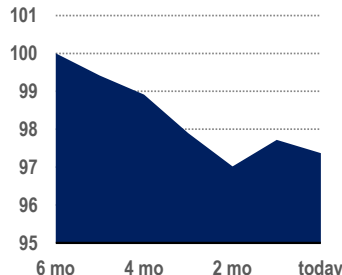
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Profitability has been erratic as firms struggle with how to make money from streaming services and AI, but easy comps are likely to result in large profit gains this year with recovery in margins continuing through next year. We think valuations adequately reflect the sector's promising-but-bumpy long-term growth prospects, putting it about on par with the S&P 500 (sell-side analysts agree), both of which tip into Underweight territory in our value-conscious ratings framework.

## Valuation metrics

	2025E	2026E
Price-to-Earnings	19.6	17.1
Price-to-Cash Flow	7.5	7.0
Price-to-Sales	2.1	2.0
Price-to-Book Value	2.7	2.4
Yield* (%)	1.6	1.5

\*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 growth est.	3.5%
Payout ratio	32.1%
Debt-to-equity	1.2x

## Top 10 Holdings

META PLATFORMS INC	18.8%
ALPHABET INC. CLASS A	9.9%
NETFLIX INC	8.7%
ALPHABET INC. CLASS C	7.9%
ELECTRONIC ARTS INC	4.7%
TAKE-TWO INTERACTIVE SOFTWARE	4.5%
WALT DISNEY CO/THE	4.5%
T-MOBILE US, INC.	4.4%
COMCAST CORP-CL A	4.4%
CHARTER COMMUNICATIONS, INC. C	4.4%
<b>TOTAL</b>	<b>72.1%</b>

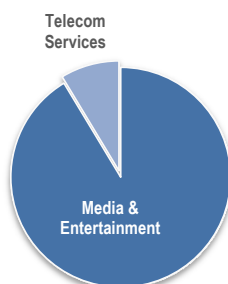
## Constituent allocation

No. of constituents	23
Weighted avg mkt cap (mns)	\$779,847
Large cap ( >\$10bn)	96.2%
Mid cap (\$2-10bn)	2.3%
Small cap (<\$2bn)	0.0%

## 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



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

## Consumer Discretionary Select Sector SPDR Fund

XLY

\$217.33

## 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.secterspdr.com/performance](http://www.secterspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	State Street Global Advisors
Inception date	December 16, 1998
Fund assets (mns)	\$22,516
Avg. daily volume (000)	4,320
Expense ratio	0.08%
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	20.2%
Five year	12.1%
Ten year	12.3%
Since inception	10.3%

\*as of 05/31/25. See Notes.

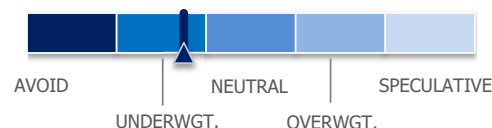
## Trading statistics

Beta vs. S&P 500	1.26
Standard deviation	24.9%

## 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.



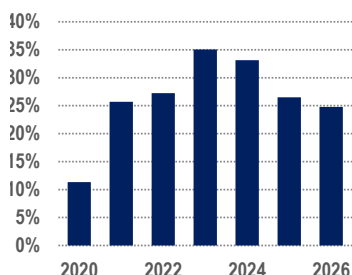
## ALTAR Scores™

S&P 500	XLY	Cat. Avg.
5.0%	4.8%	5.8%

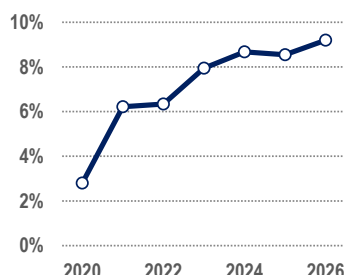
## Per share results &amp; estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	58.64	71.23	80.74	87.20	91.85	93.50	98.46	9.8%
Earnings	1.64	4.43	5.12	6.93	7.97	7.99	9.06	37.3%
Book Value	15.47	19.01	18.59	20.96	27.16	33.15	40.01	16.5%
Dividends	2.62	2.01	1.53	1.86	1.77	2.00	2.20	n/m
Sales growth		21.5%	13.4%	8.0%	5.3%	1.8%	5.3%	
EPS growth		170.1%	15.6%	35.4%	15.0%	0.3%	13.4%	

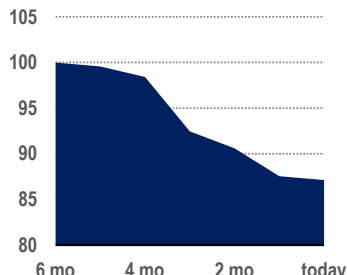
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Estimate revisions appear to have stabilized (Trend chart), suggesting any impact from tariffs may now be baked into estimates. That said, earnings are forecast at basically flat this year, and we question the margins implied by forecasts for next year. Given their lofty valuations and cloudy outlook, the sector ranks somewhat below the S&P 500 in our value-conscious rating framework, consistent with how sell-side analysts view it as well (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	27.2	24.0
Price-to-Cash Flow	13.9	12.6
Price-to-Sales	2.3	2.2
Price-to-Book Value	6.6	5.4
Yield* (%)	0.9	1.0

\*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	25.0%
Debt-to-equity	2.2x

## Top 10 Holdings

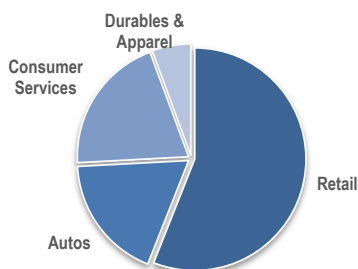
AMAZON.COM INC	23.6%
TESLA MOTORS INC	16.6%
HOME DEPOT INC	6.7%
BOOKING HOLDINGS INC.	4.6%
MCDONALD'S CORP	4.3%
TJX COMPANIES INC	3.6%
LOWE'S COS INC	3.2%
NIKE INC -CL B	2.2%
DOORDASH, INC. CLASS A	2.1%
<b>TOTAL</b>	<b>69.5%</b>

## Constituent allocation

No. of constituents	51
Weighted avg mkt cap (mns)	\$768,361
Large cap ( >\$10bn)	98.2%
Mid cap (\$2-10bn)	1.8%
Small cap ( <\$2bn)	0.0%

## 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.



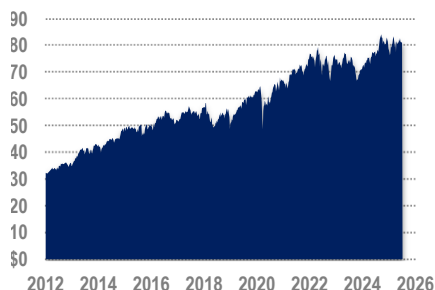
For more information visit  
[www.etfrc.com](http://www.etfrc.com)

## Consumer Staples Select Sector SPDR Fund

XLP

\$80.97

## 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.secterspdr.com/performance](http://www.secterspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	State Street Global Advisors
Inception date	December 16, 1998
Fund assets (mns)	\$15,945
Avg. daily volume (000)	13,707
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	8.4%
Five year	9.5%
Ten year	8.3%
Since inception	7.2%

\*as of 05/31/25. See Notes.

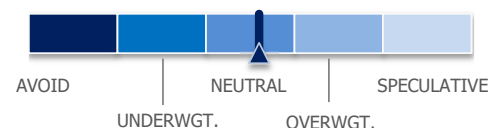
## Trading statistics

Beta vs. S&P 500	0.57
Standard deviation	13.1%

## 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.



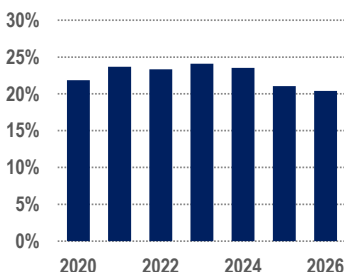
## ALTAR Scores™

S&P 500	XLP	Cat. Avg.
5.0%	5.9%	5.8%

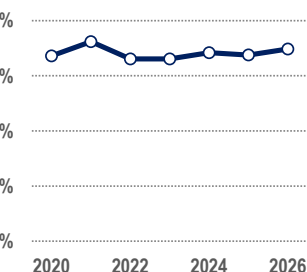
## Per share results &amp; estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	47.88	51.77	56.86	58.81	59.19	59.48	61.51	4.4%
Earnings	3.22	3.75	3.76	3.89	4.05	4.02	4.29	4.5%
Book Value	15.52	16.17	16.07	16.24	18.19	20.03	22.07	5.2%
Dividends	1.63	1.73	1.85	2.02	2.10	2.18	2.25	6.0%
Sales growth		8.1%	9.8%	3.4%	0.6%	0.5%	3.4%	
EPS growth		16.5%	0.3%	3.5%	4.1%	-0.7%	6.7%	

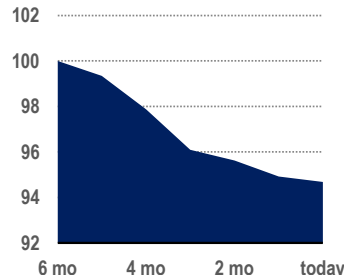
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Earnings are likely to decline slightly this year as estimates continue to slip, albeit at a slower pace recently (Trend graph). Nonetheless, the Consumer Staples sector's relatively high and stable ROE helps rank it ahead of the S&P 500--though still in Neutral territory--despite trading near the top of its historical valuation range (Historical P/E chart). But sell-side analysts disagree and continue to rank the sector lower than any other (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	20.1	18.9
Price-to-Cash Flow	11.1	10.6
Price-to-Sales	1.4	1.3
Price-to-Book Value	4.0	3.7
Yield* (%)	2.7	2.8

\*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

COSTCO WHOLESALE CORP	10.0%
WAL-MART STORES INC	9.6%
PROCTER & GAMBLE CO/THE	8.5%
PHILIP MORRIS INTERNATIONAL	6.4%
COCA-COLA CO/THE	6.2%
MONDELEZ INTERNATIONAL INC-A	4.6%
PEPSICO INC	4.6%
ALTRIA GROUP INC	4.4%
COLGATE-PALMOLIVE CO	4.3%
TARGET CORP	2.8%
<b>TOTAL</b>	<b>61.5%</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)	\$226,821
Large cap ( >\$10bn)	99.0%
Mid cap (\$2-10bn)	1.0%
Small cap ( <\$2bn)	0.0%

## Other fundamental data

LT growth est.	4.7%
Payout ratio	54.2%
Debt-to-equity	1.1x



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

# Energy Select Sector SPDR Fund

XLE

\$84.81

## 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)	\$26,832
Avg. daily volume (000)	24,020
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	-3.9%
Five year	22.3%
Ten year	5.3%
Since inception	8.2%

\*as of 05/31/25. See Notes.

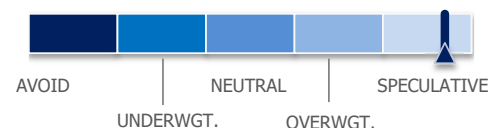
## Trading statistics

Beta vs. S&P 500	0.90
Standard deviation	25.9%

## AltaVista Recommendation

### 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.



## ALTAR Scores™

S&P 500	XLE	Cat. Avg.
5.0%	9.4%	5.8%

## Analyst's opinion

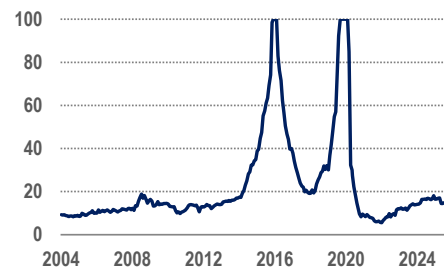
The response of oil prices to hostilities in Iran has already largely faded, though at least the slide in profit forecasts has been halted (Trend chart). We like Energy long term due to years of underinvestment and attractive valuation metrics (<6x cash flow) but the production-friendly policies of the Trump administration will likely result in greater capex in the face of lower oil prices which could put a big dent in profitability, resulting in our Speculative rating.

## Valuation metrics

	2025E	2026E
Price-to-Earnings	16.3	13.6
Price-to-Cash Flow	5.9	5.4
Price-to-Sales	1.2	1.2
Price-to-Book Value	1.9	1.8
Yield* (%)	3.6	3.7

\*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)

## Other fundamental data

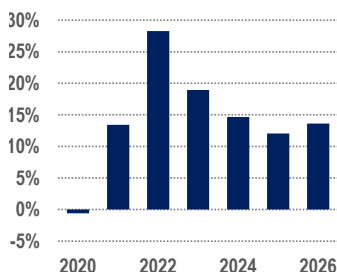
LT growth est.	18.7%
Payout ratio	58.2%
Debt-to-equity	0.5x

## Per share results & estimates

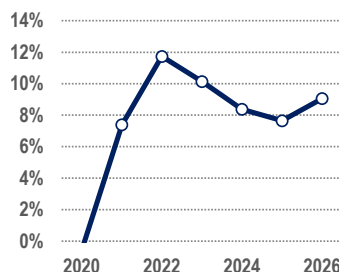
	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	35.73	56.87	85.92	72.33	71.19	68.13	69.06	13.8%
Earnings	-0.20	4.20	10.08	7.33	5.96	5.21	6.25	n/m
Book Value	29.57	33.00	38.27	39.12	42.15	44.33	47.45	8.4%
Dividends	2.20	2.29	2.96	2.88	2.93	3.03	3.13	6.6%

Sales growth	59.2%	51.1%	-15.8%	-1.6%	-4.3%	1.4%
EPS growth	-2200.0%	140.0%	-27.3%	-18.7%	-12.6%	20.0%

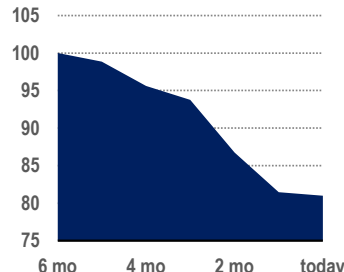
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Top 10 Holdings

EXXON MOBIL CORP	23.1%
CHEVRON CORP	14.8%
CONOCOPHILLIPS	7.2%
WILLIAMS COS INC	4.8%
EOG RESOURCES, INC.	4.5%
KINDER MORGAN INC	4.2%
MARATHON PETROLEUM	3.8%
ONEOK INC	3.8%
PHILLIPS 66	3.6%
SCHLUMBERGER LTD	3.4%
<b>TOTAL</b>	<b>73.2%</b>

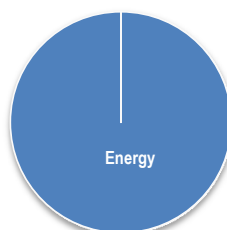
## Constituent allocation

No. of constituents	23
Weighted avg mkt cap (mns)	\$170,516
Large cap (>\$10bn)	97.9%
Mid cap (\$2-10bn)	0.5%
Small cap (<\$2bn)	1.6%

## 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



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



## Financial Select Sector SPDR Fund

XLF

\$52.37

## 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)	\$49,743
Avg. daily volume (000)	36,467
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	29.3%
Five year	19.9%
Ten year	12.3%
Since inception	6.3%

\*as of 05/31/25. See Notes.

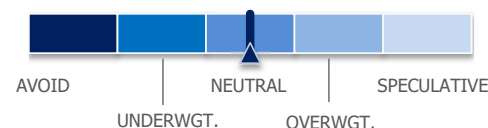
## Trading statistics

Beta vs. S&P 500	0.98
Standard deviation	20.0%

## 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.



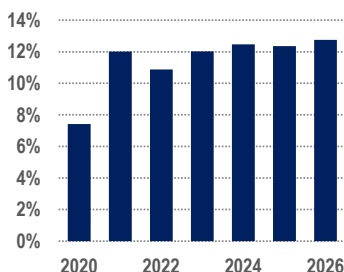
## ALTAR Scores™

S&P 500	XLF	Cat. Avg.
5.0%	5.8%	5.8%

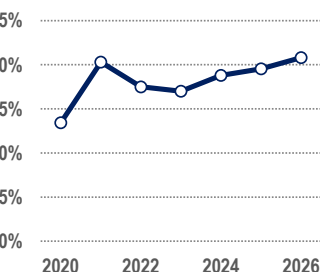
## Per share results &amp; estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	10.65	11.97	12.23	13.88	14.26	14.89	15.81	6.9%
Earnings	1.43	2.43	2.14	2.36	2.68	2.91	3.29	15.3%
Book Value	19.83	20.62	18.76	20.49	22.48	24.58	27.01	4.4%
Dividends	0.59	0.66	0.64	0.66	0.69	0.81	0.86	6.5%
Sales growth		12.4%	2.2%	13.5%	2.7%	4.4%	6.2%	
EPS growth		69.9%	-11.9%	10.3%	13.6%	8.6%	13.1%	

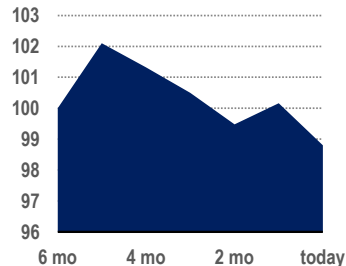
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

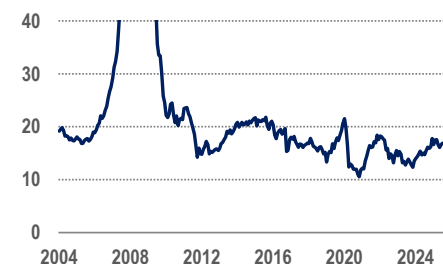
Estimate revisions have been erratic as analysts struggle to assess the outlook for interest rates, the economy and a volatile stock market, but as it stands now earnings growth is forecast to slow to single digits this year before reaccelerating in 2026. In any event valuations remain well within historical norms in terms (P/E History chart) resulting in a ranking well ahead of the S&P 500 in our value-conscious framework, though still in Neutral territory.

## Valuation metrics

	2025E	2026E
Price-to-Earnings	18.0	15.9
Price-to-Cash Flow	14.1	13.1
Price-to-Sales	3.5	3.3
Price-to-Book Value	2.1	1.9
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.	9.9%
Payout ratio	27.8%
Debt-to-equity	1.0x

## Top 10 Holdings

BERKSHIRE HATHAWAY INC-CL B	12.2%
JPMORGAN CHASE & CO	10.9%
VISA INC. CLASS A	8.2%
MASTERCARD INCORPORATED CLASS	6.1%
BANK OF AMERICA CORP	4.2%
WELLS FARGO & CO	3.5%
GOLDMAN SACHS GROUP INC	2.9%
AMERICAN EXPRESS CO	2.4%
MORGAN STANLEY	2.4%
S&P GLOBAL, INC.	2.2%
<b>TOTAL</b>	<b>55.0%</b>

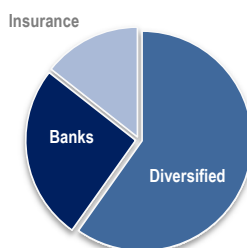
## Constituent allocation

No. of constituents	73
Weighted avg mkt cap (mns)	\$375,455
Large cap ( >\$10bn)	99.7%
Mid cap (\$2-10bn)	0.3%
Small cap (<\$2bn)	0.0%

## 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



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

# Health Care Select Sector SPDR Fund

XLV

\$134.79

## 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)	\$34,347
Avg. daily volume (000)	12,355
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	-6.0%
Five year	7.8%
Ten year	7.9%
Since inception	8.6%

\*as of 05/31/25. See Notes.

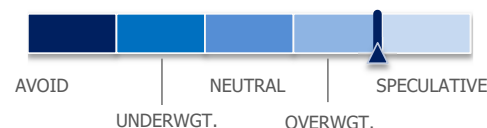
## Trading statistics

Beta vs. S&P 500	0.52
Standard deviation	14.0%

## 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.



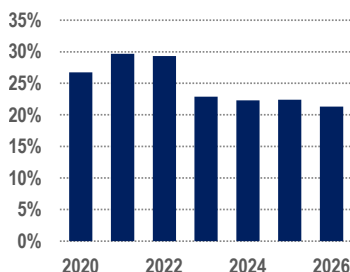
## ALTAR Scores™

S&P 500	XLV	Cat. Avg.
5.0%	7.7%	5.8%

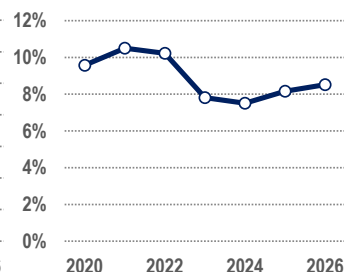
## Per share results & estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	64.12	73.09	80.28	83.49	91.45	98.17	103.91	8.9%
Earnings	6.14	7.68	8.21	6.52	6.87	8.01	8.85	5.5%
Book Value	24.21	27.52	28.43	28.57	33.04	38.46	44.61	9.7%
Dividends	1.81	2.03	2.15	2.35	2.40	2.59	2.70	7.4%
Sales growth		14.0%	9.8%	4.0%	9.5%	7.3%	5.8%	
EPS growth		25.1%	6.9%	-20.6%	5.4%	16.6%	10.5%	

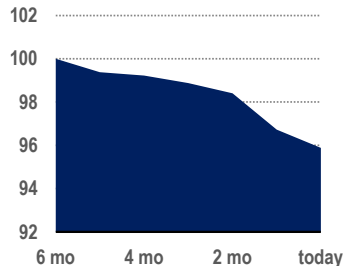
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Estimates continue to fall at an uncharacteristically brisk pace for Health Care (see Trend chart) and as a result earnings for this year are likely to fall short of their vaccine-related peak of 2022. But as the worst performing sector over the past year, valuations are at their lowest point in about 3.5 years (see P/E History chart) resulting in our Overweight recommendation. Sell-side sentiment however recently dipped to just below market-neutral.

## Valuation metrics

	2025E	2026E
Price-to-Earnings	16.8	15.2
Price-to-Cash Flow	11.3	10.4
Price-to-Sales	1.4	1.3
Price-to-Book Value	3.5	3.0
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

ELI LILLY & CO	12.5%
JOHNSON & JOHNSON	7.5%
ABBVIE INC	6.6%
UNITEDHEALTH GROUP INC	5.8%
ABBOTT LABORATORIES	4.8%
MERCK & CO. INC.	4.1%
INTUITIVE SURGICAL INC	3.9%
BOSTON SCIENTIFIC CORP	3.2%
THERMO FISHER SCIENTIFIC INC	3.2%
AMGEN INC	3.1%
<b>TOTAL</b>	<b>54.7%</b>

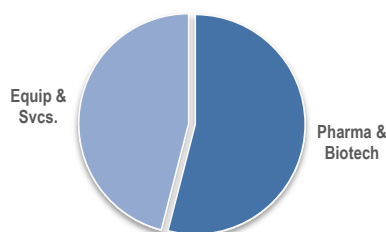
## Constituent allocation

No. of constituents	60
Weighted avg mkt cap (mns)	\$226,587
Large cap ( >\$10bn)	99.3%
Mid cap (\$2-10bn)	0.5%
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.	7.6%
Payout ratio	32.3%
Debt-to-equity	0.8x



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

## Industrial Select Sector SPDR Fund

XLI

\$147.52

## 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.secterspdr.com/performance](http://www.secterspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	State Street Global Advisors
Inception date	December 16, 1998
Fund assets (mns)	\$21,962
Avg. daily volume (000)	12,572
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	22.8%
Five year	18.3%
Ten year	12.6%
Since inception	9.7%

\*as of 05/31/25. See Notes.

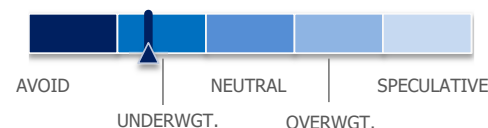
## Trading statistics

Beta vs. S&P 500	1.07
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.



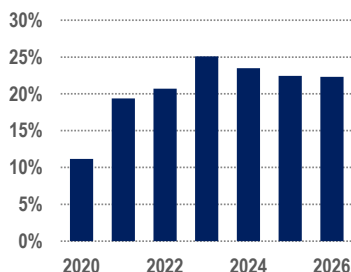
## ALTAR Scores™

S&P 500	XLI	Cat. Avg.
5.0%	4.4%	5.8%

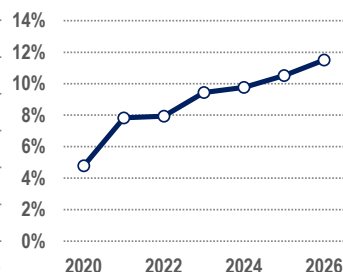
## Per share results &amp; estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	40.14	45.59	50.64	52.86	52.55	54.20	57.62	6.2%
Earnings	1.92	3.57	4.02	4.99	5.13	5.70	6.63	24.3%
Book Value	17.53	19.33	19.54	20.23	23.48	27.33	32.13	9.3%
Dividends	2.21	1.44	1.71	1.80	1.88	1.85	1.83	n/m
Sales growth		13.6%	11.1%	4.4%	-0.6%	3.1%	6.3%	
EPS growth		85.9%	12.6%	24.1%	2.8%	11.1%	16.3%	

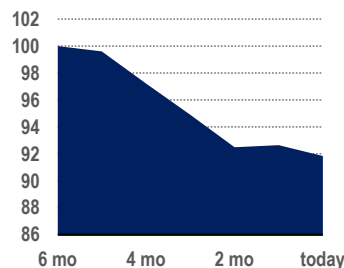
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

This export-oriented sector has a lot riding on the outcome of tariff negotiations, but the reprieve two months ago at least arrested the fall in earnings estimates (Trend chart). In any case P/E multiples remain elevated historically speaking (excluding the COVID earnings collapse) and the rising margins implied by consensus forecasts for this year and next strikes us as optimistic, resulting in our Underweight recommendation. Sell-side analysts concur (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	25.9	22.3
Price-to-Cash Flow	14.6	13.2
Price-to-Sales	2.7	2.6
Price-to-Book Value	5.4	4.6
Yield* (%)	1.3	1.2

\*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

GE AEROSPACE	6.0%
RTX CORP	4.3%
UBER TECHNOLOGIES, INC.	4.3%
CATERPILLAR INC	4.0%
BOEING CO	3.6%
HONEYWELL INTERNATIONAL INC	3.3%
GE VERONA	3.2%
UNION PACIFIC CORP	3.1%
EATON CORP PLC	3.1%
DEERE & CO	2.9%
<b>TOTAL</b>	<b>37.7%</b>

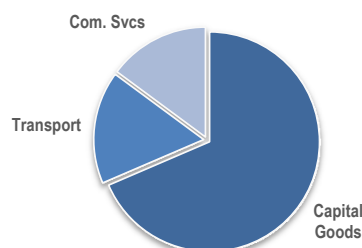
## Constituent allocation

No. of constituents	78
Weighted avg mkt cap (mns)	\$102,135
Large cap ( >\$10bn)	96.7%
Mid cap (\$2-10bn)	0.6%
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



## Other fundamental data

LT growth est.	6.3%
Payout ratio	32.5%
Debt-to-equity	1.3x



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

# Materials Select Sector SPDR Fund

**XLB**
**\$87.81**

## 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)	\$5,323
Avg. daily volume (000)	5,436
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	1.4%
Five year	11.5%
Ten year	8.3%
Since inception	8.6%

\*as of 05/31/25. See Notes.

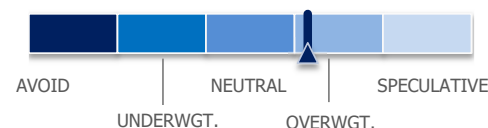
## Trading statistics

Beta vs. S&P 500	1.07
Standard deviation	21.3%

## 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.



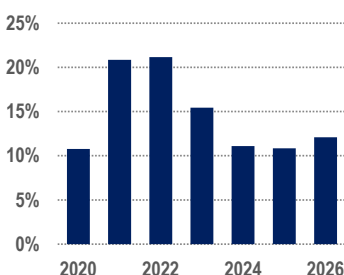
## ALTAR Scores™

S&P 500	<b>XLB</b>	Cat. Avg.
5.0%	6.5%	5.8%

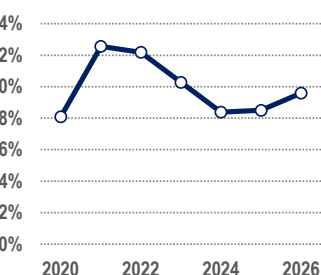
## Per share results & estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	35.83	47.21	52.68	46.91	43.07	43.77	46.07	4.1%
Earnings	2.90	5.93	6.42	4.82	3.61	3.72	4.42	5.1%
Book Value	26.88	29.98	30.69	31.74	33.39	35.26	37.90	5.6%
Dividends	1.57	1.73	2.04	1.91	1.96	1.85	1.78	3.3%
Sales growth		31.8%	11.6%	-11.0%	-8.2%	1.6%	5.3%	
EPS growth		104.5%	8.3%	-24.9%	-25.1%	3.0%	18.8%	

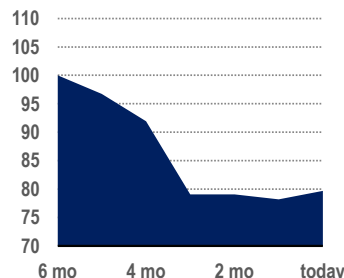
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Estimate revisions have stabilized over the past three months (Trend chart) despite the cloudy outlook amid trade disruptions and fluctuating commodity prices. Nonetheless valuations have eased and we rate the sector well ahead of the S&P 500, but that partly reflects profitability--ROE and margins--from the pandemic-fueled boom years of 2021-22 which may not be repeatable. Sell-side analysts meanwhile rate Materials below the S&P 500 (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	23.6	19.9
Price-to-Cash Flow	10.4	9.2
Price-to-Sales	2.0	1.9
Price-to-Book Value	2.5	2.3
Yield* (%)	2.1	2.0

\*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.	4.4%
Payout ratio	49.7%
Debt-to-equity	0.6x

## Top 10 Holdings

LINDE PLC	16.3%
SHERWIN-WILLIAMS CO/THE	6.0%
ECOLAB INC	5.0%
FREEMONT-MCMORAN COPPER	4.8%
NEWMONT MINING CORP	4.8%
AIR PRODUCTS & CHEMICALS INC	4.7%
CORTEVA INC	4.6%
MARTIN MARIETTA MATERIALS	4.5%
VULCAN MATERIALS CO	4.5%
NUCOR CORP	4.3%
<b>TOTAL</b>	<b>59.5%</b>

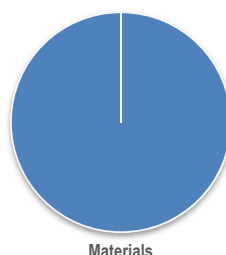
## Constituent allocation

No. of constituents	26
Weighted avg mkt cap (mns)	\$67,196
Large cap ( >\$10bn)	98.8%
Mid cap (\$2-10bn)	1.2%
Small cap (<\$2bn)	0.0%

## 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



Materials



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

## Real Estate Select Sector SPDR Fund

XLRE

\$41.42

## 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.secterspdr.com/performance](http://www.secterspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	State Street Global Advisors
Inception date	October 7, 2015
Fund assets (mns)	\$7,402
Avg. daily volume (000)	6,081
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	11.5%
Five year	7.1%
Ten year	n/a
Since inception	n/a

\*as of 05/31/25. See Notes.

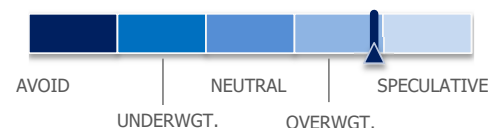
## Trading statistics

Beta vs. S&P 500	1.03
Standard deviation	20.8%

## 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.



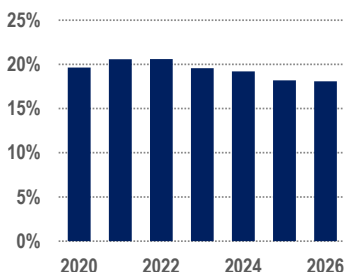
## ALTAR Scores™

S&P 500	XLRE	Cat. Avg.
5.0%	7.5%	5.8%

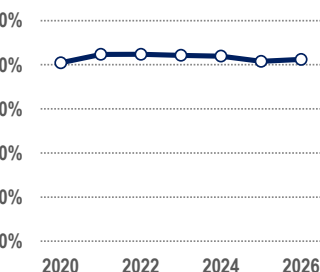
## Per share results &amp; estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	4.15	4.72	5.45	5.81	6.24	6.62	7.06	9.8%
Earnings	1.68	2.00	2.31	2.45	2.62	2.70	2.91	10.0%
Book Value	9.01	10.43	12.01	13.03	14.26	15.43	16.78	11.4%
Dividends	1.16	1.13	1.35	1.36	1.39	1.53	1.56	5.7%
Sales growth		13.7%	15.5%	6.6%	7.4%	6.1%	6.6%	
EPS growth		19.0%	15.5%	6.1%	6.9%	3.1%	7.8%	

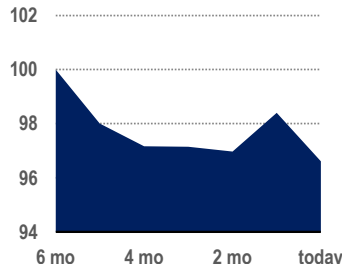
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

XLRE is dominated by tech and mobile infrastructure plays more so than troubled commercial real estate. We rate the sector Overweight in view of its stable cash flows, relatively rich yields and attractive valuation multiples, especially in view of the sector's own history (see P/E chart below). However the consensus outlook among analysts is market-neutral (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	15.3	14.2
Price-to-Cash Flow	14.0	13.0
Price-to-Sales	6.3	5.9
Price-to-Book Value	2.7	2.5
Yield* (%)	3.7	3.8

\*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 FFO (max value of 100)

## Top 10 Holdings

AMERICAN TOWER CORP-CL A	9.5%
PROLOGIS INC	9.1%
WELLTOWER, INC.	8.8%
EQUINIX INC	7.2%
DIGITAL REALTY TRUST INC	5.1%
REALTY INCOME CORP	4.8%
SIMON PROPERTY GROUP INC	4.6%
PUBLIC STORAGE	4.3%
CROWN CASTLE INTL CORP	4.1%
CBRE GROUP, INC. CLASS A	3.8%
<b>TOTAL</b>	<b>61.3%</b>

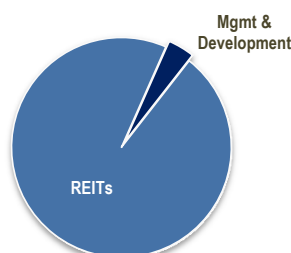
## Constituent allocation

No. of constituents	31
Weighted avg mkt cap (mns)	\$55,853
Large cap ( >\$10bn)	99.3%
Mid cap (\$2-10bn)	0.7%
Small cap ( <\$2bn)	0.0%

## 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



## Other fundamental data

LT growth est.	8.0%
Payout ratio	56.7%
Debt-to-equity	1.0x



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



# Technology Select Sector SPDR Fund

XLK

\$253.23

## 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.secterspdr.com/performance](http://www.secterspdr.com/performance).

## Fund basics

AltaVista Category	US
Fund sponsor	State Street Global Advisors
Inception date	December 16, 1998
Fund assets (mns)	\$79,794
Avg. daily volume (000)	5,873
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	12.7%
Five year	20.3%
Ten year	21.3%
Since inception	9.9%

\*as of 05/31/25. See Notes.

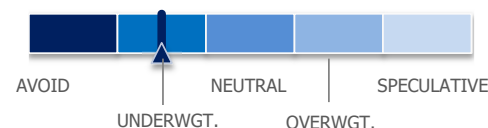
## Trading statistics

Beta vs. S&P 500	1.21
Standard deviation	22.5%

## 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	XLK	Cat. Avg.
5.0%	4.5%	5.8%

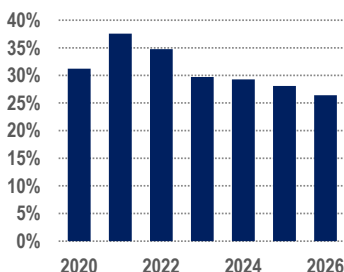
## Analyst's opinion

Tech stocks went on a wild ride in the first half, entering a bear market on trade turmoil before rebounding by nearly 50% to reach new highs. As a result, valuations are also back near their highs for the last 20 years (see P/E chart), resulting in our Underweight recommendation. But sell-side analysts disagree, ranking Tech higher than all other sectors, as the outlook for earnings growth remains robust.

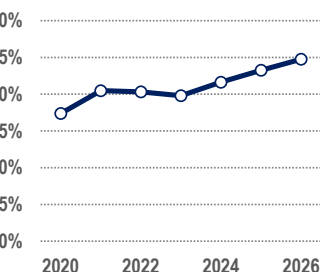
## Per share results & estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	24.23	28.18	30.81	30.52	32.50	36.04	39.55	8.3%
Earnings	4.21	5.77	6.26	6.04	7.03	8.38	9.79	14.8%
Book Value	13.95	16.76	19.23	21.43	26.59	33.10	41.03	18.9%
Dividends	1.91	1.52	1.81	1.96	1.87	1.87	1.86	n/m
Sales growth		16.3%	9.3%	-0.9%	6.5%	10.9%	9.7%	
EPS growth		37.1%	8.5%	-3.5%	16.4%	19.2%	16.8%	

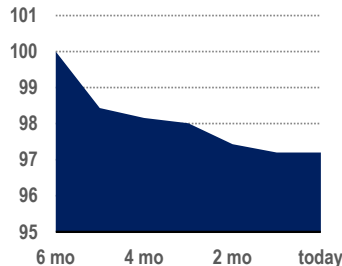
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Valuation metrics

	2025E	2026E
Price-to-Earnings	30.2	25.9
Price-to-Cash Flow	20.3	17.8
Price-to-Sales	7.0	6.4
Price-to-Book Value	7.7	6.2
Yield* (%)	0.7	0.7

\*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)

## Other fundamental data

LT growth est.	11.8%
Payout ratio	22.3%
Debt-to-equity	0.6x

## Top 10 Holdings

NVIDIA CORP	14.8%
MICROSOFT CORP	14.2%
APPLE INC	11.6%
BROADCOM INC.	4.9%
ORACLE CORP	3.4%
PALANTIR TECHNOLOGIES INC. CLAS	2.8%
CISCO SYSTEMS INC	2.7%
INTL BUSINESS MACHINES CORP	2.7%
SALESFORCE.COM INC	2.6%
ADVANCED MICRO DEVICES	2.3%
<b>TOTAL</b>	<b>62.2%</b>

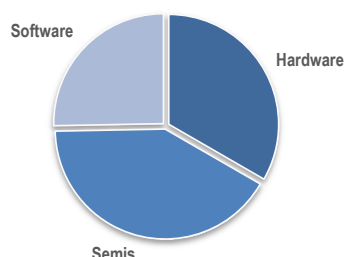
## Constituent allocation

No. of constituents	69
Weighted avg mkt cap (mns)	\$1,471,920
Large cap ( >\$10bn)	99.8%
Mid cap (\$2-10bn)	0.2%
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



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

# Utilities Select Sector SPDR Fund

XLU

\$81.66

## 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)	\$19,000
Avg. daily volume (000)	12,251
Expense ratio (bp)	8
Distributions	Quarterly
Options availability	YES

## Total returns (price)\*

One year	23.4%
Five year	11.1%
Ten year	10.5%
Since inception	8.0%

\*as of 05/31/25. See Notes.

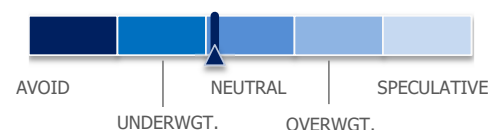
## Trading statistics

Beta vs. S&P 500	0.62
Standard deviation	16.7%

## 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.

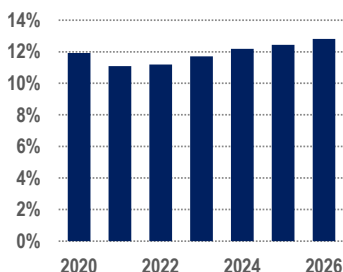


S&P 500	ALTAR Scores™ XLU	Cat. Avg.
5.0%	5.3%	5.8%

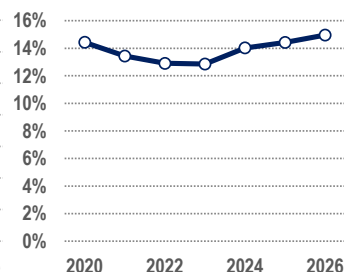
## Per share results & estimates

	2020	2021	2022	2023	2024	2025E	2026E	20-25E CAGR
Sales	23.63	25.00	27.04	29.24	29.37	30.64	32.02	5.3%
Earnings	3.41	3.36	3.49	3.76	4.12	4.42	4.79	5.3%
Book Value	29.53	31.10	31.30	32.92	34.65	36.38	38.37	4.3%
Dividends	2.21	2.24	2.19	2.24	2.39	2.69	2.80	4.0%
Sales growth		5.8%	8.2%	8.1%	0.4%	4.3%	4.5%	
EPS growth		-1.5%	3.9%	7.7%	9.6%	7.3%	8.4%	

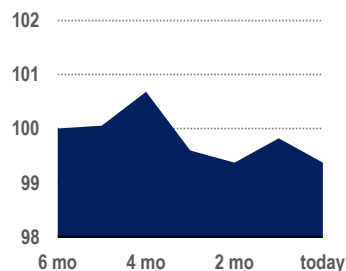
## Return on Equity



## Net margins



## Trend in Current FY Est.



## Analyst's opinion

Utilities investors cheered rate cuts through most of last year, but seem to be reevaluating that stance this year in light of the uncertain outlook. As a result valuation multiples have eased a bit (P/E History chart) while yields have recovered. Our value-conscious ratings framework rates the sector slightly ahead of the S&P 500, but sell-side analysts rank it their 2nd least-favorite, after Consumer Staples (see Sentiment page).

## Valuation metrics

	2025E	2026E
Price-to-Earnings	18.5	17.0
Price-to-Cash Flow	6.8	6.2
Price-to-Sales	2.7	2.6
Price-to-Book Value	2.2	2.1
Yield* (%)	3.3	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)

## Other fundamental data

LT growth est.	4.1%
Payout ratio	60.9%
Debt-to-equity	1.7x

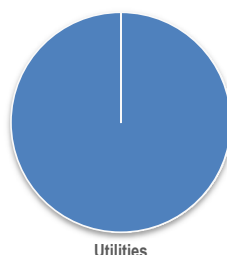
## Top 10 Holdings

NEXTERA ENERGY GROUP	11.6%
CONSTELLATION ENERGY CORPORAT	8.0%
SOUTHERN CO	8.0%
DUKE ENERGY CORP	7.2%
VISTRA ENERGY CORP.	5.3%
AMERICAN ELECTRIC POWER	4.4%
SEMPRA ENERGY	3.9%
DOMINION RESOURCES INC/VA	3.8%
EXELON CORP	3.5%
PUBLIC SERVICE ENTERPRISE GP	3.3%
<b>TOTAL</b>	<b>59.0%</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



Utilities

## Constituent allocation

No. of constituents	31
Weighted avg mkt cap (mns)	\$62,409
Large cap (>\$10bn)	99.3%
Mid cap (\$2-10bn)	0.7%
Small cap (<\$2bn)	0.0%



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



# Disclosures

## Limitations on Usage

This report is provided by AltaVista Research, LLC ("AltaVista") for informational purposes only, and is for distribution only as permitted by applicable law. Any opinions expressed herein are solely those of AltaVista and make no allowances for any specific investment objectives. As such, they do not constitute a recommendation with respect to the investment merits of any security or index mentioned herein. Nothing in this report should be construed as an offer or solicitation of an offer to purchase any securities. Prices and valuation data change with market conditions and investors should be aware that this material could be substantially out of date when distributed. This report may not be reproduced or redistributed, in whole or in part, without the express written consent of AltaVista.

## Data Definitions & Reliability

AltaVista believes the information contained in this report to be reasonably accurate at the time of publication, but makes no warranties with respect to its accuracy. Calculations of fundamental data are based on a weighted average of consensus estimates and reported results for current index constituents. As a result, historical figures for fundamental data such as dividends per share may not reflect those actually paid by firms in the index. To the extent that index reconstitution and rebalancing have altered index composition, these differences may be significant. Definitions for some commonly used financial terms are as follows:

**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.

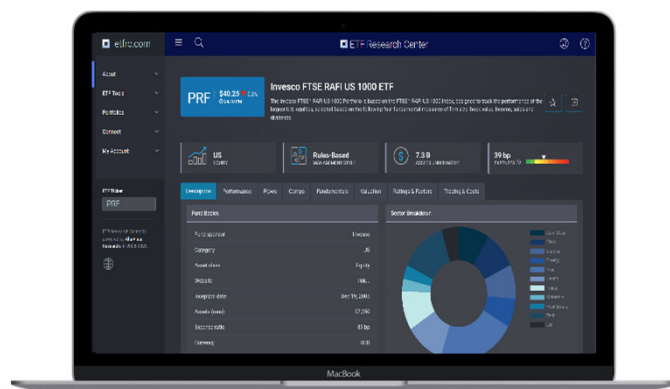
**Price-to-Earnings, -Cash Flow, -Sales and -Book Value:** Valuation multiples derived by dividing the index price by the per-share figures for earnings, cash flow, sales and book value, respectively, as per the 'per share results & estimates' for each index.

**Additional information is available upon request.**



## *The ETF research portal built for investors and advisors:*

- ✓ Detailed, fundamentally-driven analysis covering more than 2,300 U.S. & Canadian ETFs
- ✓ Screen funds on important, forward-looking investment criteria
- ✓ Generate trade and investment ideas
- ✓ Build and monitor all-ETF portfolios with the Portfolio Builder tool
- ✓ Sign up for a free trial at [www.etfrc.com](http://www.etfrc.com)



### **Disclaimer:**

Trading in securities is not appropriate for all persons, as the risk of loss is substantial. Speak to your financial advisor to see if it is appropriate for you.

The information and opinions herein are for general information use only and are based on data obtained from recognized statistical services and other sources believed to be reliable. However, such information has not been verified by AltaVista Research, LLC ("AltaVista"), and we do not make any representations as to its accuracy or completeness. AltaVista does not assume any liability for any loss that may result from the reliance by any person upon any information or opinions it provides. Any statements which are non-factual in nature constitute only current opinions and are subject to change without notice.

Officers and directors of AltaVista (or one of its affiliates) may have positions in securities referred to herein and may sell any security mentioned herein. AltaVista may from time to time, issue reports based on fundamentals, such as expected trends, as well as reports based on technical factors, such as price and volume movements. Since such reports rely upon different criteria, there may be instances when their conclusions are not in concert.

Neither the information contained in this newsletter or on the [altavista-research.com](http://altavista-research.com) website, nor any opinion expressed herein is intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice.

Copyright © 2025 AltaVista Research, LLC. No part of this newsletter may be reproduced, stored in a retrieval system, used in an electronic word processing program nor a spreadsheet, or transmitted in any form or by any means electronic, mechanical, photocopying, recording, or otherwise without the express prior written consent of AltaVista Research, LLC.

THE PAST PERFORMANCE OF A MUTUAL FUND, STOCK, OR INVESTMENT STRATEGY CANNOT GUARANTEE ITS FUTURE PERFORMANCE. IF YOU HAVE ANY QUESTIONS ABOUT THIS RESEARCH, PLEASE CONTACT YOUR PROFESSIONAL FINANCIAL ADVISOR.